LULEÅ UNIVERSITY OF TECHNOLOGY

2004:124 CIV

MASTER'S THESIS

Customer Relationship Management

How a CRM system can be used in the sales process

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2004:124 CIV • ISSN: 1402 - 1617 • ISRN: LTU - EX - - 04/124 - - SE

Preface

This master thesis concludes my studies for a master's of science degree in Industrial Management and Engineering at Luleå University of Technology. The thesis was carried out at Jeeves Information Systems AB, situated in Stockholm, during the period of January to October 2003.

First of all, I would like to thank the people at Jeeves Information Systems for giving me the opportunity to make this research and for helping me in one way or another to complete this thesis. I'm particularly grateful for practical advice and guidance from Lars Hellberg, who has been my supervisor.

Furthermore, I would like to thank my supervisor Håkan Perzon, assistant professor at the division of Industrial Marketing at Luleå University of Technology. He has provided useful comments along the way and he has also been a good source of motivation.

My gratitude also goes to the respondents at the case companies who took their time to provide valuable information. Without their cooperation this thesis would not have been possible.

Stockholm, October 2003

Petra Persson

Abstract

The conditions for doing business are rapidly changing. Consumptions patterns are different, there are new technologies for distributing and collecting information, and the competition on the market is increasing domestically as well as globally. In order for companies to survive and grow they must find new ways of thinking, which has led to that new approaches has emerged in marketing research. First, Relationship Marketing appeared and now Customer Relationship Management, CRM, is in the center of interest. CRM highlights the importance of using Information Technology in creating, maintaining and enhancing customer relationships. However, there is a need to develop a better understanding of CRM and of how companies can use IT, a CRM system. Thereby, the purpose of this study is to describe CRM and the realization of CRM in companies by using a CRM system. The research in this study can be considered as both exploratory and descriptive, but mainly explorative. Three case studies has been conducted, where both secondary and primary data were used. The analysis is based on the empirical findings, as well as on the theoretical frame work for this study.

The analysis show that the goal with CRM is to maximize company profits by maximizing the value of interaction with the customers. In order to do this, companies need a business strategy that focuses on the customers and that generates a process-oriented view of the organization. The business processes needs to be supported by a CRM system, comprising CRM functionality, that makes it possible to create a single view of the customer as well as of the company. The CRM system also facilitates collection and analysis of customer data, which results in more effectively managed customer interactions. The analysis also show that the stage in the CRM development process affects a company's view on CRM.

Furthermore, the analysis show that companies have a need for CRM functionality to support the Marketing, Sales, Order, Production, and Service Process. CRM functionality can be divided into three main categories, which are Marketing Automation, Sales Force Automation, and Customer Service & Support. Where each category comprises a number of different functional groups. The fact that companies are operating within the service or production industry doesn't seem to imply that the need for CRM functionality differ noticeably. However, there are several other aspects that seem to have an influence on the needs, such as the stage in the CRM development process, and the process-orientation of the organizations.

In order to describe how companies can use a CRM system, this thesis includes a description of how CRM functionality can be used at different steps in the sales process. Certain functionality is generally applicable and can be used at many different steps in the sales process, while some functions can be connected to a specific step. The analysis show that the functionality included in the three main functional categories are used in all phases in the sales process. For example. Customer Service & Support functionality isn't only needed for service activities, the results from measuring customer satisfaction can also be useful when deciding who to target in a campaign. Consequently, the connection between CRM functionality and the sales process gives a complete view on how a CRM system can be used.

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1 General Problem Area

The purpose with the first chapter is to present the problem area. Initially, an introduction, and a background is provided in order to motivate the importance of the subject. Next, the problem discussion is included, which will result in a formulation of the research problem. Finally, a disposition of this study will be provided and a brief presentation of the assigner company for this thesis.

1.1 Introduction

Today's conditions for doing business are changing rapidly. There are some aspects that are of great importance for the new situation that companies are facing. First of all the lifestyle of people are changing and consequently the patterns of consumption. Nowadays more women are working, the number of elderly people is increasing and often nuclear families are broken up, which implies more single homes. The changes in society has also led to that the needs of the customers are increasingly sophisticated. (Grönroos, 1993) This is confirmed by Stone (2000) who states that customers desire to be served in a personal manner with direct communication. Mr Grönroos (1993) explains it with the trend in our society to focus on the individual. Each customer would often like unique solutions where their individual needs are taken into account.

Another change is due to the rapid development of technology. New technologies for distributing and collecting information have affected both companies and customers. Customers are continuously informed through different communication medias. Sometimes they are drowning in too much information from different companies but on the hole the customer knowledge is increased substantially. As the knowledge increases the customers discover new options, thus the customer fidelity is decreased. With new communication medias companies can change their way of marketing as well as the possibility of gathering customer data is improved. (Ibid)

Finally, the competition on the market is increasing domestically as well as globally. In order to reach success, companies must find new long-term competitive advantages. It is not enough to rely on advanced technology and high quality, because soon your competitors will have reached the same level. The solutions must be tailored after the customers' specific needs and wants, with the purpose to increase the customers' experienced value of the product or service. All these changes imply that there is an increasing need for new ways of thinking within this area. (Ibid)

This diverse and uncertain environment has forced companies to restructure themselves in order to increase their chances to survive and grow. (Zineldin, 1998) This has led to that new approaches have emerged in the marketing research. One approach is relationship marketing, which has attracted considerable interest from both marketing academics and practitioners. (Grönroos, 1993)

Relationship Marketing

The concept of relationship marketing has emerged within the fields of service marketing and industrial marketing. From the start service companies based their

marketing on the marketing mix paradigm. The marketing mix, which consists of the 4Ps (product, price, place and promotion), has dominated the marketing research since Neil Borden introduced it in the 1950s. The concept emerges from the idea of the marketer as a "mixer of ingredients", who mixes the four Ps in a way that makes the offers competitive. However, within the field of services the marketing mix showed to have several disadvantages. This was made clear since the characteristics of services differ noticeably from the characteristics of commodities. Often services are intangible and consequently hard to demonstrate and it's therefore difficult to estimate their value. In addition they normally require some kind of interaction between the seller and the customer during the production of the service. These new conditions implied that the four Ps were too limited and primly suitable for situations involving consumer packed goods aimed at huge mass markets. Thereby, new theories and ways of thinking concerning marketing has evolved. According to Grönroos (1994) a paradigm shift is clearly under way, where the marketing mix paradigm will loose its position.

Fundamental Values of Relationship Marketing

According to Gummesson (2002) there are four fundamental values of Relationship Marketing. Firstly, marketing management should be broadened into marketing-oriented company management. This means that there must be a marketing orientation of the whole company; marketing should not be an activity of a specialized department. Secondly, Relationship Marketing emphasizes on long-term collaboration and win-win attitude. A company should view their suppliers, customers and other parties as partners, where the goal is to create a mutual value. The relationship must be meaningful for all those involved, with the purpose of retaining long-term relationships with existing parties. Another fundamental value of Relationship Marketing is that all parties should be active and take responsibility. The relationship should be interactive, where e.g. the customer can initiate innovation or improvements of the product or service. Finally, Gummesson (2002) states that the customers should be viewed as individuals rather than masses; a source of revenue rather than a cost, and the supplier's task is to create value for the customer, not to win over the customer.

Definition of Relationship Marketing

The precise meaning of relationship marketing is not always clear in the literature and the attempts to define it have been many and varied. A rather comprehensive definition is offered by Grönroos (1994), where relationship marketing is defined as "*to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfillment of promises*".

1.2 Background

As stated above the rapid and radical changes resulted in a focus on relationship marketing. Now, the importance of information technology (IT) in creating, maintaining and enhancing business relationships should be stressed. The knowledge explosion in technology has had a large impact on the development of marketing and management. This trend is confirmed by Zindelin (1998), who states that relationship marketing will not be established without IT-based relationships using advanced technical tools. Companies must learn and adapt to changing technology if they would

like to stay successful in the future. Throughout history the marketplace has never been static; hence, there has always been a must to respond to changes in order to survive.

Customer Relationship Management

One of the most current IT topics is customer relationship management (CRM). (Bose, 2002) The goal with CRM is, according to Xu (2002), to improve a customer's experienced value of how they interact with companies, which will, with a bit of luck, create satisfaction, which in turn builds loyalty, which, ideally, yields more sales. The value of interaction will be improved by increasing companies' capacity to understand a customer's specific needs. (Xu, 2002) With CRM it involves acquisition, analysis and use of knowledge about the customer in order to better understand their needs and wishes. The term customer is in fact a broad definition that includes vendors, channel partners or anyone who needs information from the company. (Bose, 2002)

Consequently, by using customer information wisely to deliver what the customer needs, companies will create long-term, collaborative relationships with the customers. This will bring many advantages since long-term customers are less costly to serve and smooth-running relationships are less resource intensive. (Crosby, 2002)

CRM emerged for the reason that customer differ in their preferences and purchasing habits. Understandably, if the customers' needs and wishes were identical, there would be little use of CRM. Companies could continue to use mass marketing and mass communication without any risk of failure. (Bose, 2002, referrers to McKim and Huges) Actually, customized marketing has been a reality for a long time, realized by niche firms positioning towards certain customers. However, it's only recent that mass customization of product and services has been a realistic objective. The enabling factor is of course IT.

IT affects business activities in many different ways. Primarily, it can facilitate communication, information sharing and collaboration processes with customers and within a company or network. This is an important factor since, independent of marketing approach; companies cannot operate effectively unless they have the capability to communicate rapidly, accurately and over a great distance. The communication also needs to be two-way, integrated, recorded, and managed. (Zindelin, 1998).

<u>Definitions of CRM</u>

Several researchers have made attempts to define CRM. Here follows some of the definitions, which hopefully will give better understanding of what CRM is all about.

Bose (2002) states that, "*at the core, CRM involves the integration of technology and business processes used to satisfy the needs of a customer*". Mr Bose continues by giving an explanation in IT terms, where CRM is defined as "*an enterprise wide integration of technologies and functions such as data warehouse, Web sites, intranet/extranet, telephone support system, accounting, sales, marketing and production*".

Xu (2002) also gives several definitions of CRM; where the definitions both focuses at CRM as an all-embracing approach and CRM as an IT term. He states that, "*basically, CRM is an idea regarding how a company can keep their most profitable customers by increasing the value of interaction. The value is maximized through differentiation of the management of customer relationships*". Another definition provided by Mr Xu is formulated as follows, "*basically, CRM is a notion regarding how an organization can keep their most important customers and at the same time reduce costs, increase the values of interaction to consequently maximize the profits*". According to Xu, CRM can also be defined as "*an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way*" or be defined as "*an all-embracing approach, which seamlessly integrates sales, customer service, marketing, field support and other functions that touch customers"*

According to Swift (2001), CRM can be defined as "*an enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability"*. The word "enterprise" in the definition above is of great importance since CRM is an approach that must be integrated into everything a company does and must involve the entire company. (Swift,2001)

CRM failures

The industries that first tried to use CRM technologies were primarily direct marketing firms, users of large sales forces or a combination of the two. However, the number of failures when trying to integrate IT and marketing functions has been numerous. In the 1980s, when the IT drive started, the proceedings were intuitive, rushed and, unfortunately, generally badly planned. Thus, it resulted in many failures. Often companies made poor choices regarding CRM technology because the users' needs were not really understood, resulting in poor system performance. Another problem was to convince the users that the technology would bring many advantages. Furthermore, companies often had no clear focus and therefore tried to cover all requirements, with the consequence that only few requirements were met completely. A company investing in developing a large customer database that costs much more than the likely benefits or remains unused after implemented was the most common failure. (Stone, 2000)

Today, companies invest a lot in CRM systems, however many of these hardware/software systems still fail to meet management expectations on return on investment. One reason is that companies apply the technology with the absence of a holistic and coherent business strategy focused on the customer. CRM technology is basically an enabler. Along with people and processes, IT needs to be aligned with business goals and strategies for establishing long-term, collaborative relationships with customers. (Crosby, 2002) Stone (2000) also claims the importance of CRM technologies to be implemented in order to support business projects aimed at improving customer management rather than being a technical experiment.

Consequently, CRM must begin with a business strategy, which drives the organization and the business processes, that in turn are enabled by using Information Technology, figure 1.

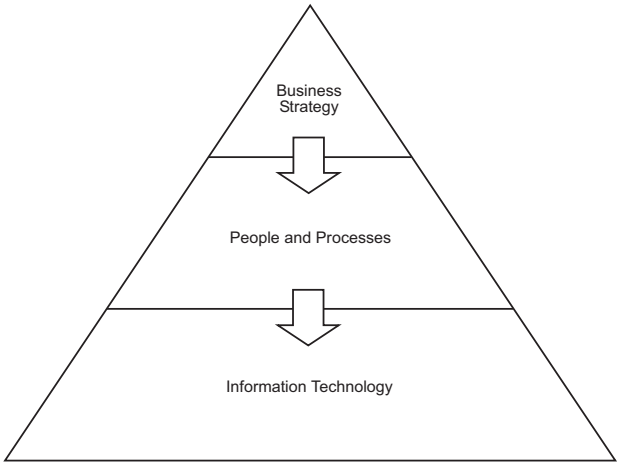


Figure 1: CRM Evolvement (Greenberg, 2001)

Another reason to why companies still have difficulties in using CRM technology is to slow and cumbersome business processes. Many companies still are very "command and control" oriented, which means controlling the customers impact on the organization rather than aiming to give better service to the customers. (Stone, 2000)

Nevertheless, some companies are well on the way to find out how to use technology in a successful manner. There has been great improvement regarding usage of CRM technology at the customer interaction points. Companies are better at providing customers with the data they need, such as information about an offer or their previous or current transactions. Companies are also better at collecting data about the customers. Unfortunately, companies often have difficulties in using the data in order to make customer management improvements. One reason can be the tendency of overcomplicating the issue, from both system and process perspective. This involves processes that are to long and systems that are too specified. (Stone, 2000)

1.3 Problem Discussion

The fact that our world is rapidly changing and the competition for each customer is intense is one thing that is for certain. Companies are becoming frustrated by competing with only minor advantages that are easily copied by the competitors. CRM is an opportunity to rise above minor advantages by developing actual relationships with the customers. (Bose, 2002) According to Bose (2002) companies that are the most successful at delivering what each customer wants are the most likely to be the leaders of tomorrow.

However, the reasoning in the section above show that CRM implementations often fail. Approximately, only one third of implemented systems are seen to have met expectations. (Corner, 2002) The reason to many failures is that the companies are not adapted to the CRM approach. They are going through motions they call "CRM", when it is obvious that they don't even know what a relationship is and without realizing that careful considerations are necessary. In order to avoid that companies continues failing there is a need to increase the knowledge about what CRM is all about. Management needs a clear picture of what the strategy involve and the success requirements. (Crosby, 2002)

It's also apparent that there is a need for IT, a CRM system, to support the realization of CRM. It is certain that company success is the result of the symbiosis of technology and marketing. Marketers and managers must be aware of that making inappropriate decisions about the technological dimension may affect their ability to compete in the market. (Zineldin, 1998) Implementing a CRM system that doesn't meet the business goals or isn't accepted by the users may cause great problems for companies and simply cause escalating costs, instead of leading to improvements in customer management. (Xu, 2002) There are companies that install complex CRM systems just because it's the most advanced technology and because they think they have got to have it since their competitors have that. (Xu, 2002) Consequently, the problem on how to integrate IT in building marketing relationships has yet not been solved in a comprehensive and satisfactory way. (Greenberg , 2001).

Therefore it is of great significance, both for academic research and for practitioners to develop a better understanding of CRM and how companies can use a CRM system when applying CRM.

Based on the discussion above, the research problem can be formulated as:

The research problem is to describe CRM and the realization of CRM in companies by using a CRM system.

1.4 Disposition of the Study

This thesis consists of seven chapters, figure 2. *Chapter 1* includes an introduction and a background to the problem area, and a presentation of the problem discussion that lands in the definition of the research problem. The chapter will continue with a presentation of the assigner company for this study. In *chapter 2* the theories relevant for the research problem will be presented. *Chapter 3* includes the frame of reference, presenting the research questions and the theories selected for this study, as well as the demarcations made. Furthermore, it includes a conceptualization and operationalization of important concepts included in the research problem and research questions. Continuously, *chapter 4* includes a description of the methodological approaches chosen for this thesis and in *chapter 5* the result from the collection of empirical data is presented. *Chapter 6* includes the analysis of the data collected and finally, *chapter 7* encompasses discussion and conclusions, including an evaluation of the study as well as further research and recommendations.

Disposition of the Study

Chapter 1	**General Problem Area**
Chapter 2	**Theory**
Chapter 3	**Frame of Reference**
Chapter 4	**Methodology**
Chapter 5	**Empirical Findings**
Chapter 6	**Analysis**
Chapter 7	**Discussion and Conclusions**

Figure 2: Disposition of the study.

1.5 Assigner Presentation

Jeeves Information Systems AB, which develops Enterprise Resource Planning (ERP) systems, is the assigner company of this study. Jeeves' customers are medium to large sized companies, mainly operating within the manufacturing, trade, maintenance and service sectors. Their main product is Jeeves Enterprise, which is a highly flexible ERP system. A brief explanation of the meaning of ERP systems, and how they differs from CRM systems is provided below.

Jeeves Marketing module linked to Jeeves Enterprise, lays the technical foundation for their CRM solution. However, Jeeves aim at improving their CRM solution and would thereby like to develop a better understanding of CRM and how companies can use CRM systems.

The reason for choosing Jeeves Information Systems as the assigner company is that they are interested in the problem area presented above. In addition, they have a lot of contacts that will facilitate the data collection for this study.

ERP and CRM

A company can be divided into front-office and back-office. Customer-facing tasks are performed by the front-office, with the purpose to serve customers cost-effectively. Company-facing tasks are performed by the back-office, with the prime objective of cost-effective processing of tasks concerning operations, financials, logistics and human resources. (Stone, 2000)

ERP systems, is a system highly integrated with back-office functions, conversely to CRM, which is considered as a front-office integration. The two systems have many similarities, however, ERP can be implemented without CRM while CRM usually requires access to the data from the back-office. (Ibid) Without a connection to the ERP system the customer-facing function won't be able to present details regarding things like order status and delivery date. (Earls, 2002)

Nevertheless, to gain competitive advantage enterprise system developers have begun to provide solutions that link the front-office and the back-office. It has become evident that ERP systems also gain advantages by using market and customer information. It enables long-term thinking and predicting capacity that enables more efficient operations in the back-office. (ibid)

2 Theory

In this chapter, theories that may be relevant when answering the research problem will be presented. The theories included are mainly written for readers that are familiar with marketing, but the intention is also that people without prior knowledge in marketing should find it understandable. The chapter will start by further looking into companies' marketing approach. Then, theories regarding CRM and CRM technologies will be presented. Continuously, theories concerning the development of CRM in companies will be included, and finally, theories about business processes will be provided.

2.1 Marketing Approach

Grönroos (1994) has made an attempt to show that there are different marketing approaches or strategies that fit to different circumstances. He has created a marketing strategy continuum, where relationship marketing is placed at one end of the continuum and transaction marketing is placed at the other end. In the relationship marketing approach the focus is on building relationships with customers, while in transaction marketing the focus is on creating single transactions with customers. As visualized in figure 3, different types of goods can be positioned along the continuum. The precise location of the goods cannot be found, which is shown by the arrows in figure 3, but depending on what kind of goods that are sold companies tend to profit more of one of the marketing approaches. According to Mr Grönroos (1994) companies producing consumer packed goods will probably benefit more from using a transaction marketing approach. This since they usually do not have direct contact with the customers and therefore do not have to focus on the customer relationship. In contrast, service companies almost always have close customer contacts and for that reason have to focus on customer interactions.

The marketing continuum also presents some characteristics that normally differ between the two marketing approaches. The first difference is the time perspective. In transaction marketing the time perspective is quite short compared to when applying relationship marketing, where the company plan for long-term relationships. Secondly, companies having a transaction-type of strategy probably will profit more from basing their marketing on the four Ps. The marketing function in a company having long-term relationship also uses the elements of the four Ps. However, since even people outside the marketing department carry out essential marketing tasks when interacting with customers the company have to focus more on interactive marketing,. There are also differences in price sensitivity among the customers to consumer packed goods and the customers to service companies. Customers to companies selling consumer packed goods, and who performs transaction marketing, are generally more price sensitive. It is primly the core product that ties those customers to a company, not social ties or information-based ties; consequently it is easy for a customer to change to a competitor offering a cheaper price. In contrast, service companies often have tighter ties to their customers since they generally offer values not provided with the core product. With tighter ties the price becomes less important for the customer. (Ibid)

According to Mr Grönroos (1994) customers will also perceive quality different depending on what marketing strategy a company uses. Customers to companies performing transaction marketing often consider what they receive, called the "quality of output", as the dominating source of quality. In contrast, the customers to companies having a relationship focus naturally value how the interactions with the company have worked out, called the "quality of interactions". Another difference between the two types of strategies is the approach to monitor customer satisfaction. Transaction focused companies are indirectly monitoring customer satisfaction by performing ad hoc customer surveys, while relationship focused companies can monitor customer satisfaction directly by having immediate and continuous contact with the customers and by building a database with updated information about each customer.

In transaction-oriented companies the marketing function performs most of the marketing, accordingly the internal interface between the departments is of limited strategic importance to the company. In companies performing relationship marketing all departments are responsible for creating good customer relationships, consequently the need for collaboration between the different departments are crucial for success. In order for the employees to create good relationships with the customers they have to be prepared, motivated and informed. To achieve this, the company should have a high degree of internal marketing. The need for internal marketing when performing transaction marketing is, however, of limited importance. This since the marketing and sales specialists are responsible for the total marketing function, not the whole company. (Ibid)

THE STRATEGY CONTINUUM	Transaction marketing	Relationship marketing
Time perspective	▪ Short-term focus	▪ Long-term focus
Dominating marketing function	▪ Marketing Mix	▪ Interactive Marketing
Price elasticy	▪ More sensitive to price	▪ Less sensitive to price
Dominating quality dimension	▪ Quality of output	▪ Quality of interactions
Measurment of customer satisfaction	▪ Indirect approach	▪ Direct approach
Customer Information System	▪ Ad hoc customer satisfaction surveys	▪ Real-time customer feedback system
Interdependency between marketing, operations and personnel	▪ Interface of no or limited importance to success	▪ Interface of substantial strategic importance
The role of internal marketing	▪ Internal marketing of no or limited importance to sucess	▪ Internal marketing of substantial strategic importance to sucess
THE PRODUCT CONTINUUM	Consumer packaged goods ►	◄Consumer durables ► ◄Industrial goods ► ◄Services

Figure 3: The marketing strategy continuum, presenting the transaction marketing approach vs. the relationship marketing approach. (Grönroos, 1994)

2.2 Customer Relationship Management

2.2.1 Benefits from CRM

The real value to a company lies in the value they create for their customers and in the value the customers deliver back to the company. Accordingly, it is important to mark

that the value does not lie in more information and in more advanced technology. The value lies in the customer knowledge and in how the company use that knowledge to manage their customer relationships. Knowledge is according to Newell (2000) the sole of CRM.

Unfortunately, few companies are transforming the information to customer knowledge and therefore they miss the opportunity to provide value to their customer. However, applied in the right way, CRM is the tool that contributes to profit. If companies are transforming the customer data into knowledge and then uses that knowledge to build relationships it will create loyalty, followed by profit. (Newell, 2000)

According to Mr Swift (2001) companies can gain many benefits from CRM. He states that the benefits are commonly found in one of these areas:

1. *Lower cost of recruiting customers:*
   The cost for recruiting customers will decrease since there are savings to be made on marketing, mailing, contact, follow-up, fulfillment, services, and so on.

2. *No need to recruit so many customers to preserve a steady volume of business:*
   The number of long-term customers will increase and consequently the need for recruiting many new customers decreases.

3. *Reduced costs of sales:*
   The costs regarding selling are reduced owing to that existing customers are usually more responsive. In addition, with better knowledge of channels and distributors the relationships become more effective, as well as that costs for marketing campaigns is reduced.

4. *Higher customer profitability:*
   The customer profitability will get higher since the customer wallet-share increases, there are increases in up-selling, cross-selling and follow-up sales, and more referrals comes with higher customer satisfaction among existing customers.

5. *Increased customer retention and loyalty:*
   The customer retention increases since customers stay longer, buy more and buy more frequently. The customer does also more often take initiatives, which increase the bounding relationship, and as a result the customer loyalty increases as well.

6. *Evaluation of customer profitability:*
   The company will get to know which customer are profitable, the ones who never might become profitable, and which ones that might be profitable in the future. This is very important since the key to success in any business is to focus on acquiring customers who generate profit, and once you have found them, never let them go. (Ibid)

   All customers are not valuable; some may even be of danger to the business. This occurs when the customers use the company's time, energy and resources without

generating enough business to make them worth the effort. (Budhwani, 2002) Hence, a company should perform CRM efforts where they will get the best possible return, which means focusing on customers who already are or will become the company's most profitable customers. (Newell, 2000)

2.2.2 CRM - for who?

According to Bose (2002) most companies can apply CRM. However there are some companies that are more likely to benefit from CRM then others. Those are companies that accumulate a lot of customer data when doing business and whose customer's needs are highly differentiated. On the contrary, companies that hardly have any contact with their customers, a high customer turnover and identical customer needs are least likely to benefit from CRM. (Bose, 2002)

2.2.3 Business-to-Business CRM

A business-to-business customer can be defined as "*the customer who purchase your product or service and adds it to its products for sale to another customer or a business using your product within its own organization to increase profitability or services*". (Swift, 2001) According to Newell, (2000), managing of business-to-business relationships is practically the same as managing consumer customer relationships. He states that it is still a matter of interacting with individuals. However, a significant difference is that relationships with businesses are much more complex than with consumers since the relationship involves both an individual and a business. Furthermore, the relationship often also involves interaction with several people since commonly there is more than one person involved in making purchasing decisions. There are often individuals who do not buy anything but strongly influence the purchase decisions. Thus, when targeting businesses the constitution of the buying groups must be identified, as well as the individual players included, what they value and what role they play. Consequently, applying CRM is even more important for companies targeting other businesses than for companies targeting consumers. The importance of applying CRM has also increased since today no company can survive if they only focus on the products or on the price. It is not enough since buyer's decisions also are based on the value of the relationship with the supplier. The more value your company can add through the relationship, the more loyal the customers will be. (Newell, 2000)

2.2.4 The future of CRM

According to Bose (2002) there seem to be three trends that will affect CRM in the near future. However, Bose emphasizes that "no one can predict the future with certainty". The trends are presented below.

- Extend CRM to channel partners
  Companies are increasingly collaborating with other parties along the value-chain, consequently, there is a need for channel relationships. Hence, the next step is to extend CRM to business partners within the product value-chain, this is called Partner Relationship Management (Bose, 2002). *Partner Relationship Management (PRM) can be defined as a business strategy to select and manage partners to optimize their long-term value to an enterprise. In effect, it means picking the right partners, working with them to help them become successful in dealing with your mutual customers, and ensuring that partners and the ultimate*

end customers are satisfied and successful. Managing partnering is a very complex process since each partner has its own goals, partners, customers, and very often a business model and corporate culture that is different from the other parties. Consequently, the way to handle each partner is different and it is required to have a channel strategy in order to perform effective PRM. Often Internet-based technology is a part of PRM since it facilitates the management of numerous partners in complex channels. (Referral to Robert Thompson, Greenberg, 2001)

- Visual Tools
  More visual tools for analyzing customer data is available. These tools are better then traditional OLAP technologies. (Bose, 2002)

- Consolidation of CRM vendors
  There is common with vendor consolidation within the CRM industry. To ensure a smooth integration of hardware and software, companies offering core technologies are acquiring or partnering with CRM specific vendors. (Ibid)

Greenberg (2001) also mentions verticalization, which is described below, as a trend that will affect the evolvement of CRM.

- Verticalization
  There is no ideal way of designing a CRM system, since each company has its unique needs depending on what customers they are aiming at and in what market they compete. As a result the functionality of a CRM system differ significantly from industry to industry, even if they may follow the same basic principles when revised briefly. However, today most CRM vendors do not aim at any particular vertical industry niches, instead the adaptations are made during the implementation phase. Consequently, there is an increasing need of specialized solutions since it implies less tailoring of the system to fit to your business. In addition, it is valuable to engage a CRM vendor who really knows and understand your specific business. As you would expect, some analysts speculate that the underlying software of eCRM will soon become a less important factor than the industry expertise of the vendor. (Greenberg, 2001)

2.3 CRM Technology

CRM technologies are rapidly evolving and are providing companies a collection of tools to use in order to enhance their customer relationships. According to Stone (2000) there are two main forces that influence the need for CRM technologies to support the completion of CRM, see below:

- The need for higher quality in CRM in order to meet the needs of the customers CRM systems are increasingly being used to arrange companies' resources in a proper order.
- The need for greater productivity in CRM. CRM systems are giving the possibility to automate work previously done by hand. (Stone, 2000)

According to Mr Trepper (2000) there are three crucial requirements that need to be fulfilled by a CRM system. These are:

- Provide a consistent and unified view of each customer for every customer interaction
- Provide the customer with a complete view of the company, irrespective of how the customer contacts the company.
- Enable the sales, marketing and service staff to perform their tasks more like a team, leading to reduced costs and increased efficiency. (Trepper, 2000)

2.3.1 Functional Categories of CRM Technology

The CRM technologies can be divided into three functional categories, operational CRM, analytical CRM, and collaborative CRM. (Trepper, 2000)

Operational CRM

This category includes customer-facing applications that integrate front-, back-, and mobile offices, with the purpose to increase the efficiency of customer interactions. (Trepper, 2000) This involves automating business operations processes, such as order management, customer service, marketing automation, sales-force automation, and field service. In order to succeed employees must have the right skills and the company must have a customer-centric focus. (Lawrence et al, 2001)

Analytical CRM

This category involves applications that analyze customer data generated by operational tools. (Trepper, 2000) The data is often stored in a data warehouse, which can be described as a large repository of corporate data (Dyché, 2002) The data stored in the data warehouse shall give the company information that will allow them to provide value to their customers. Hence, it is crucial to capture the right data, a process that must be accomplished with great customer care and understanding. (Newell, 2000). A Data Warehouse is more detailed described below.

Data Warehouse

In order to provide a complete customer profile, or as Dyché (2002) states “a single version of the truth”, all data must be stored in a centralized cross-functional database. The database is called a data warehouse, where current and historic information moves in and out, figure 4. The data can be collected from internal company sources, from the customer, and from third-party sources. A data warehouse can store large amounts of data, which enables a company to compare customer behavior over time. (Dyché, 2002)

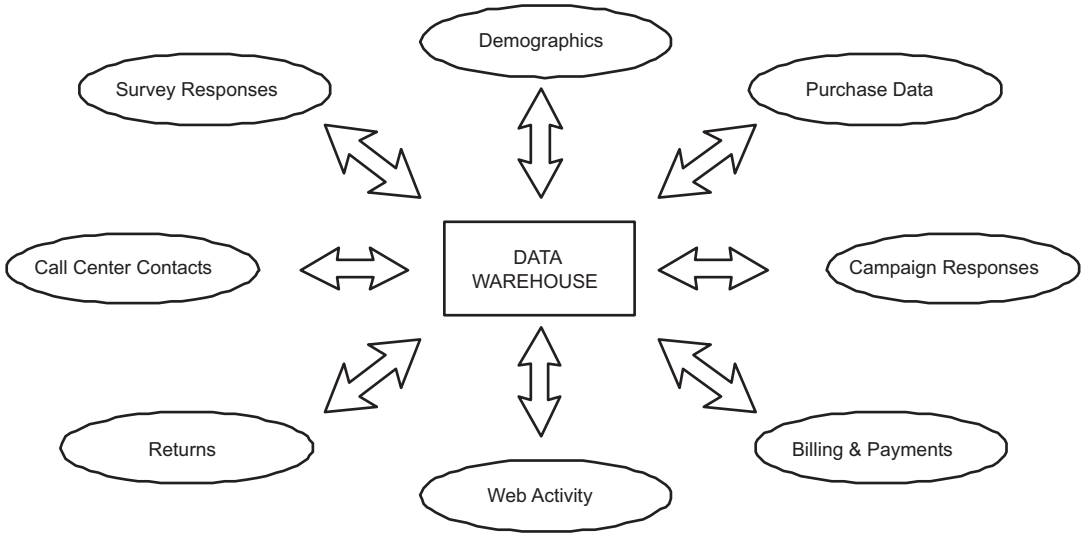


Figure 4: Integrated customer data on a data warehouse (Dyché, 2002)

The data warehouse constitutes an important part of CRM, since integrated data is necessary in order to make the right decisions on how to serve the customers. If the data isn't integrated the view of the customer relationships is based on a subset of the customer's actual interactions with the company, resulting in a false view of the customer. (Dyché, 2002)

Using data warehouses to analyze business performance is called business intelligence. A lot of people are confused about the differences between CRM and business intelligence. However, the differences are distinct and the major difference is that CRM integrates information with business action. (Ibid)

The purpose with analytical CRM is to take better decisions. By using database mining tools to look for reasons and patterns management will get help in planning, customer targeting, marketing and all other operating processes. (Lawrence et al, 2001). However, there are various views regarding CRM and analytics. Some argue that analytics are a prerequisite for CRM while others think that it may just create more work for the companies. (Krill, 2001)

Data warehousing and analytical CRM is most effective when it is enterprise wide; it allows the company to receive a single view of the customer and of the business profitability. (Stone, 2000)

Types of Data Analysis

There are various types of data analysis techniques; two of them are described below.

- OLAP
  Online Analytical Processing (OLAP) is a popular decision-support analysis tool. In general OLAP supplies a set of data attributes from a database that are organized around certain dimensions, like time and location. For example, the company can demand the regional sales revenue for a certain product or during a certain time period. By using "drilling down" functionality the user can then gain

a more detailed view of the data by drilling down to sales by city, and then sales by residential area, and so forth. (Dyché, 2002)

- Data Mining
  The purpose with data mining is to identify meaningful patterns, rules and relationships from detailed data. Data mining can generate information about patterns without the analyst knowing about them before, thus it is a great tool for acquiring new knowledge. This characteristic constitutes the difference between data mining and OLAP, since OLAP require the analyst to have a hypothesis in mind before the analysis takes place. Here is an example that illustrates the difference, with OLAP you first have to have a clue of what products certain groups of customers buy, and then you can identify those customers. In contrast, data mining can identify groups of customers who buy similar products, such as home office workers who buy PCs and printers. If using OLAP the analyst first would have to guess what products a home office worker would buy and then those customers may be identified. (Ibid)

There are three types of data mining.

1. *Prediction analysis* involves determination of future behaviors by using historical data.
2. *Sequence analysis* involves identification of combinations of activities that take place in a specific order. By performing such an analysis a company can see whether customers are doing something in a certain order.
3. *Association analysis* involves identifying groups of similar items or events. This kind of study is often performed to identify items or events that occur together, such as products often bought together. (Ibid)

Collaborative CRM

This category focuses on facilitating interaction between customers and companies (Trepper, 2000). One-way communication must be replaced by two-way communication, where the customer gets involved early with issues affecting their future purchase behavior. (Lawrence et al, 2001). In other words, Collaborative CRM involves any CRM function that provides a point of interaction between the customer and the supplier. For example, technologies, such as electronic communication, are used to facilitate relevant, timely, and personalized interaction with the customers. (Greenberg, 2001)

2.3.2 Fundamental Characteristics of a CRM System

According to Xu (2002) a CRM system has four fundamental characteristics; these are Sales Force Automation, Customer Service and Support, Field Service Automation, and Marketing Automation. Each group includes different CRM functionality and are further described below, the functionality included is also specified in appendix 1.

CRM systems provided by vendors are often large and complex, and the functionality included is extensive. According to Greenberg (2001) it is more important how well that functionality works and how easily the user can access the functionality, than how much of it there is. There is no single answer to what functionality that should be included in a CRM system. Even if ten experts in CRM are asked to describe what

functions to be included in an ideal CRM system, they would most probably give ten different answers. (Greenberg , 2001).

2.3.2.1 Marketing Automation

The goal of marketing automation is to offer the right message to the right customer, at the right time, and through the right channel. The marketing practices are very different depending of the industry; consequently the companies must know what mode the customers prefer.
(Dyché, 2002)

Direct Marketing

Direct marketing (DM) involve communication directly to a large number of customers. It was introduced in the 1960s, when companies had started to analyze the results of their mass marketing campaigns. In the start, DM usually was made via mail, but today it also includes e-mail, banner ads, wireless messaging and so forth. (Dyché, 2002) CRM products having DM functionality should include generation of address lists and graphical templates, enabling releasing of DM campaigns. (Philipson, 2003)

Target Marketing

After DM emerged companies started to increasingly analyze who were buying their products, which resulted in the development of Target Marketing. According to Dyché (2002), Target Marketing can be described as "*the practice of promoting a product or service to a subset of customers or prospects*". The size of the target market can vary a lot, from involving the whole customer base to just targeting a single customer. When communicating with only one customer it is called One-to-One marketing, which is described in the section below. However, marketing segmentation has been the most dominant approach since target marketing emerged. (Dyché, 2002)

Marketing Segmentation

According to Mr Zineldin (2000), marketing segmentation can be defined as the division of a market into different groups of customers having similar needs, sharing similar buying approaches, being substantial enough to be profitable, and who can be defined against competition. Segmentation of the market is very important both for industrial markets and consumer markets. Table 1 provides a list with variables and characteristics for segmenting industrial markets.

Variables	Characteristics/Segments
Demographic	
Size of Company:	Small, medium, large (Defined in terms of annual turnover, turnover relative to industry, number of employees, level of export sales, current and fixed assets, current liabilities, etc.).
Type of industry and business:	Manufacturing, trading, agriculture, service, retailer, wholesaler.
Geographical location.	Nations, regions, cities, urban, rural, overseas, location of branches and subsidiaries.
Operating and situation related	
Benefits:	Convenience, reputation, quality, additional services, reliability, flexibility.
Usage rate & involvement status:	Light, medium, heavy.

Perceived risk:	Low, moderate, high (risk-taking or avoiding)
Loyalty:	None, high shifting, soft, strong. Deal with one or several suppliers.
Purchasing policy and approach	
Status and relationship:	New customer, existing customer, ex-customer, occasional, frequent, non-customer.
Dependence and power structure:	Low, mutual, high.

Table 1: Variables/Bases for Segmenting Industrial Markets.(Zineldin, 2000)

Dyché (2002) provides the following list with categories for segmenting customers., table 2.

Variables	Variables
• Geography or Region	• Number of products
• Psychographics: Interests, opinions, and preferences	• Sales territory
• Firmographics: characteristics for a business	• Life Time Value
• Infographics: preferred way of communication	• Household demographics
• Preferred Sales Channel	• Risk Score
• Profitability	• Privacy preferences

Table 2: Categories for segmenting customers. (Dyché, 2002)

After segmenting the market the company has to evaluate the different segments and then decide how many and which ones to target. When evaluating the segments the company has to consider three factors, *segment size, segment structural attractiveness, and company objectives and resources*. Regarding the first factor the company should chose the segment that has the right size and growth characteristics for their business: It is a relative matter, since what is the right choice for a large company may be totally wrong for a small company which much less resources than the larger business. Regarding structural attractiveness, the company has to check the current competition, existence of substitute products, the purchase power of the buyers, and finally the existence of powerful suppliers. The company objectives and resources is the last thing to consider. The company must make certain that the choice of segment correspond with their long-term objectives as well as ensure that they have the resources required to offer superior value to the competitors. (Zineldin, 2000)

<u>One-to-One Marketing</u>

The development of information technology has increased the possibility to perform one-to-one marketing. With information technology companies can analyze customer data, which enables companies to understand the customers specific needs and based on that information they can develop tailored messages and custom specific product offers. Thus, one-to-one marketing involves treating individual customers in a certain way based on their specific requirements. (Dyché, 2002)

Campaign Management

Effective marketing campaigns to existing and new customers are realized by using up-to-date information about customers. (Xu, 2002) This way companies can launch marketing campaigns towards customers that are most likely to respond positively to

the campaign. According the Dyché, campaign management can be described in a six step process, figure 5. In the first step management needs to form an idea of the campaign. Secondly, management needs to plan the launch. In the third step, management must define the targeted customers for the campaign. The forth step involves deciding how the campaign should be communicated, meaning deciding which channel to use. In the fifth step the campaign is launched and the final step involves analyzing the results. The campaign process should be a closed loop, where the results from the campaign are used to create the basis for a new campaign.

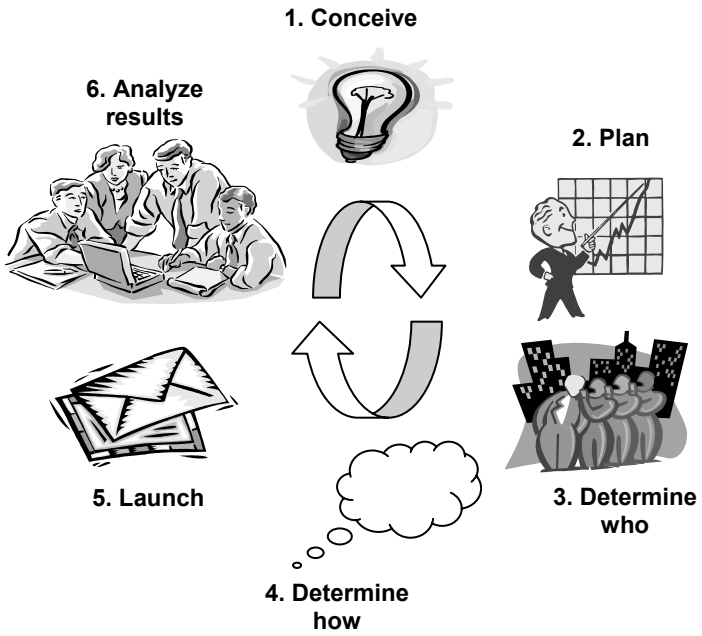


Figure 5: Closed-loop campaign management (interpretation from Dyché,2002)

The first campaign management tools generated a list with customer names and contact information that corresponded to the selected segment for the campaign. The list worked as a basis for mailing offers to the customers named at the list. With the new tools for campaign management companies can define workflows that includes a schedule of the campaign. This enables specifying of costs and expected returns. It is also possible to test various scenarios depending on selection of customer segment, the campaign schedule, and product offer. The company must be able to analyze the result of performed campaigns and afterwards use the information as a basis when developing new campaigns. (Dyché, 2002)

Cross-selling and Up-selling

As mentioned before it is cheaper to try to sell more products to existing customers than trying to acquire new customers. Therefore companies desire to increase cross-selling business. Cross-selling business involves selling a product to a customer as a result of another purchase. This requires that the company understand the relationship between products and knows which product that might lead to another purchase. Besides, companies also tries to motivate existing customers to bye more profitable products, which calls up-selling. CRM marketing automation technologies can help companies performing cross- and up- selling more effectively by identifying which customers might respond positively to these activities. (Dyché, 2002)

Analysis of customer data

Customer retention is of vital importance for companies performing CRM. Hence, companies are using analytical CRM to identify which customers are likely to leave. When these customers are identified the company can design tailored marketing actions that will motivate these customers to stay. Thus, a company makes a lot of marketing decisions based on the knowledge about how a customer is likely to behave. Consequently, is very important for companies to analyze historical customer data in order to predict customers' future behavior. The type of analysis performed varies from company to company, here are some examples: (Dyché, 2002)

- *Profitability analysis:* understanding which customers it is very important to keep. This analysis is more detailed described below.
- *Propensity-to-buy analysis:* estimate what product or service a particular customer is likely to buy
- *Next sequential purchase:* predicting what product or service a customer is likely to buy next
- *Product affinity analysis*: understanding what products are bought together
- *Price elasticity modeling and dynamic pricing:* finding the optimal price for a certain product, for a specific segment or customer. (Ibid)

Identification of the most profitable customers is not that easy and requires the right tools. The identification process can be performed in two steps, starting by distinguishing the pure transaction oriented customers, only focusing on price and who never will be even a little loyal. New technology can measure account specific profitability, average discount percent of a customers cumulative purchases and identification of purchases done during off-price sales. This information can help identifying buyers who only focus on transactions. When this group is discovered the company should continue with identification of the customers remaining with whom it may be possible to create better relationships. These customers can be divided into three segments:

1. Customers who are the most profitable customers
2. Customers who are delivering good profit and have the potential of becoming top-profit customers.
3. Customers who are profitable, but only marginally so. (Newell, 2000)

After identifying the profitable customers, Newel (2000) states that the profitable customers shall be classified depending on recency and frequency of purchase, since the CRM efforts needs to be differentiated depending on how they buy. Next, the company has to consider how many of these customers that they can afford to cultivate. This is depending on the incremental profit objectives and how much, time, money and recourses that can be allocated. (Ibid)

However, distinguishing who is profitable and not is a difficult task. Additionally, Dyché (2002) states that customer profitability only constitutes a small part of calculating a customer's value. Dyché gives the example of a customer who is unprofitable but has referred three high-value customers to the company. In turn, this makes the customer very valuable. Companies value their customers based on different metrics, such as:

1. Customer Life Time Value (LTV)
2. Potential Value
3. Competitive Value (known as wallet share)

Most important is not to base customer value on a single dimension, companies need to take several factors into consideration, such as historical customer behavior, product costs, support costs, channel usage and last but not least customer profitability. (Dyché, 2002)

Privacy Concerns

The increasing availability of customer data has triggered a debate about customer privacy. It has become a concern for both customer and companies. Customers are worried about what companies do with all the information, and sometimes suspect companies of sharing the information without their knowledge. Companies are also concerned about privacy since they know how worried their customers are. If they are using customer data without permission the customers loose their trust for the company and are easily lost. (Dyché, 2002) Thus, companies must take action to not harm their customer relationships, instead of improving them. (Newell, 2000)

When developing a data capture strategy it is important to secure employee acceptance, as well as making the customer understand the benefits of capturing data. Firstly, employee acceptance is central since if the employees do not support the company's initiative to capture data they won't be able to explain the benefits for the customers. Secondly, if the customers do not see the benefits of giving away information about themselves they will almost certainly not like it. Consequently, the employees representing the company must be well informed about the customer benefits of data capture. They must also know about data protection issues and how the information will be used in order to make the customer positive to giving out information. (Ibid)

2.3.2.2 Sales Force Automation

One purpose with sales force automation is of course to increase revenues. Not only a gross increase, but an increase in revenue per sales person. Another purpose is to cut the costs of sales by reducing the time sales people spend on administrative tasks. Furthermore, sales force automation hopefully leads to better customer retention by improving the relationship between the Company And the customer, especially the relationship with the individual salesperson. One more purpose is to increase the mobility of the sales force by using the possibilities that the web offers. Finally, sales force automation will provide a single view of the customer, assuming all employees are allowed to search out data from a central database (Greenberg, 2001). Described below are the core categories of sales force automation.

Sales Process/Activity Management

All companies have their own criteria for what constitutes their sales process, thus, every company has its own sales process. (Greenberg, 2001) Sales process/activity management tools include a number of sales activities that will guide the sales representatives through each step in the sales process. For a description of a general sales process see the end of this chapter.

The tools provide useful functionality, such as planning of key customer events by offering a calendar. Furthermore, in order to not forget about important tasks, alarm remainders can signal when an important action is coming up, generate documents or make decisions based on user information. Dyché gives the example generating an email when a customer has being inactive for a while. The tools also provide functionality for registering activities in an individual or organizational to-do list, and for analyzing the sales process and estimate the duration of critical activities. (Dyché, 2002)

Sales and Territory Management

Sales management tools enable sales managers to oversee many sales teams and their sales activities. The tool enables to set up sales teams and link individuals to specific accounts, regions, and industries as well as linking specialists to specific sales teams. The tool also creates individual and team profiles by storing personal data about the salespeople. (Dyché, 2002) Management would like to know how much the salespeople believe they will be closing in the near future, in order to run the business in view of increasing or decreasing customer demand. Consequently, good sales forecasting tools are of vital importance. (Greenberg, 2001) Management also like to know how the sales pipeline looks at different territories. (Peak Sales Consulting, 2002) Sales Management also involves evaluating sales force performance, which is further described below. (Dyché, 2002)

Evaluating Sales Force Performance

An evaluation of the Sales Force Performance is basically a comparison of set goals and objectives with final achievements. Today, evaluating performance is considered as very important since the sales force productivity has declined for many companies, where selling costs often are growing faster than sales volume. By evaluating the Sales Force Performance companies can better allocate their resources and use the right size of the sales force, the best distribution channel and product line, or target the segment that generate the highest profits. (Douglas, 1995).

Sales Analysis

The evaluation of Sales Force Performance is based on a Sales Analysis. The Sales Analysis Process contains four steps, Select Organizational Unit, Select Classification Variables, Select Control Factors, and Analyze Data and Prepare Report, figure 6. In the first step the organizational unit that constitutes the base for the analysis has to be selected. First of all, aggregated figures are analyzed and then they are broken down by division, by geographical areas, or by accounts. Secondly, the variables that classify the sales data has to be selected. The sales data can be presented by total sales volume, by order size, by product class, by distribution channel or by size of customer account. In the third step the performance measures, called control factors, are selected. Commonly control factors are sales volume, sales growth, new accounts, profits, margins, unit sales, market share and Return On Assets Managed (ROAM). The control factors measured are compared with results from previous years and with sales forecasts, sales budgets and sales quotas. Finally, in the last step, the data is reviewed and the report is developed. (Ibid)

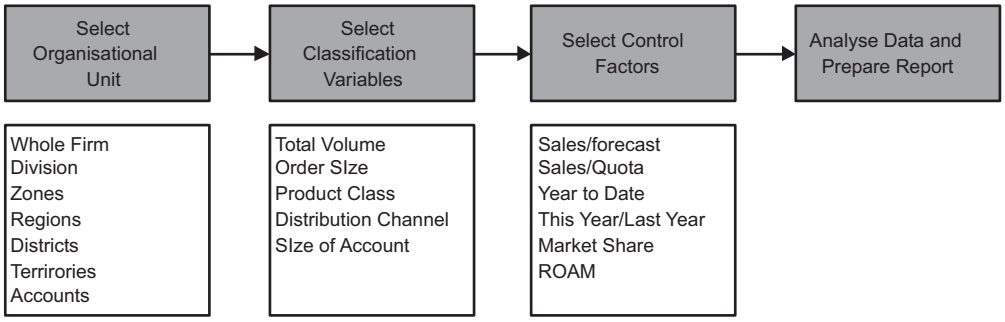


Figure 6: Steps in Sales Analysis Process. (Adapted from Douglas, 1995)

Cost Analysis

In order to get a more complete view of the sales force efficiency, selling costs needs to be compared with selling performance. Consequently, a Cost Analysis needs to be performed, table 3:

	Net Sales Revenue
-	Variable Costs (cost of goods sold and sales commissions)
=	**Contribution Margin**
-	Direct Fixed Selling Costs (wages, travel, food and lodging, sales office rent, samples)
=	**Profit Contribution**

Table 3: A typical Cost Analysis (Douglas, 1995)

Contribution Margin is usually presented as a percentage of sales, this in order to facilitate comparison between products or territories. The resulting Profit Contribution is often used as a measure of performance of the sales force. The Cost Analysis should be performed by product, by district, and by account. (Douglas, 1995)

Evaluating Salespeople Performance

Management is also interested in evaluating individual salespeople performance. That provides important information for decisions regarding:

- Who should receive raises, bonuses, and prices
- Who should be hired and promoted
- Who needs re-training
- What subjects should be emphasized in training classes
- How sales territories should be adjusted
- Who should be terminated

The performance measures used by different companies vary from company to company and with changes in market conditions, some commonly used measures are presented in table 4. (Ibid)

Sales	**Profit**
Sales Volume	Gross Profit Generated
Sales Volume By Product	Gross Profit as a Percentage of Sales
Sales Volume By Customer	Net Profit Generated
Sales Volume By Outlet	Net Profit as a Percentage of Sales
Sales Volume Per Order	**Orders**
Sales Volume Per Call	Strike Rate (Number of Orders/Number of Quotations)
Sales Growth	Number of Orders taken
Sales Expenses/Sales Budget	Order per Call Ratio
Accounts	
Number Of New Accounts Gained	
Amount of New Account Sales	
Number Of Accounts Lost	
Proportion Accounts Buying Full Line	

Table 4: Salesperson Performance Measures. (Adapted from Douglas (1995), referred to Jobber, D)

The measures described in table 4 are *output measures* of results achieved. According to Douglas (1995) there is an alternative way of evaluating individual sales performance, where *input measures* of sales force behavior are studied, table 5.

Behaviors
• Calls
• Reports
• Complaints
• Demonstrations
• Dealer Meetings
• Displays set up
• Travel/entertainment expenses

Table 5: Input measures (Douglas, 1995)

Management should consider both output and input measures when evaluating salespersons. The challenge lies in finding the appropriate balance for your specific company. Usually, companies where it is important to make several calls, demonstrations and to have several meetings with the potential customer, tend to value input measures quite high. While companies selling insurances usually emphasizes output measures of performance. (Douglas, 1995)

Contact Management

Contact management is a basic sales tool, which involves organizing and managing data regarding a company's customer and prospect organization. (Dyché, 2002) The data covers people and business information, such as contact data, information on the contact persons position in the company and the organizational chart. The data recorded also involves activities and interactions performed before, during and after the sale, such as planned or accomplished calls and customer visits, and attachments related to the individual. (Greenberg, 2001)

Other important data about customers are their profitability, satisfaction, retention, and loyalty. (Dyché, 2002) According to Newell (2000) the most critical data needed

are *recency*, when the customer last purchased a product or service from the company, *frequency*, the number of purchases the customer has made during a certain time period, and *monetary*, the amount purchased during the specified time period, this is called the RFM tool. (Newell, 2000)

According to Dyché (2002) a lot of the CRM software on today's market, which deals with contact management, are integrated with Microsoft Outlook or similar products. This makes it possible to track mails from customers or use automated workflow programs that can assign appointments.

For rookie salespeople, it could be useful to have contact behavioral characteristics that are associated with next step, facilitating the learning process for the new sales persons. (Greenberg, 2001)

Lead Management

Lead Management is often seen as the most important Sales Force Automation module. The purpose of lead management, also known as "opportunity management" is to provide sales strategies to secure that no sales task, or communication fails. It involves securing that the right leads are provided with the right content, at the right time. (Dyché, 2002)

Leads can be imported from various sources. The source of the lead should be registered in order for the marketing department to track the effectiveness of different marketing activities. Lead management also includes tracking of customer account history, registration of information about the specific lead, generation of next steps, distributing leads to a field or telemarketing representatives, registering of information on the sales person or sales team assigned, potential for closing, potential closing date, and the potential final results. It is also possible to estimate closing rates by tracking leads against orders, for example companies might like to know what percentage of leads resulted in sales in the north region last month. With such information sales peoples productivity can be estimated as well as the effectiveness of campaigns. The position of the lead in the sales process should also be registered in order for companies to monitor leads and analyze at which step in the sales cycle they lose most of their prospects. (Ibid)

Lead management tools can also track prospect elements like product interest, discretionary budget, possible competitors and the threat they represent. In some SFA packages you can build a competitive product matrix in order to compare your product with the competitor's, which enables the sales people to present the advantages with their product. Other products provide information on the customer's preferences. Then, sales people can use the information to emphasize some aspects more than others, which results in more efficient selling and facilitates the decision-making regarding each lead. (Ibid)

The classification of potential customer varies, according to Peak Sales Consulting (2002) a potential customer is initially called a "suspect", then eventually the "suspect" becomes a "prospect" as the potential customer comes closer to a commitment. Dyché (2002) and Greenberg (2001) are using the term "lead" that eventually turns into an "opportunity".

Pipeline Management

The execution of the sales process is called "sales pipeline". It is often visualized graphically, shaped as a cone turned upside down, see figure 7. This is a good way of visualizing the current number of leads, opportunities, and so forth, either per sales person or for the whole company. (Greenberg,2001)

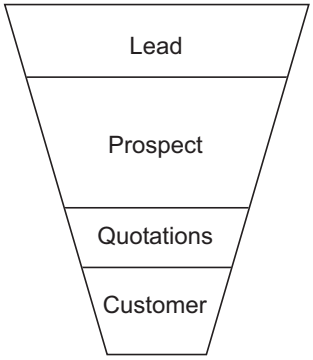


Figure 7: A sales pipeline visualizing a company's number of leads, prospects, quotations, and the number of existing customers. (Greenberg, 2001)

Configuration Support

CRM products include product-specific configuration support to companies who must build products for their customers. Examples of such companies are manufacturers of products consisting of different components that can be combined in various ways, such as computer technology vendors and telephone companies. With this functionality they do not have to build the solution from scratch. The tool can calculate a product configuration and price automatically after an order is placed. (Dyché, 2002).

Knowledge Management

Salespeople use a lot of information in their work. The access to information facilitates their selling process and is necessary in order to sell as much as possible. The information provided by the company includes:

- Corporate policy handbooks
- Sales representation slides
- Company phone list
- Proposal templates
- Expense report forms
- Regulatory standards and recent compliance reports
- Historical sales and revenue reports
- Partner and supplier meetings and executives briefings
- Digitalized video of sales presentations or executive briefings
- Industry and competitor data
- News articles and press releases
- Trade show and promotional event schedules
- Thank you notes and other client correspondence (Dyché, 2002).

Today it is common that companies develop knowledge management systems that allow the sales people to access, store and change such information. The systems commonly have the following functionality:

- Granting individuals control or editing rights over a specific document. This secures that people are not working on the same document at the same time
- History of who has modified material and when it has been done
- Search engine, this allows users to easily find documents by specifying a keyword
- Unified view of various files and documents

The use of knowledge management systems is mostly used by large companies that has a geographically spread employee base. It is a good way of increasing the possibility to create a united view among the employees. (Dyché, 2002).

Mobile CRM

Access to single server

The emergence of the web implies many advantages. One advantage is the simplified information availability. The salespeople can access the single server from anywhere and consequently always provide the customer with accurate information. The information that is local to a single server is consistent at different geographical regions as well as in teams consisting of many people. In addition salespeople can enter new data to the corporate server that can be used by other employees or organizations. (Dyché, 2002). This is necessary in order to close the information loop between the salespeople and the database. (Xu, 2002) The companies can choose their preferred way of accessing the server, either using a Web-browser or by using a thin client that can be downloaded and installed using Internet.

Data Synchronization:

Updating information among unconnected computers is called data synchronization and is according to Greenberg (2001) one of the most significant technologies of SFA. This enables sales people to download the CRM system on their PC and access it while working off-line, and then synchronize the databases when connecting to the network or by using satellite synchronization. Data synchronization enables sales people to respond quickly to a customer query, by having easy and fast access to the CRM system, which may imply a real competitive advantage. There are a few sales trends that have made data synchronization really important.

- Salespeople are spending more time with customers and prospects outside the office, rather than on the office.
- The need to share information between salespersons increases, as products become more complex and the salespeople often take part in sales teams. Hence, it is important that up-to-date sales data can be communicated through the organization.
- Salespeople tend to use more computer based customer, sales and product information in order to sell more effectively. (Greenberg, 2001)

Access to database with handheld devices

A lot of CRM vendors are aiming to support access to the central database from a variety of handheld devices, such as personal digital assistant (PDA), cell phones, web phones, tablet PCs and other devices The technology concerning handheld devices is advancing rapidly and the number of people having access to the Web via wireless technology increases. (Dyché, 2002). The sales people shall be able to sit down with

the customer, at any place, and access any company data relevant for the customer by using mobile telephone systems rather than the customer's own telephone lines. (Stone, 2000)

Customers may interact with the supplier system

Customers will be able to interact with their suppliers systems. According to Mrs. Stone (2000) the vision is that the customer will use his or her preferred device to log on to the system and receive the information needed, alternatively the customer will receive a message automatically containing relevant information. The customer may interact with the suppliers system out of various reasons, it could be for buying a product, viewing a bank balance, checking the status of a complaint, or for finding out the delivery date of your placed order. It will be free of charge or at a very low cost for the customer and it will also reduce staff-based costs for the supplier since the customer increasingly interacts with the system instead of the employees. (Ibid)

Reporting Capabilities

Another important technology is reporting tools, often embedded as third-party tools in Sales Force Automation applications. Seagate's Crystal Reports is the most popular one. Reporting provides customized information in the form and with the content specified by the receiver. The reporting tool pull information from multiple sources in the data repository, where the selection of sources depends on the purpose of the report. Reporting is a valuable support when making critical decisions. (Greenberg, 2001)

2.3.2.3 Customer Service and Support

Customer service and support is considered as a core function when applying CRM. By performing customer service and support several benefits can be achieved, and companies are increasingly realizing that the quality of their customer support have great influence on the relationships with their customers. Thus, by tracking, monitoring and measuring customer service company's abandonment rate can be imporved. (Xu, 2002)

When performing customer support and customer service it is important to know how the customer prefers to interact, this in order to make the customer as satisfied as possible. Maybe certain customers prefer communicating via the telephone while others prefer using e-mails. (Ibid)

Computer Telephony Integration (CTI)

What is distinguishing nowadays customer service and support is that the customer is no longer only a transmitter or receiver of information, conversely they are collaborating with the company. (Dyché, 2002) In order to produce a collaborative environment technology is needed. Computer telephony integration (CTI) is a technology that combines telephone systems with computer technology, such as software applications and databases. Automatic call distribution (ACD) and interactive voice response (IVR) are two CTI features. ACD involves phone call workflow, in other words how a call gets routed. Routing will be further described below. IVR is routing based on a customer's response to a question typed on her telephone keypad. (Greenberg, 2001)

Automatic Call Distribution

- Automatically routing of a customer's call to the first available operator will reduce the time the customer has to wait. (Dyché, 2002)
- Caller identification enables the customer call to be guided to the right operator. (Ibid) This is certainly highly appreciated by the customer and in addition, assigning each query to the appropriate expert implies that problems can be solved effectively. (Xu, 2002)
- Precision call distribution can map the incoming phone number to a specific customer profile, realizing prioritizing of certain customers or transferring the call to the operator responsible for that specific customer segment. (Dyché, 2002)

Call-Scripting

CRM systems can provide customer service representatives with situational scripts that will guide them trough the dialogue with the customer. By using scripts companies can eliminate guessing on how to respond to customer inquiries, as well as securing consistency in the way services representatives are responding. Yet, high value customers may require specific treatment, consequently different scripts must be available for different customers. However, a script will never attain the same precision and solid appraisal of situations, as an experienced customer service representative can. (Dyché, 2002)

Customer Service & Support: Point-of-Sale

A new task for the customer service & support function is to function as a point-of sale. The customer service representative shall if possible try to sell or at least mention another product that the customer might be interested in. Such proceeding demands access to the customer database as well as skilled customer support representatives, who can make the right judgment on when to offer what product. The necessary information can be provided via a window, named a "screen pop", on the customer support representative's workstation. (Ibid)

Web-based Self Service

Since customers have different wishes on how to interact with the company, they are likely to be more satisfied with several modes of interaction to choose between. One relatively new way of interacting with companies is via a web site. By visiting a company's website and by using electronic communication customers can access a lot of information at any time of the day. (Dyché, 2002) Often customers use it to get hold of general company information and electronic brochures or catalogs, to access product databases, to track orders, to join on-line chat rooms, to complete satisfaction questionnaires, to access complaint pages and e-mail help-desks. (Lawrence et al, 2001)

However, companies should not introduce new technologies unless they can deal with them. For example, many companies can't handle all the e-mails they receive, resulting in a low response rate, with disappointed customers as an outcome. (Dyché, 2002)

An advantage, which Web sites offer, is that at Web sites customers can make decisions about buying new products without feeling pressure and without being angry with a customer service representative who tries to cross- or up-sell. (Greenberg, 2001) Web sites also provide possibilities for personalization. Companies have personalized their Web sites by introduced cyber agents, like a real person

"representative" with voice and facial expressions. The cyber agent communicates with the customer by first name, answers frequently asked questions and can guide the customer to where purchases can be done. In the future the goal is to have a cyber agent who can make recommendations based on information about customer preferences, (Dyché, 2002)

Workforce Management

Workforce management tools can help companies give customers the right amount of support at the same time as costs are reduced. The tools are specialized in staff planning and optimizing of staff around busy periods, different communication channels, and customer profile. Workforce management tools can combine operational contact center tasks, such as call routing, with planning functionality. The planning functions includes:

- Forecasting of contact volumes
- Recommendation of optimal number of staff
- Performance tracking by customer value, customer satisfaction, priority level, or other factors
- Employee scheduling based on skills or preferred work hours
- Combining findings from different contact centers to a single report (Dyché, 2002)

Customer Satisfaction Measurement

Today companies are using new ways of measuring customer satisfaction. Instead of having an independent survey company calling customers, they use mail to distribute the questionnaires. The questions can be personalized to fit individual customers or customer segments and then the responses are registered in the central database and added to the different customer profiles. Furthermore, customers visiting web sites are often asked to give information about their experience of the company and the Web site. Thus, paper based surveys are increasingly being replaced by electronic alternatives. (Ibid)

2.3.2.4 Field Service Automation

Field service automation is useful when service engineers are situated far from the office to test and repair equipment. By using wireless technologies the service engineer can communicate quickly and effectively with service staff, as well as access instructions for problem solving. In this manner, remote staff can rapidly give answers to the customers' questions. Additionally, in order to give the best service to the customer, engineers are immediately assigned to each problem depending on their skills, availability, workload, and geography. (Xu, 2002) Dyché (2002) emphasizes that the customer touch points occurring while performing field service should be recorded as part of the customer profile in the CRM system. She also states that even if customers' filed service requirements are more quantifiable and more time critical than their sales requirements, the current CRM products are more sales-oriented than service-oriented. However, according to Dyché (2002) the need for field service automation functionality is growing fastest within the area of CRM.

Field service automation is partly customer service, involving service engineers performing repairs, and partly sales force automation, involving sales departments' use of mobile workforce functionality. Increasingly the salespeople being away from office likes to have access to the CRM system, not only field service engineers. (Ibid)

2.3.3 CRM Solutions Map

A CRM solution, or a CRM system, supports different business processes in a company, such as the marketing, sales, e-commerce, and the service process. The users of the system has evolved over time. Traditionally, the company's employees have been the primary users. However, when e-CRM applications were launched even customers could start to interact directly with the system through websites, e-commerce and self service applications. Most recent, channel partners or other intermediaries between the company and the end customers have got the possibility to use the system by the development of Partner Relationship Management applications. (Greenberg, 2001) The business processes supported, the users of the CRM system, and the CRM functionality comprised is illustrated in figure 8.

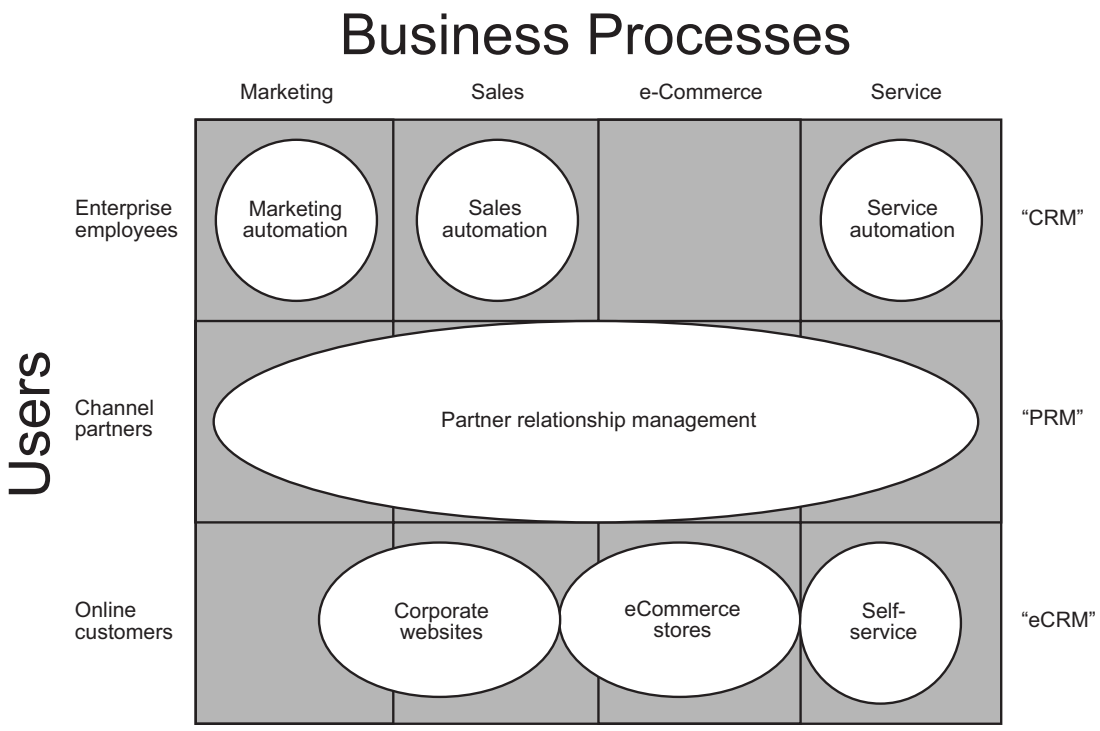


Figure 8: CRM-solutions Map (Greenberg, 2001)

2.4 CRM development

Developing a CRM solution requires a detailed plan, a lot of diverse knowledge and an active project management. Basically it involves a thorough analysis of business processes and a complex integration of hardware, software and applications. (Bose, 2002)

Dyché (2002) has underlined two important aspects when developing CRM, the complexity of the CRM solution and the fact that the choice of CRM tool must be requirements-driven.

2.4.1 CRM Complexity

When developing CRM it is very important to understand how complex the CRM solution is. The complexity depends of two key characteristics:

1. *Quantity of functions:* The number of functions that are going to be implemented.
2. *Range of use:* The number of departments that intend to use the CRM system, it is the whole enterprise or just one or a few departments, figure 9.(Dyché, 2002)

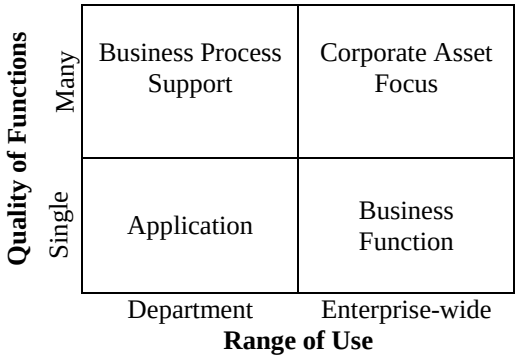


Figure 9: CRM Complexity (Dyché, 2002)

The degree of complexity has considerable impact on the CRM development process. The single- function CRM solution aimed at only one department is least difficult to implement. The CRM solution that is multifunctional and multi-departmental is the most complex type of CRM. The degree of complexity is also an influencing factor when estimating costs and resources. Dyché (2002) Thus, a company implementing a CRM system have to consider which degree of complexity the system will have. CRM systems are without appropriate prioritizations likely to cause an information overload. Therefore, companies should also consider following aspects:

- When automating information about customers, the importance of the customer should be taken into account. Do not register information about customers that the company rarely is in contact with.
- When a particular customer is attached to a particular location it may be better to decentralize the information.
- Do not keep rarely needed information available to the customers
- The decision-makers using the information provided by the system should be able to identify the customers' needs. The information provided should not just be a record of some aspects of the customer-supplier relationship. (Stone, 2000)

2.4.2 Choosing the CRM Tool

As mentioned earlier companies who start using CRM technology often are not ready to do so. Their corporate objectives and business processes are seldom aligned with the CRM philosophy. The technology is often the easiest part to change and adjust to a customer-centric focus, thus many companies naturally like to begin with implementing CRM tools. However, there is a high risk involved in letting technology drive CRM. If the technology is not in harmony with CRM goals there is a risk of wasting resources on low-priority issues, missing the possibility of interaction with other technologies and being dependent on specific product features which might not meet the needs of additional business needs. Nevertheless, depending on the degree of complexity the need for correspondence with the company's corporate strategy varies. When only a single-function solution aimed at one department is implemented the need for alignment is less than for a multi-functional and multi-departmental implementation. (Dyché, 2002).

Hence, in order to arrive at harmony between the CRM goals and the CRM technology, the choice of CRM technology must be requirements-driven. The company have to let their business requirements decide the CRM technology. (Dyché, 2002).

Defining CRM requirements

In order to define a company's CRM requirements, companies need to identify what CRM can do for their business. Consequently, a company needs to identify what business requirements CRM can address in each business area. The company's ability to define the business requirements will affect the choices of CRM products, the implementation activities as well as the planning of the CRM development. (Ibid)

According to Dyché (2002), companies usually intuitively know within which business area CRM can address a lot of business requirements. However, often companies first need to improve their business process in order to generate the biggest returns from CRM. The need for customer-focused business processes is described later in this chapter. That section also describes business process analysis, which is needed by companies who hasn't documented their current processes or need to review the current ones.

After specifying the business requirements the company must find the functional requirements, describing how to solve the business requirements. Dyché (2002) gives the following example of a CRM requirement and corresponding functionality. The CRM requirement was to have "the ability to track success of target marketing campaigns" and the CRM functionality needed was "campaign response modeling". Thus, the requirements define "what" and the "functionality defines "how". (Ibid)

Defining CRM functionality

I order to define the CRM functionality the company needs to map their business processes and identify the functions needed within the process. It means finding out what parts of the customer-focused business processes do they need to support with technology.

When selecting CRM tool, it is important to consider which functions are most important to the business requirements. If the CRM tool does not provide all the needed functions the company need to know whether they will do without a certain function or not. The company also have to consider whether they are prepared to custom-build the function or if they can change their process to match the designed workflows of the CRM tool. Finally, the management have to think about the probability that the people involved will use the system. (Ibid)

2.4.3 CRM Development Life-Cycle

Bose (2002), has designed a CRM development life cycle that includes eight phases; which are described below.

1. Planning

It is very important that the management take an active interest in the development of CRM, like for all projects its crucial to have a commitment from the management.

The first action when developing CRM is to perform a business process analysis. The company has to consider re-engineering processes in order to improve their interaction. According to Bose (2002) the points of interaction can be grouped into two categories, customer interaction points and decision interaction points.

Customer Interaction Points

Here the company must identify how, when and where they will interact with customers. Then they have to decide whether to retain, modify or remove the points of interaction. In addition, it is important to identify what information managers and employees, at different levels of the organization, need and how they get access to the information. Finally, it must be considered how the interactions can be recorded into an Information System. Bose (2002)

Decision Interaction Points

Like with the points of interaction the decision-making processes have to be identified and thereafter the company has to decide whether to keep, modify or remove the current procedures. Furthermore it is crucial to identify what data and information that is required at the different decision making points. (Ibid)

2. Research

During this phase, methods for addressing the CRM needs of the organization must be identified. It is very important to make an accurate appraisal of resources and market conditions. The company's current organizational structure, culture, possible hardware, software, vendors, etc. is also relevant be considered. (Ibid)

3. System Analysis

In this phase there are several critical factor that needs to be considered.

Customer Interaction

It is important to provide the customer will all necessary information in order to create a successful interaction. For a Company Applying CRM there are two primary ways of interaction, the different ways are described below.

- *IT-assisted:* In an IT-assisted interaction the CRM tool is used to assist the employee when interacting with a customer. An example of an IT- assisted interaction is when a customer contacts a telephone support centre and the support representative uses the CRM system to give the customer the information needed.
- *Automated Interaction:* In this case the customer interacts directly with the CRM system. An example is the customer using the World Wide Web or an automated phone system.

The customer can choose the method that suits them best, however, the company has to ensure that they receive all the information they need. (Ibid)

Obtain Outside Expertise

When developing CRM companies should consider turning to experts unless they have previous experience of CRM. The reason for this is that implementation of CRM often requires additional technical staff and experienced vendors or consultants who can contribute to secure a successful implementation. (Ibid)

Consider implementation in stages

It can be wise to implement CRM in stages, starting with the core functions. Since some technologies are essential to a successful CRM it is recommended to complete these technologies prior to the implementation of the actual CRM solution. The technologies concerned are data warehouse, data mining, integrated phone systems, and network upgrades. (Bose, 2002)

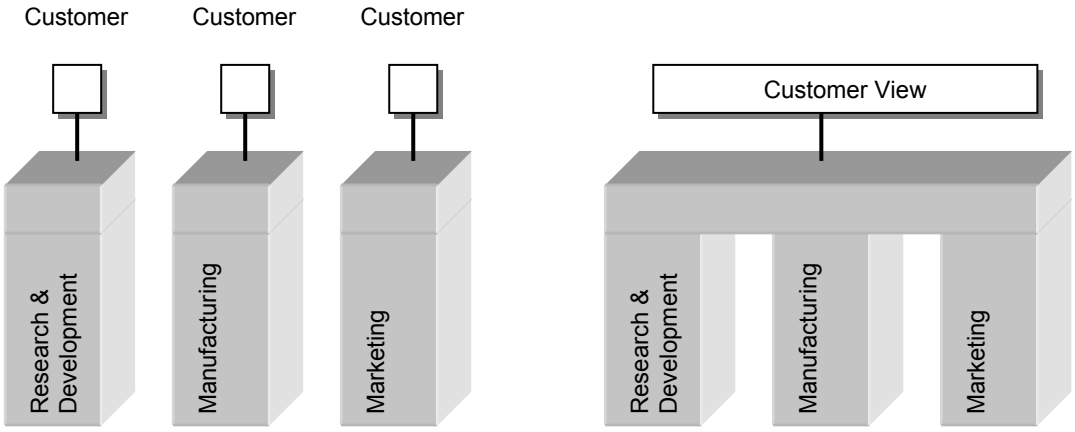
The implementation of CRM can take place step by step and with increasing functionality comes increasing value. (Dyché, 2002)

Re-design of Customer Data

It is important to reconsider how data is stored in the company, this involve a three steps analysis.

1. *Integrate customer data across the entire firm*

It is important that the customer data is aligned by customer and not fragmented by the company's organizational structure or by products. The difference between a fragmented and an integrated view is visualized in figure 10.



a) Fragmented view of the customer b) Integrated view of the customer

Figure 10 : Fragmented vs. integrated view of customer data. (Bose, 2002)

It is also significant that the data is easy and quickly accessible, as well as usable by other software utilized by the company. Another important factor concerning customer data is to guarantee customer integrity within the data system. Bose (2002)

2. *Expanding the customer data profile*

This step involves expanding the customers' data profile with non-transactional information. This will widen the knowledge about the customers. Non-transactional data may contain general inquiries, support calls, suggestions, comments, and complaints. The types of data may also vary; some examples are e-mails, videos and graphics. (Ibid)

3. *Integration with legacy systems*

The company must have a methodology for up-dating the database when real-word changes have taken place. (Ibid)

Making the data available for decision making

The CRM approach involves using the information obtained during the interaction with customers to make more long-term decisions, which hopefully will lead to improved customer satisfaction. To enable a reasonable decision making the data must be organized and accurate. Bose (2002)

Scalability

CRM acts in an ever-changing environment. Therefore it is important to select a hardware and software that can be scaled to meet the needs of the future. Companies should keep away from hardware and software that have limited scalability or connectivity. (Ibid)

Feasibility Study

Before starting developing CRM it is important to decide whether the implementation is feasible or not. A CRM implementation is quite expensive; it requires a lot of resources and support from all departments and often implies fundamental changes of the company. It is important that the company consider all those aspects before starting the project. (Ibid)

4. Design

This phase involves a detailed specification of the design. The company has to select software packages and core technologies such as data warehouse, Decision Support Systems and network architecture. Integration between different packages is necessary and therefore the company need to select the needed middleware to link all the systems. (Ibid)

5. Construction

This stage involves the execution of the design plan.

6. Implementation

It is important that the employees understand what CRM imply and the goals with it. They also have to understand how they can use the CRM system in order to better serve the customer. Normally this process requires training of the employees. Training is usually needed concerning the interpretation of data. CRM involves huge amount of data, however, a huge amount of data is no guarantee for making better decisions. On the contrary, a higher amount of data may actually create poorer decisions. It is also important that employees performing data mining receives training in such activities. In order to avoid any pitfalls of data mining, it is necessary to have knowledge about the processes behind the data. A company should never completely trust a fully automated data analysis. (Referral to Feelders et al, Bose, 2002)

7. Maintenance and Documentation

The marketplace is dynamic and companies therefore continuously need to learn more about its customers. For that reason it is important to constantly evaluate the system performance, data quantity and quality in order to ensure that it corresponds to the needs of the company. Bose (2002)

Adaptation
Changes, such as new products or new sales channels, may influence a company's points of interaction or information needed. Therefore adaptation to changes is of great importance; otherwise, the company will end up with a system that does not support the current processes in the company. (Bose, 2002)

2.5 Business Processes

All organizations are formed to achieve objectives. In order to achieve these objectives most organizations develop a vision and strategies, then, business processes are formed to put the strategies into action. (Hollander et al, 2000)

2.5.1 A Process-Oriented View

The business processes should be designed around the customer perspective and the goal is to increase the customer's experience of every interaction. Dyché (2002) According to Stone (2000) a customer-oriented process can be defined as "*a process that has, as its main objective, satisfying customers' needs, with a subsidiary requirement of checking correctness of the transaction, ensuring that meeting these needs causes minimum disturbance and loss to the organization*". Without customer-oriented perspective the employees have to fight against the processes in order to meet the needs of the customers. (Stone, 2000)

However, customer-oriented processes are often not the case, commonly, existing processes needs to be re-engineered to fit the CRM approach. Dyché (2002). The reason to why many business processes are not customer-oriented is that many companies still apply the traditional vertical and functional approach to their organization. This approach is visualized in figure 11 below, and it is striking how little is says about what the company does, for who, and how they do it. (Rummler & Brache, 1995)

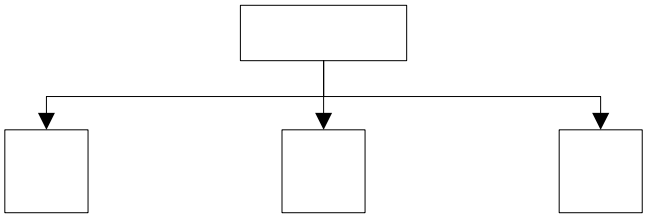
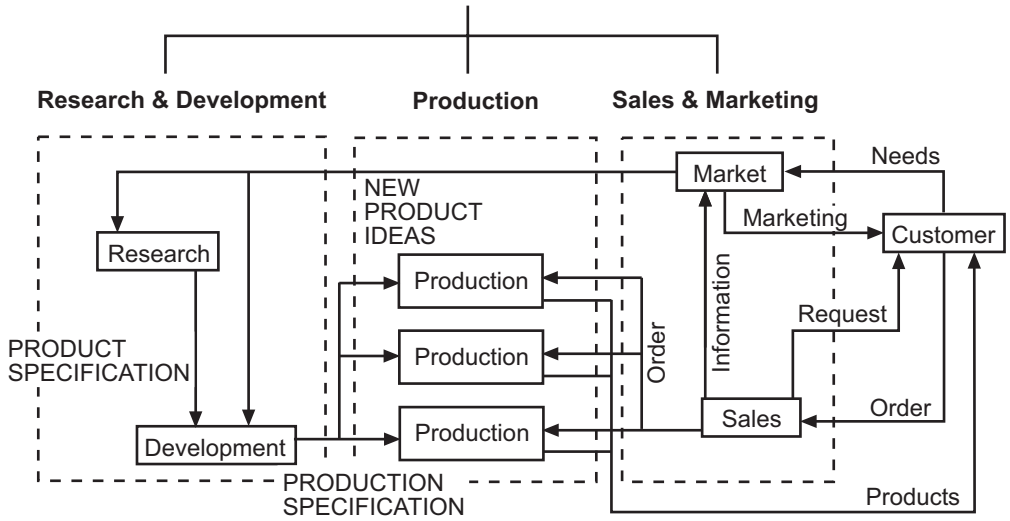


Figure 11: Traditional (Vertical) View of an Organization (Rummler & Branche, 1995)

Instead of describing an organization from a vertical perspective you can take a process-oriented view, figure 12, which demonstrates the overall picture of the existing workflows in the organization and focuses at cross-functional flows. Thus, the process-oriented view focuses on how things are done and not only on what are done, implying that it focuses on how the customers needs are satisfied. (Egnell, 1995)



Figur 12: The Process-Oriented view of an organization (Egnell, 1995).

2.5.2 Business Process Definition

Willoch (1995) defines a business process like "*a set of connected tasks that creates value for the customer, which the customer is willing to pay for*". Hollander (2000) defines a business process as "*a series of activities intended to accomplish the strategic objectives of an organization*".

2.5.3 Business Process Characteristics

According to Willoch (1995), business processes have two important characteristics, which are:

- Each process has a customer. Hence, the result of each process has a recipient, either within or outside the organization.
- Processes cross organizational boundaries, either internally between different functions and/or between different organizations. This is confirmed by Hollander (2000), who states that processes across different organizations are quite common, since sharing of information is increasingly performed between supplier and customer.

Po Egnell (1995) has also described several characteristics of processes, which are:

- Each process has a supplier, internal or external, who delivers an object to the process.
- Each process consists of one or several activities that refine the object to a predefined result.
- Each process is delimited, with a specified start and finish.
- The activities are recurrent at regular or less regular intervals
- The process uses the resources of the organization, in order to enable the transformation of the object to the final result. (Egnell, 1995).

Egnell (1995) has used these characteristics in order to describe a process, figure 13 He states that a process refines an object into a result designed for the customer,

which is done by using resources provided by the organization. The interface of the process decides the scope of the process.

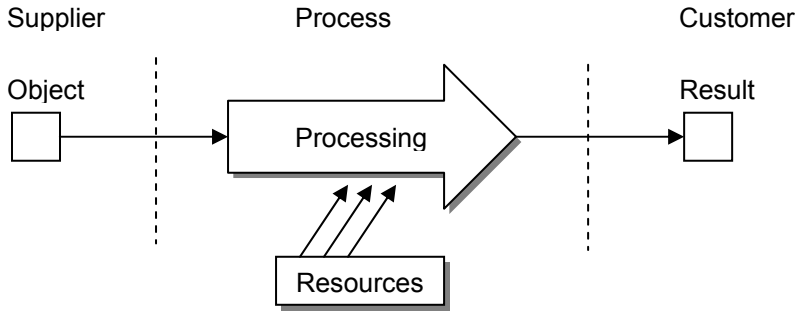


Figure 13: An illustration of a process (Egnell (1995) refers to Stenskog (1991))

2.5.4 Structure of Processes

The structure of a process can be divided into two dimensions. One dimension describes the process category, involving the task of the process and the other dimension describes the hierarchical level of the process. (Egnell (1995) referral to Rise & Wiklund)

Process Categories

Hollander (2000) divides companies' business processes into three basic groups depending on their task; these are the *Acquisition and Payment Process*, the *Conversion Business Process*, and the *Sales and Collection Business Process*, which are described below. Hollander emphasizes that it is important to remember that even though organizations can be divided into different business processes, the processes are interdependent. (Hollander et al, 2000)

- *Acquisition and Payment Process*: This process involves the activities for acquiring, paying for, and maintaining the goods and services necessary for the organization. The goods and services needed vary for different organizations, they may include: human resources, financial resources, supplies, inventories, property and equipment, research and development, and various services.

- *Conversion Business Process:* This process focuses on converting resources acquired into goods and services for customers. The process is very different from organization to organization, since it depends on what kind of goods and service that is produced. Furthermore, each organization can have different conversion processes for different customers, with the purpose of creating customer unique goods and services.

- *Sales and Collection Business Process:* This process involves the activities concerning delivering goods and services to customers and collect payment. Hence, it is the mirror image of the acquisition and payment process. (Hollander et al, 2000)

Hierarchical level of the process

A process can be divided into different hierarchical levels depending on the scope and complexity. According to Harrington (1991), the macro process is the key activities

required to run an organization. The macro process can be divided into one or several sub processes. Both the macro process and the sub process consist of a number of activities, that in turn consists of a number of tasks/event. The hierarchical structure is visualized in figure 14.

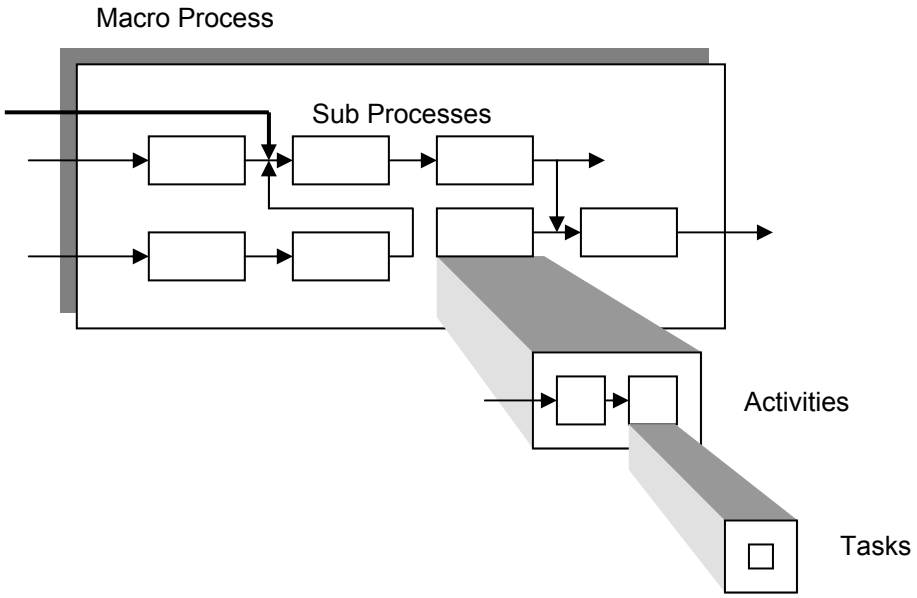


Figure 14: Process Hierarchy (Harrington, 1991)

A business process event, is a single task within a business process. A business process can be divided into three different event categories, these are:

- *Operating Events:* Operation events are the activities carried out within a business process to provide goods and services to customers. (Hollander et al, 2000)

- *Information Events:* These events includes three activities:
  - Recording data about operating events:
    This involves collecting data that describes operating events and storing the data in a data repository.
  - Maintaining data important to the company:
    Collecting and keeping current data regarding resources, external parties, and employees is labeled as maintaining events.
  - Reporting useful information to management and other decision makers:
    The collected data is used to make reports with information and measurements, which will support planning, controlling and evaluating activities. (Ibid)

- *Decision and Management Events*
  These activities involve decision-making done by management or other people, regarding planning, controlling and evaluating of business processes. (Ibid)

As with business processes, business process events are interdependent where one event often triggers another. The distinguishing between operating, information, and decision/management events is more difficult as technology is introduced and work is

automated. The tasks performed by a workgroup are referred to as workflow and might consist of a combination of operating, information, and decision/management events. (Ibid)

2.5.5 Business Process Analysis

Business process analysis is a thorough analysis of the current processes in a company and of all tasks involved in each process. (Stone, 2000) It is often performed when companies do not have documented processes or there is a need to review the current ones. Regarding CRM, it is very important to perform a business process analysis in order to ensure that the CRM technology match the CRM requirements, and not the other way around. (Dyché, 2002) In addition, it is impossible to supervise processes if they are not well defined and mapped, where the flow, scope and interface between the processes are not clearly visualized. Thus, process mapping, often called flowcharting, forms the basis for analyzing business processes and is by Harrington (1991) defined as "*a method of graphically describing an existing process or a new process by using simple symbols, lines, and words to display pictorially the activities and sequence in the process*". By mapping the processes it is much easier to understand the relationships between different processes, as well as how each process runs (Harrington, 1991).

Flowcharting

To start with, the internal flow in the process has to be identified, as well as the scope of the process. The scope is decided by identifying where the process starts and where it ends. This also comprise defining the supplier and corresponding object supplied and the customer and the result provided. Than the processes can be flowcharted. (Egnell (1995) refers to Melan).

Flowcharting can be done in many different ways. In other words there is no right way to do it, but some techniques are more complicated than others and not suitable for all circumstances. Block diagrams are the simplest way of describing a process, it also demonstrates where in the organization the different activities are performed. (Ibid). An example of a block diagram is visualized in the figure 15, where the rectangles represent the activities and the arrows linking the rectangles shows the direction of the information flow and/or the relationship among the activities.

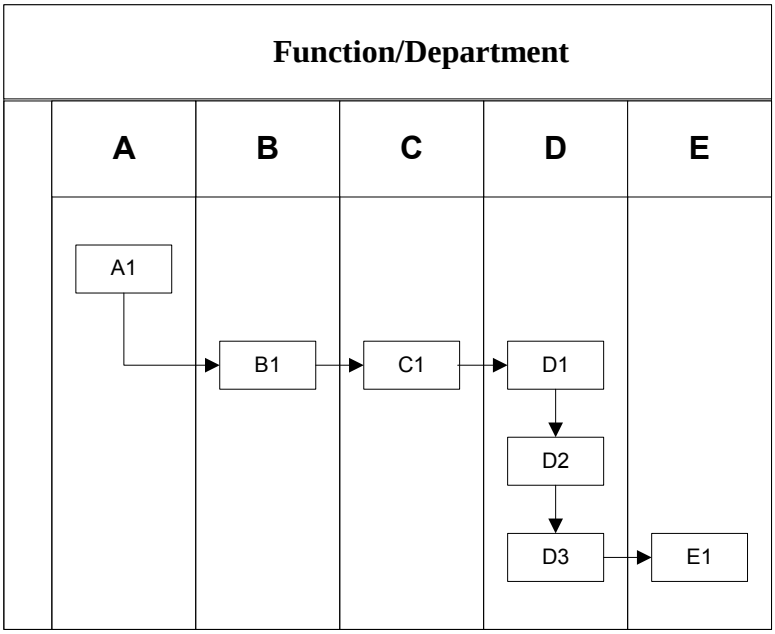


Figure 15: Block Diagram (Egnell (1995) refers to Melan).

A flowchart is another way of describing business processes, this gives a more detailed description than what the block diagram provides. Often, companies start by drawing a block diagram and then they continue with making a flowchart to give a more thorough description of the business process. When drawing a flowchart you are using different kinds of symbols that identify what kind of activities that are included in the process, such as symbols for identifying an operation, a decision-point, documents, storage and so on. (Harrington, 1991). The symbols can differ a lot depending on organization and industry, consequently there is no generally acceptable symbols used by everyone. However, there are symbols that are commonly used and therefore preferably chosen, to make it easier to understand the flowchart. (Hollander, 2000) Figure 16 demonstrates the principle of a flowchart The flowcharts can be drawn at freehand, but it is convenient to use flowcharting templates packages.

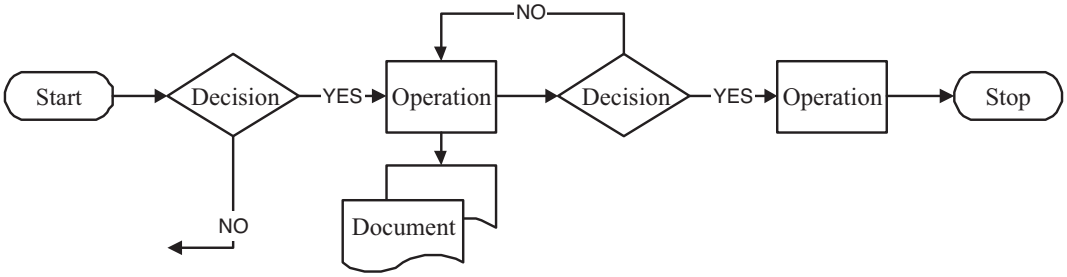


Figure 16: Flowchart (Egnell (1995) refers to Melan)

When flowcharting a company's business processes it will often show how reality differs from what is the corporate view on how things are done. For that reason there must be a clear distinction between what is said to be done and what is actually done. The analysis may show that certain steps of the processes only are accomplished exceptionally because of lack of time. Then management have to consider whether to simplify the process, the procedures involved for a certain tasks or adjust the objective

of the process. (Stone, 2000) Consequently, flowcharting is a useful tool and a key element in business process improvements. (Harrington, 1991).

However, when making business process improvements a company mustn't change the structure of their processes in a way that does not fit the culture of the organization. (Stone, 2000) When designing new business processes, Dyché (2002) points out the importance of understanding the customers' view of the process as well as its complexity. Even if it may be of high value for the customer it may be unmanageable to realize, due to too high complexity.

Another important aspect when designing business processes is to design a "plan B" version. This involves identifying different kinds of problems before they have actually happened, as well as the options available for the staff that must deal with the problem. Working out how to take care of problems likely to occur will save a lot costs, this since the damages can be minimized when the problem come about. (Stone, 2000)

2.5.6 The Selling Process

In this section two theories about the sales process will be described.

The selling process developed by Douglas

The selling process can be divided into three phases, the *Pre-Transactional Phase*, the *Transactional Phase* and the *Post-Transactional Phase*. Within these phases eight steps are specified, each one containing different activities, figure 17. The steps are ordered in logical sequence but commonly the steps are not performed exactly in this order. (Douglas, 1995)

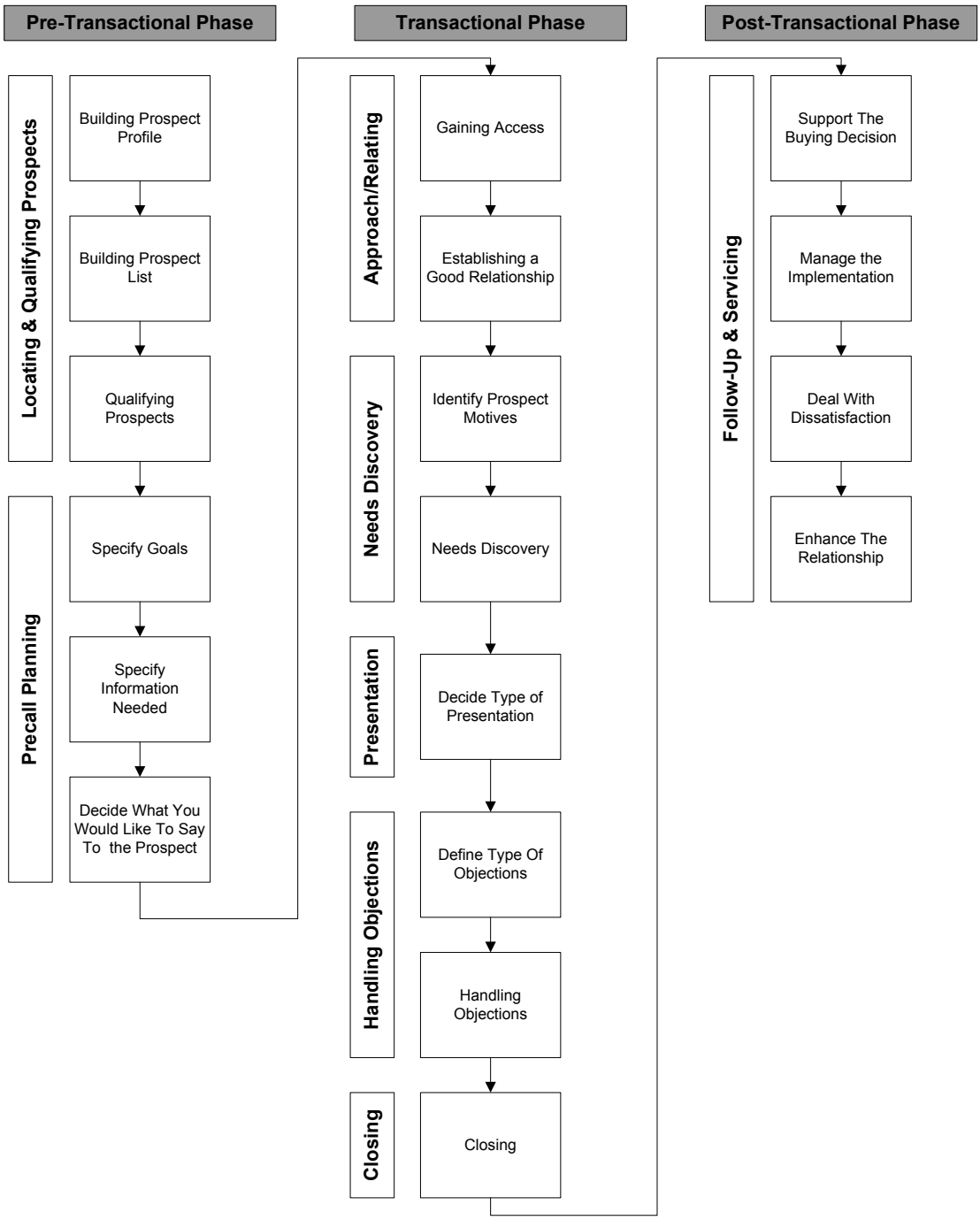


Figure 17: The Selling Process (adapted from Douglas, 1995)

Phase1: The Pre-Transactional Phase

This phase includes actions that are initiated prior to interaction with decision-makers.

Step 1.1: Locating and Qualifying Prospects

Prospecting for new customers is one of the most important tasks for a salesperson. When prospecting the salesperson has to make sure that he/she spends time on the companies that are likely to become good customers. For that reason the sales person has to start with building a good customer profile. (Douglas, 1995)

- Activity: Building a Prospect Profile
  This involves identifying the factors that define who is a good prospect. This can be done by reviewing your specified target segments or by analyzing what type of customers that historically have been the most profitable ones. The profile is defined in terms of demographics, the physical characteristics of the buying environment, and in terms of specific product or service characteristics. Examples of demographics are size of the business, age of the equipment to be replaced, geographic distance from shipping points, product line specialty. The product/service characteristics also influence the prospect profile since some product or services won't be suitable for certain companies. (Douglas, 1995)

- Activity: Building a Prospect List
  After the prospect profile is defined a list of prospects can be developed. There are different methods to do this; examples of the most commonly used methods are *Direct Inquiry, Directories, Referrals,* and *Cold Canvassing*.

  - *Direct Inquiry:* Companies may receive direct inquiries from potential customers. These potential customers often make good prospects since they are requesting information themselves. These inquiries can be unsolicited but most of them are generated with different activities, such as advertising, direct or indirect mail, and trade shows.
  - *Directories:* There are companies providing names, addresses, and other information about companies grouped by type of product and status.
  - *Referrals:* The company asks a satisfied customer to name another company that might have interest in a product or service. Sometimes the customer also introduces the salesperson to the customer.
  - *Cold Canvassing:* It is called "Cold Canvassing" when a salesperson contacts a company unannounced and tries to find good prospect. (Ibid)

- Activity: Qualifying Prospects:
  After listing the leads the salesperson needs to qualify the leads, which involves distinguishing the good ones from the bad ones. The qualification is done by identifying *customer needs, buying authority*, and *ability to pay*. This information is often obtain by calling the prospect.
  - *Customer Needs:* The customer's need for the product or service has to be identified, as well as the size and profitability of potential orders. Even if the company can satisfy a need of the customer it is not a matter of course to sell, the estimated profitability of the sale might not be enough.
  - *Buying Authority:* The salesperson must identify who has the authority to buy and who influence the purchase decision.
  - *Ability to Pay:* It is important that the salespersons check the prospects ability to pay, this to make sure that they are not doing business with a company who faces bankruptcy and will constitute a high credit risk. (Ibid)

Step 1.2: Precall Planning
This step involves organizing your sales strategy prior to meeting the buyer. This can be done by asking yourself a few questions:

- Activity: What Do I Want to Accomplish?

The salesperson should specify an action that they would like the prospect to take after the contact is made. Then it is easy to see if the salesperson has reached the objective.

- Activity: What Do I Know About the Prospect?

The salesperson should go over information about the buyer so he or she knows what additional information is needed. (Douglas, 1995) Examples of critical information needed is:

  - Size of business
  - Product lines
  - Target markets
  - Executives and other key personnel
  - Relevant buying routines and procedures
  - Competitors
  - Previous experience of their company
  - Current supplier
  - Volume possibilities
  - Where, how, when, why, and by whom will the products be used
  - Prospect for development of future sales volumes (Ibid)

- Activity: What Am I Going to Say?
  When calling a prospect it is important that the salesperson is prepared on what to say to the prospect and foremost the salesperson should try to think about what the prospect probably would like know about their company and about the product or service. Examples of questions that it is important to answer and that may affect the outcome are:

  - What are you selling?
  - Why do I need it?
  - Who is your company?
  - How much will it cost?
  - Who else is using it and are they satisfied?
  - What kind of person are you?
  - How does your solution compare to other alternatives?
  - Is your price truly competitive?
  - Why do I need it now?
  - What is your record to support and service? (Ibid)

<u>Phase 2: Transactional Phase</u>
In this phase actions are initiated while interacting with decision-makers.

Step 2.1: Approach/relating
The approach involves the strategies the salesperson uses when trying to establish a good relationship with the prospect. It is a significant step in the sales process since the initial impression is of crucial importance for future interaction. Some examples of how the salesperson can approach the customer is mentioned below. (Ibid)

- Activity: Gaining Access
  - *Direct personal contact* by calling or visiting the customer.
  - *Phoning ahead* for arranging an appointment.

- *Personal letters* with information about the company and their product assortment and suggestions on dates for a meeting. Later the salesperson can perform a follow-up call to the prospect.

- Activity: Establishing a Good Relationship

During this initial stage of the contact with the prospect the salesperson has to balance non-business topics with talk about what they offer. It is important that the prospect get the feeling of the salesperson being competent and trustworthy. (Douglas, 1995)

Step 2.2: Needs discovery
During this stage the salesperson has to discover the needs of the prospect and then tell the prospect about their products and services.

- Activity: Identify Task and Personal Motives
  The sales person needs to identify task motives and personal motives that influence the purchase decision.

  - *Task Motives:* logical, practical, or functional motives.
  - *Personal Motives:* this includes needs for respect, approval, power, and recognition. (Ibid)

- Activity: Needs Discovery

Generally when discovering needs a few questions have to be asked. The sales person usually starts with asking for permission to put questions, followed by fact-finding questions, feeling-finding questions and finally checking questions to make sure that he or she has understood what the prospects has told. (Ibid)

Step 2.3: Presentation
The purpose with the presentation stage is to show the prospect how your product or service can satisfy their needs. Thereby the sales person must decide what type of presentation that is most suitable.

- Activity: Decide type of presentation
  There are two types of presentations, *Oral Presentations* and *Written Proposals*. The salesperson also has to provide evidence that proves the capabilities; this is often done by the use of demonstrations. Demonstrations encourage the prospect to participate and try out the product or service, which increases their understanding for how the product or service can satisfy their needs. The demonstration is often done with help from visual aids. (Ibid)

Step 2.4: Handling Objections
Objection from the prospect always occur and should be regarded as an opportunity to focus on the areas of concern to the buyer and to provide more information. The objections should be handled with a positive approach by the salesperson and he or she should try to define hidden objections, and then try to turn the objections into reasons for buying. (Kotler, et al, 2001)

- Activity: Define Type of Objections
  The type of objections can be divided into *Real Objectives* and *Pseudo-Objections*.

  - *Real Objections:* These kinds of objections are likely to concern the company, the product, timing, or price.
  - *Pseudo-Objections:* These kinds of objections are performed to hide the fact that the prospect does not want to make a decision. (Douglas, 1995)

- Activity: Handling Objections:
  The handling of the objections can be described as a process containing the following steps:

  1. Listen to the buyer's feelings
  2. Share the concern without judgment
  3. Clarify the real issue with questions
  4. Problem-solve by presenting options and solutions
  5. Ask for action to determine the commitment (Ibid)

Step 2.5: Closing
This step involves the salesperson asking the prospect for the order, however, when to ask the customer is not that easy to know.

- Activity: Decide When to Close the Deal
  The ideal thing is to "close early and to close often". However, if the salesperson tries to close early the prospect may consider it too pushy, resulting in rejecting the request. Often the salesperson has to make several closing attempts and the number of failures depends on how good the salesperson is on reading buying signals given by the prospect. (Ibid)

- Activity: Closing Techniques
  What type of closing technique that is used depends on the circumstances. If the prospect can chose between a variety of products the *Alternative Choice method* should be chosen, with the salesperson asking questions in order to narrow the range of choices. Another method is called the *Summary Close method*, where the salesperson gives a summary of the benefits and suggests what actions to take. (Douglas, 1995)

Phase 3: Post-Transactional Phase

Phase three includes the actions that are performed after a transaction.

Step 3.1: Follow-Up and Servicing
Follow-up involves giving service to the customers and building of long-term relationships. The follow-up activities can be divided into four different groups, which are described below.

- *Activity: Support the Buying Decision*
  After the purchasing decision it is important that the company follow-up the deal by calling or sending a letter to the customer, where they thank the buyer for the

order and complement with details. Thereby any worries that may have arisen are reduced.

- *Activity: Manage the Implementation*
  This step involves support activities, assisting with training, as well as reporting about how the implementation and utilization progress.
- *Activity: Deal with dissatisfaction*
  If any problems occur in the customer company, the supplier should respond and take swift measures to improve the situation.
- *Activity: Enhance the Relationship*
  In order for the relationship to be long-the company must be available if the customer needs information or ideas. They also have to secure that the quality of the product or service is preserved.

Follow-up activities also involve calling back to prospects that did not buy on the former contact with the company. When calling back it is good to have a little information about what happened during the last interaction. Consequently, the salesperson should always record what they have learned from a contact, it can be objections from the prospect, viewpoints from purchase decision makers, needs, and critical mistakes that should not be repeated. (Ibid)

The Selling Process developed by Peak Sales Consulting

According to Peak Sales Consulting (2002) a company must have a well-defined sales process totally adopted by the employees in order for the CRM system to function well. Here follows a description of Peak Sales Consulting's view of a sales process. The process is visualized in figure 18, which shows both activities and departments involved. The process involves four phases, which are lead processing, the selling cycle, customer acquisition and customer management.

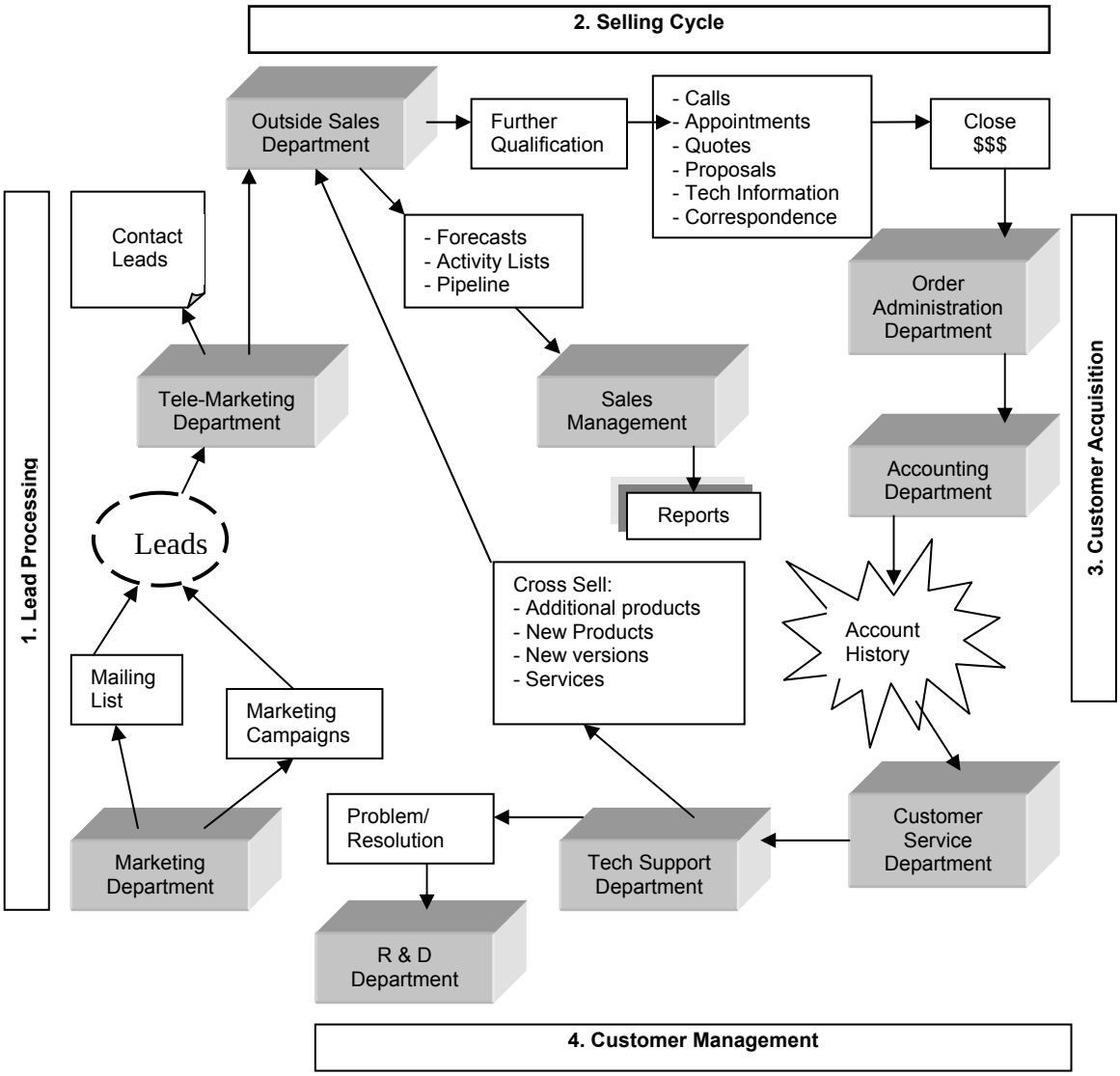


Figure 18: Sales Process (Peak Sales Consulting, 2002)

Phase 1: Lead Processing

This step involves *generation of leads* and *lead qualification*. The Marketing Department is responsible for generating leads by performing a variety of campaigns that creates interest among the target group and makes them respond to the campaign. Another way to generate leads is to purchase a mailing list with facts about leads that can be contacted. (Peak Sales Consulting, 2002)

When the leads are identified the Marketing Department should register the lead in the CRM system, in order for everyone to have access to current leads. The source of the lead is very important to register. This since when analyzing the close ratio it is interesting to see what generated the lead. This is valuable marketing information that can assist when planning the marketing programs and deciding the marketing budget. (Ibid)

After identifying the leads the Marketing Department should contact the leads in order to communicate their offer. According to Peak Sales Consulting it is advantageous to provide the potential customers with a constant flow of information, via email, fax or

phone. These activities can be generated automatically at pre-defined intervals and the sending of messages can also be automated.

After generating the leads the Inside Sales Department or the Tele-Marketing Department must qualify the leads. This involves contacting the lead in order to gather more detailed information about the lead, reveal additional requirements and identify the lead's sense of urgency to close the deal. Of course, all this information needs to be registered as well. (Peak Sales Consulting, 2002)

Phase 2: Selling Cycle

After the Inside Sales Department has qualified the leads the Outside salespeople contacts the lead to acquire some additional information, qualify them further, and maybe in order to plan a meeting. The steps involved in the selling cycle depend on a number of variables, such as the company's sales process or the individual salespersons sale style.

It is important that the Outside Sales registers their information at the same place as the Inside Sales, in order to obtain an accurate database. It is also important that the salespeople register their performed sales activities with the prospects, in order for everyone to know what has been done with a certain prospect. (Ibid)

Sales Forecasts

The salesperson should also as soon as it is possible develop a forecast for the sale including a description of what they might by, when they might buy it, the probability of getting the order, and the potential revenue the company might obtain by closing the deal. This information will be valuable for management who may estimate where the business is heading and thereby better manage their company. The position of the prospect in the sales cycle will also become apparent and thereby the people interacting with the prospects can position their discussions accordingly. Peak sales Consulting gives the following examples of steps in the sales cycle, Qualification Stage, the Proposal stage, the Negotiation Stage, the Handling Objection Stage, and the Closing Stage. (Ibid)

Sales Management Reports

Management will be interested in what the salespeople think they will be closing this month, or quarter or year. According to Peak sales Consulting they will also be interested in how the salespeople is spending their time, therefore the management need reports with forecast information, activity lists, call reports, number of customer visits and any other relevant information. Thus, there is a need for technology to collect, store and report this date, as well as the employees need to actually enter information in the system. (Ibid)

Phase 3: Customer Acquisition

During this phase the deal is closed and the prospect turns into a customer. What is worth indicating is that once the deal is closed the responsibility of taking the order and collecting the payment is passed on to the Order Entry and Accounting Department. If the customer information is shared between different departments by using database technology the Order Entry & Account department already has access to relevant information and the salesperson also has the possibility to check the order

and payment status of the customer. In this way no customer information has to be retyped and the salesperson avoids trying to resell to customers who haven't paid for their first order yet. (Peak Sales Consulting, 2002)

Phase 4: Customer Management

Customer Service

If the Customer Service Department has access to information on activities with existing customer their function may perform cross-selling activities. Depending on the current activities with the customer, the customer service representative can suggest appropriate offers to the customer calling. (Ibid)

Technical Support

If the customer contacts the Technical Support needing them to solve a problem the company must have the right tools for logging, tracking and solving the problem. It is also important that the Marketing & Sales Department has access to the information recorded by the Technical Support department, this in order to avoid contacting a customer without knowing about problems reported. (Ibid)

Research & Development

The research & Development Department has to be informed about complaints made on products, this in order for them to look into if there are any changes that has to be made. (Ibid)

3 Frame of Reference

In this chapter the frame of reference will be defined. Further, the relationship between the theories included in the theory chapter will be described, the research questions will be stated, and the demarcations of this study will be described. After that, the theories relevant for the research problem will be chosen and the emerged frame of reference will be presented. Finally, the conceptualization and operationalization will be described.

3.1 Definition of Frame of Reference

Miles and Huberman (1994) state *"that a frame of reference explain, either graphically or in narrative form, the main things to be studied - the key factors, constructs or variables- and the presumed relationship between them"*. Consequently the frame of reference presents the theories and models that are most suitable for the current research problem and it also describes how the theories are related to each other.

3.2 Relationship Between Theories

Here follows a description of how the theories in chapter 2 relate to each other, figure 19. The connection between the different theories is described in order to create a better understanding for which theories that need to be included in the frame of reference.

The Strategy Continuum (Grönroos, 1994) presented in the theory chapter is related to Bose (2002) theory on who will benefit from applying CRM. This since a company's marketing approach can be identified by using the Continuum and by making a comparison with the characteristics mentioned by Bose, the likeliness of benefiting from CRM can be estimated.

The Strategy Continuum is also related to the theories treating CRM development, since the Continuum can be used when identifying a company's CRM requirements. The characteristics presented in the Continuum creates an overall understanding for a company's marketing approach and customer relationships, which is necessary when investigating business requirements.

The theories regarding CRM and CRM technology are related since they are both needed to describe CRM. The theories regarding CRM development includes important information on the procedures necessary when developing CRM in companies. It incorporates theories on how to identify the CRM functionality. Consequently, the theories describing CRM development and CRM technology are also related.

The identification of the CRM functionality needed is done by performing a business process analysis, where the companies CRM requirements are identified at first, followed by an identification of the needed CRM functionality. Thereby, the theories regarding business processes and business process analysis are related to the theories describing CRM development. They are also related to the theories describing CRM technology, since CRM technology is needed in the different steps in the business

processes. Thereby, the sales process described in the theory is connected to the theories regarding CRM technology.

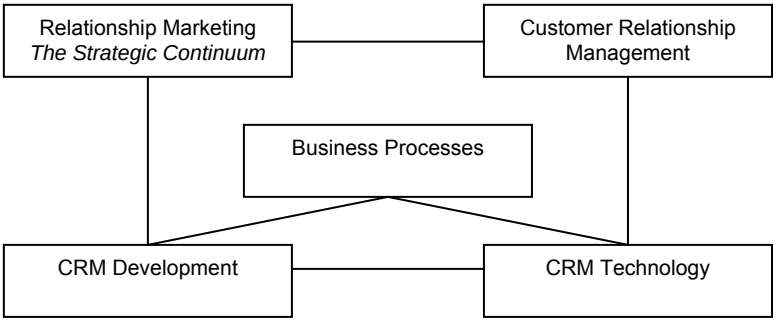


Figure 19: Visualization of the relationship between the theories presented in chapter 2.

3.3 Research Problem and Research Questions

In the first chapter the research problem was defined as follows:

The research problem is to describe CRM and the realization of CRM in companies by using a CRM system.

To be able to answer the research problem it has been divided into four research questions, which are put together as follows:

RQ:1. How can CRM be described?
The first part of the research problem is to describe CRM. This implies defining CRM and describing what the concept involves. CRM needs to be described in order to understand how a CRM system can be used to realize CRM in a company.

RQ:2. What CRM requirements do companies have?
This research question involves identifying companies' CRM requirements, which can be explained as identifying the business requirements that can be fulfilled by applying CRM. It is necessary to identify the CRM requirements since they decide the CRM functionality that companies need to include in their CRM systems.

RQ:3. What CRM functionality can meet the CRM requirements?
The third research question involves identifying the CRM functionality that can meet the CRM requirements identified in research question number two. CRM functionality involves technical functions and information that are comprised in a CRM system. The need for CRM functionality is necessary to identify in order to understand how a CRM system can support the realization of CRM in companies.

RQ:4. How can a CRM system be designed?
The fourth research question involves describing the design of a CRM system, which implies identifying which functions and information that can be used at different steps in a company's sales process. By describing how a CRM system can be designed the second part on the research problem is solved, this since the design shows how a CRM system can be used to realize CRM in a company.

3.4 Demarcations

This study is, due to time constraints, delimited to involve companies customer relationships, not relationships with channel partners, vendors or relationships with others who needs information from the company.

Furthermore, the study is delimited to focus on companies within the industrial market, operating within the production and service industry. The production and service industry is selected since it's of interest for the assigner company as well as for researchers to investigate whether the differences between service and productions companies has any impact on the research problem formulated in this study.

The study is also limited in the sense that in order to answer research question two, three and four, only the sales process will be investigated. This business process is selected since the theory states that CRM supports marketing, sales, and service, which activities are all comprised in the sales process. The theory also indicates that the activities concerning e-commerce is comprised in CRM. However, due to time constraints this study will not take e-commerce into consideration.

3.5 Choice of Theories

This section includes a description of the theories chosen for this study and the theories that are excluded from future work. First, the theories chosen to estimate the suitability of the study objects will be presented. Then, the theory/theories that will be used when answering the different research question will be presented. Some of the theories are only used for one research question, while some are used for several.

Theories Selected to Estimate the Suitability of the Study Objects

Some of the theories presented in the theory chapter will be used in order to show that the study objects are suitable to investigate. First of all, Bose (2001) theory about companies that are likely to benefit from CRM will be used to ensure that the study objects will profit from CRM. Gummesson's (1994) theory describing differences between transactional marketing and relationship marketing will be used to identify the marketing approach of the study objects and thereby the company's suitability for the study. If the study object is applying the transaction marketing approach they will benefit less from using a CRM system and is therefore not of interest to this study. The theory describing CRM complexity, developed by Dyché (2002), will be used to define the company's current degree of CRM complexity, which also will affect the suitability of the study object.

RQ:1. How can CRM be described?

Customer Relationship Management

In the first and second chapter of this thesis the CRM approach was described. Most of these theories will be included in the frame of reference, since it will help describing CRM. However, the part describing Partner Relationship Management in the section "The future of CRM" will be excluded since the study is delimited to cover customer relationships. The part regarding "ERP & CRM" will also be excluded, this since it's only needed to familiarize the reader with some basic concepts and will not be needed in order to answer the research problem.

None of the CRM definitions provided covers all aspects of CRM; thereby several definitions must be included in the frame of reference in order to give a complete view of the concept. The four definitions provided by Xu is chosen, this since they together give an understanding of the CRM concept and because they comprise all aspects that are mentioned by the other researchers.

One View
Stone (2000), Trepper (2000) as well as Bose(2002) states that customer data collected need to be aligned by customer, and not fragmented by the company's organizational structure or by product. Since the collection of data is fundamental when applying CRM the integrated view of customer data will be included in the frame of reference.

View of the Organization
Dyché's (2002) theory about customer-focused business processes and Egnell's (1995) theory about a process-oriented view helps describing how a company should view their organization in order to fit to the CRM approach. These theories will, together with Rummler & Branche's (1995) theory about the vertical and functional view, be needed when analyzing companies' view of their organizations and will therefore be included in the frame of reference.

RQ:2. What CRM requirements do companies have?

When investigating companies CRM requirements there is a need for different kinds of theories. First of all, there is a need for theories that are used to obtain knowledge that is necessary in order to understand companies' CRM requirements. Secondly, there is a need for theories concerning identification of companies CRM requirements. Finally, theories treating CRM functionality is needed since companies' sometimes prefer to express their CRM requirements by using terms of CRM functionality. For example, instead of stating that your company need the same address list in their CRM system as in their mailing program, they might state that they need an Microsoft Outlook Integration. Thus, when describing CRM requirements it is sometimes easier to state the need for CRM functionality.

<u>Theories that are used to obtain knowledge about the companies</u>

The Strategy Continuum
When investigating companies' CRM requirements it is important to have an understanding of their marketing approach and their customer relationships. Thereby the Strategic Continuum, provided by Gummesson's (1994) will be included in the frame of reference.

<u>Theories used to understand how to identify CRM requirements</u>

Defining CRM Requirements
The part describing the need of defining CRM requirements will be useful when studying companies' CRM requirements and will therefore be included in the frame of reference.

CRM Development Life-Cycle
Some of the steps in the CRM development life cycle developed by Bose (2002) will be included in the frame of reference, while some will be excluded. In the *system*

analysis step the critical factors "obtain outside expertise" and "scalability" will be excluded since they are not relevant for answering the research problem. Furthermore, step 4-8 won't be included in the frame of reference. This since the *design* and *construction step* involve a too detailed specification of the design, and the remaining steps involves the implementation of CRM.

When investigating companies CRM requirements it will be helpful to use some of the steps in the CRM development life cycle. The *planning step* will be useful, as well as the *research step*, and the *system analysis step*. However, in the research step just the organizational structure of companies will be included, the other factors will be excluded since they aren't relevant for this study. In the *system analysis step* the critical factor "customer interaction", "consider implementation in stages", "Re-design of Customer Data" and "Making the data available for decision making" will be used.

Business Processes
In order to identify what business requirements CRM can address, companies need to perform a business process analysis. Therefore it is necessary to include theories about business processes, as well as about business process analysis.

Among the business process definitions provided in the theory chapter. Willoch's (1995) definition is the most customer-focused one, therefore it is chosen for the frame of reference. Both Egnell's and Willoch's theories about business process characteristics is kept for future work, in order to create an understanding for what a business process actually is. The theory about structure of processes is relevant for the business process analysis and will thereby also be included in the frame of reference.

Business Process Analysis
Flowcharting forms the base for analyzing business processes. Thereby, theories about building a flowchart will be selected for the frame of reference and the theory involving block diagrams will be excluded. This since a flowchart shows the flow in the process on a more detailed level than the block diagram. The part describing important aspects when making a flowchart and when performing business improvements is also essential when performing a business process analysis, and will therefore be needed during the future work.

Sales Process
Douglas (1995) description of the sales process should be included in the frame of reference. This since it will be useful when performing the business process analysis. The description of a sales process provided by Peak Sales Consulting (2002) is not as detailed as Douglas's description. However it brings up several interesting aspects that will be added to the frame of reference. Peak Sales Consulting have included which departments that are involved in the sales process and they are also emphasizing the importance of storing information on performed activities, thus this information will be added to Douglas' description. During the "Lead Processing" phase the section describing how important it is to register the source of the lead will be added, the part stating that activities can be generated automatically, and the step "marketing campaign" will also be added. The campaign management process described in theory will be included as a sub-process to this step.

During the "Selling Cycle" phase it is stated that management need reports about sales forecasts, the sales pipeline and about activities. This information will also be included in the frame of reference since Douglas does not mention sales management. In the "Customer Acquisition" phase the value of collaboration between the salespeople and the order department is emphasized, and in the "Customer Management" phase the collaboration between salespeople and the Service Department is underlined. The need to inform the Research & Development Department about complaints on products is also emphasized. Mr Douglas did not mention these aspects, so this information will also be included in the frame of reference.

Theories treating CRM Technology

Functional Categories of CRM Technology

In chapter two, functional categories of CRM technology are described, which are operational CRM, analytical CRM, and collaborative CRM. This is useful when investigating companies' CRM requirements, since it gives an understanding on how CRM requirements can be fulfilled.

Fundamental Characteristics of a CRM System

The theory chapter also describes four fundamental characteristics of CRM, which are Sales Force Automation, Marketing Automation, Customer Service and Support, and Field Service Automation. All these characteristics are needed when investigating companies CRM requirements and will therefore be included in the frame of reference.

However, in the frame of reference, Field Service Automation will be included under Customer Service and Support, this since the functionality involves facilitating the execution of customer service. According to Dyché (2002) Field Service Automation partly is Customer Service and partly Sales Force Automation. Nevertheless, Field Service Automation functionality doesn't need to be included under Sales Force Automation. This since the section describing Mobile CRM already brings up the salespeople's need for field service possibilities.

In the frame of reference, Pipeline Management will be included under Sales & Territory Management, this since management need this functionality when over viewing the sales pipeline. The two lists, provided under Target Marketing, containing variables for segmenting customers are relevant when describing Marketing Automation functionality. Zindelin's (2000) variables are better fitted to this study since it's developed for segmentation of industrial markets. However, Dyché (2002) mentions some variables that are not included in Zindelin's description which therefore will be added to the frame of reference as well, appendix 2. The section describing the evaluation of different customer segments will be excluded from the frame of reference since it doesn't involve describing CRM functionality. The issues regarding privacy concerns when collecting customer data will also be excluded from the frame of reference, since it will not help answering the research problem.

The Sales Analysis Process (Douglas 1995) and the input measures described will be included in the frame of reference since they will be useful when evaluating sales force performance. Some of the output measures will also be added to the frame of reference since they were not included in the Sales Analysis Process. These are, sales

volume per call, number of accounts lost, proportion accounts buying full line, strike rate, number of orders taken and order per call ratio.

In the frame of reference, the CRM characteristics described will be included under "operational CRM". This since the functional category "operational CRM" includes customer-facing applications, involving the CRM characteristics Sales Force Automation, Customer Service and Support, and Marketing Automation.

The CRM Solution Map
The CRM Solution Map will kept for future work since it is useful when identifying CRM requirements. However, all parts of the map will not be used in this study. As it is limited to involve companies' customers, the "channel partners" will be excluded and consequently Partner Relationship Management as well. eCRM will be included in the frame of reference. However, eCommerce will be excluded since the study is limited to involve the marketing, sales and service process.

RQ:3. What CRM functionality can meet the CRM requirements?

In order to answer this research question, there is a need for theories treating CRM technology, theories concerning how companies can identify CRM functionality, and theories including aspects that influence the need of CRM functionality.

Theories concerning CRM Technology

CRM Technology
The part in the theory chapter describing CRM technology is needed when investigating the companies' need for CRM functionality and will therefore be part of the frame of reference.

The Future of CRM
The trend involving development of visual tools (Bose, 2002) will be useful when identifying companies need for CRM functionality. It will be added to the section Analysis of Customer Data in the theory chapter. Verticalization is also mentioned as a trend that will affect the evolvement of CRM. This theory will be included in the frame of reference since it will be of use when investigating companies' need for CRM functionality.

The other trends mentioned by Bose (2002) will all be excluded from the frame of reference. First of all, "Partner Relationship Management" will not be kept for future work since the study is delimited to focus on customer relationships only. Secondly, consolidation of CRM vendors is a trend that isn't relevant for the research problem and will therefore not be needed any longer.

Theories concerning how CRM functionality is identified

Defining CRM Functionality
Dyché (2002) describes the defining of CRM functionality. This is important when investigating what CRM functionality can meet companies CRM requirements and will therefore be kept for future research.

Business processes, Business Process Analysis & the Sales Process
When identifying CRM functionality, companies' must perform a business process analysis. Thereby, theories regarding business processes, business process analysis and the sales process needs to be included in the frame of reference. The theories are selected under research question number two, in the section above.

Theories including aspects that influence the need of CRM functionality

CRM Development Life-Cycle
Under the *System Analysis Step* in the CRM development life-cycle a "feasibility study" is described. It brings up the importance of a company considering if the CRM solution is feasible or not. It will be included in the frame of reference since it will be used when investigating what CRM functionality companies' need.

RQ:4. How can a CRM system be designed?

CRM Technology & the Sales Process
The design of a CRM system involves the connection between CRM functionality and the sales process. However, the theories reviewed in this study don't include a description of the CRM functionality needed at the different steps in the sales process. It only includes separate descriptions of theories regarding CRM technology and the Sales Process. Consequently, these theories will be included in the frame of reference in order to answer research question number four.

3.6 The Emerged Frame of Reference

The emerged frame of reference, figure 20, comprises all selected theories and their connection with the four research questions.

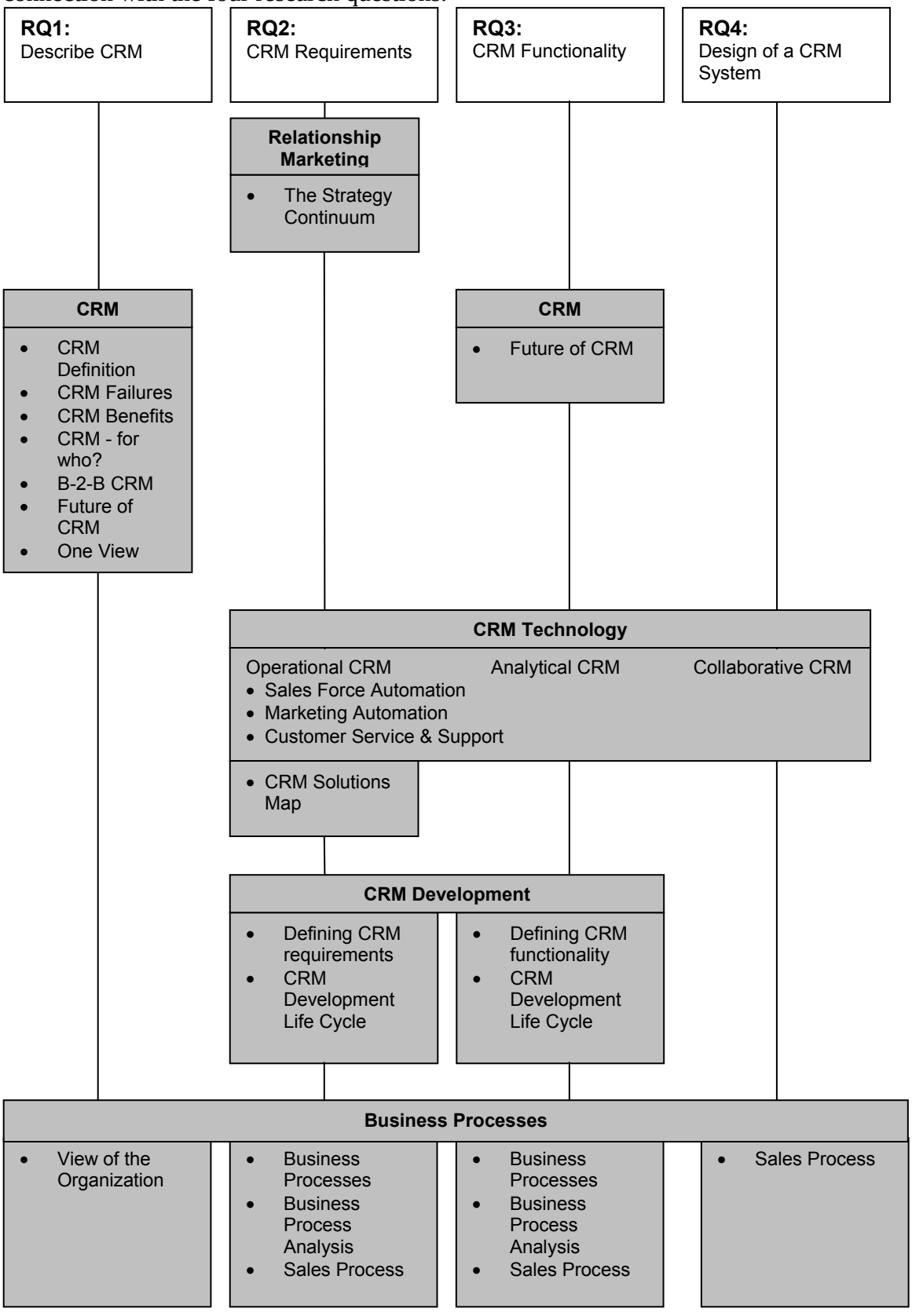


Figure 20: Emerged frame of reference (Own source)

3.7 Revised Frame of Reference

The literature covering CRM technology is not that extensive and it is difficult to find theory that describes CRM functionality on a detailed level. In order to make sure that the theory includes all CRM functionality that is available on the market today, three CRM systems have been analyzed. The functionality included in the CRM systems, without correspondence in theory will be added to the frame of reference. This implies that the emerged frame of reference presented above will be complemented with additional CRM functionality, added under the section "CRM Technology". Thus, the final frame of reference for this study will be based on the initial frame of reference and on the performed analysis of the CRM systems, figure 21. In other words, the new frame of reference will constitute the theoretical frame of reference for this study.

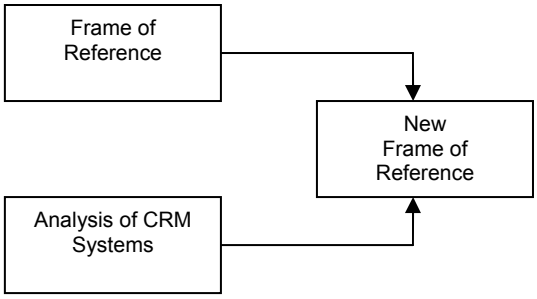


Figure 21: The new frame of reference based on theory as well as on the analysis of CRM systems.

The CRM systems analyzed are the following:

- Axapta, produced by Microsoft Business Solutions,
- Movex, produced by Intentia
- SuperOffice CRM 5, produced by SuperOffice.

The systems are described more in detail in appendix 3. The CRM systems selected are all well established on the market. The systems selected also represent both pure CRM systems and CRM systems that are part of an ERP system. The selection of CRM systems was also based on the scope of the systems, due to the time frame for this study very large systems could not be analyzed. The CRM functionality included in the CRM systems provided by, Microsoft, Intentia, and SuperOffice is put together and categorized after the CRM characteristics defined in the theory chapter, appendix 4. This enables a comparison between the functionality described in theory and the functionality described by the CRM vendors, see appendix 5.

When making the comparison no fundamental differences in functionality were found. However, there are some differences, the CRM vendors have included functions that is not mentioned in theory and vice versa. The differences in functionality might have various reasons. One reason can be that CRM vendors have a more system-oriented view of CRM and therefore their description is on a level that is more detailed. Another reason might be that due to the time limit for this project all literature treating CRM functionality haven't been studied. This implies that the discovered lacks in theory do not necessarily mean that CRM researchers do not have enough knowledge about CRM functionality. The reason might be that the literature describing that specific area hasn't been read in this study. It would be interesting to conduct a more thorough analysis of the reasons to the presented differences, however this is not

within the framework for this study. The final CRM functionality included in the frame of reference is presented in appendix 6, which includes the functionality provided in the theory chapter as well as the functionality added from the analysis of CRM systems.

3.8 Conceptualization & Operationalization

The concepts relevant to the research problem must be identified before the measurement process of the study can be carried out. Then the concepts need to be made operational in order to be measured. The operational definition specifies the activities necessary to measure the concept that is under investigation. (Zikmund, 2000) Table 6, presents the concepts, the conceptual definitions and the operational definitions.

Concept	Conceptualization	Operationalization
CRM	An idea on how an organization can keep their most important customers by increasing the value of interaction. The value is maximized through differentiation of management of customer relationships. At the same time as the value of intearactions is increased the costs are reduced, to consequently maximize the profits. CRM is also an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships at all customer touch points in the organization. (Xu, 2002)	Mapping of theories describing CRM and identification of companies view on CRM.
CRM Requirements	The business requirements that CRM can address. For example, ability to track sucess of a target marketing campaign.	Identification of the business requirements that CRM can address.
CRM Functionality	The functionality and information comprised in a CRM system.The functions involves technical functions comprised in a CRM system that are needed to solve the CRM requirements, for example campaign managment functionality. Information involves the data that is needed in the different steps in the business processes and that is registered in the CRM system.	Identification of the CRM functionality that can adress a company's CRM requirements.
CRM System	A system comprising CRM functionality that help companies to apply CRM.	Identification of the CRM functionality needed by companies.
Design of a CRM System	A CRM system's comprising functionality and information, connected to the sales process in a company. Accordingly, the design shows where and when the different functions and information is needed.	Identification of the functionality and information needed in a company's sales process.

Table 6: Definitions of concepts from the research problem and the research questions, and the activities necessary to measure the concepts. (own source)

4 Methodology

This chapter will describe the methodology used in this study, and will thereby clarify how the research problem has been solved. To start with the research process will be presented, followed by a presentation of the research design, the sample selection and data collection process, the data collection tool, and furthermore a description of how the data was analyzed. Finally, the methodology problems faced in this study, as well as the validity and reliability of the research will be discussed.

4.1 Research Process

Research can be performed in many different ways. However, what all research has in common is that it involves a sequence of activities that are highly interrelated and that together constitute the research process. It's not possible to state that the activities in the research process always follows a straight order, but it's however possible to describe a common pattern, which is visualized in figure 22 (Zikmund, 2000).

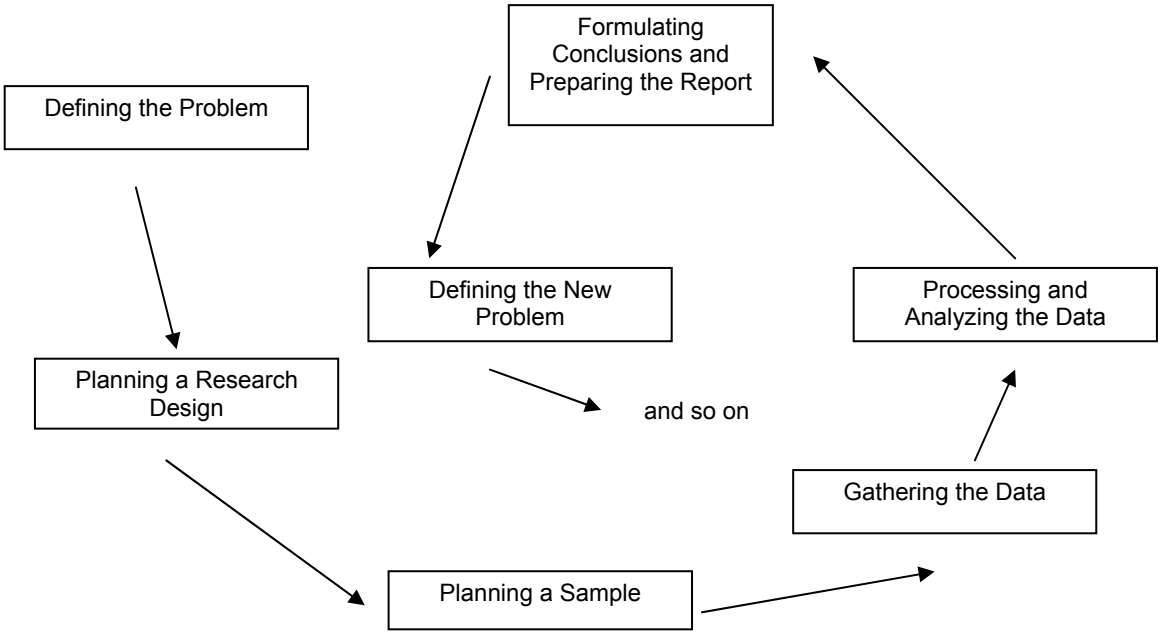


Figure 22: Research Process (Zikmund, 2000)

The research process is cyclical since conclusions from the study often generates new problems and ideas that need to be further investigated. (Ibid) In this study the research process presented above has been followed to a quite great extent. However, some adaptations had to be made in order to fit to the specific situation for this research.

4.2 Research Design

The research design is a framework for conducting marketing research (Malhotra, 1996). Consequently, it's a basic plan that guides the data collection and analysis phase of the research. It specifies information on the type of information to be

collected, the sources of the data, and the data collecting procedure. A good research design will ensure that the information collected will be consistent with the objectives of the study and that the procedures regarding data collection is accurate and efficient. (Kinnear & Taylor, 1996)

4.2.1 Type of Research

As mentioned earlier, research can be categorized into different types, where the nature of the problem affects whether the research is exploratory, descriptive or casual. The three categories are described below. (Zikmund, 2000)

Exploratory Research

Exploratory research is conducted to clarify and define the nature of a problem, where the purpose is to provide insights and understanding, not to provide conclusive evidence. Usually, exploratory research is conducted with the expectation that subsequent research will proceed. (Ibid)

Exploratory research is characterized by flexibility regarding the methods applied. Instead of following formal procedures, the researcher has to be open to new ideas and insights which may redirect the exploration in a new direction. Consequently, the focus of the research may swift as the work proceed and new knowledge is obtained. (Malhotra, 1996)

Descriptive Research

The major objective with a descriptive research is to describe something, such as a population or a phenomena. It seeks to answer who, what, where, and how questions. Consequently, a descriptive research doesn't give the answer to why questions, in other words, it doesn't give the explanation of the cause of the findings. However, when solving business problems is often enough with the information obtained from describing a situation, it is not required to know why things are the way they are. (Zikmund, 2000)

In order to perform descriptive research the researcher must have prior knowledge about the problem situation and the information needed is clearly defined. In fact, this is the major difference between exploratory and descriptive research, as well as that the descriptive research must be structured and the methods for selecting sources of information and collecting data are pre-planned and formal. (Malhotra, 1996)

Causal Research

The purpose with a causal research is to identify cause-and-effect relationships between variables. In order to perform a causal research the researcher must be knowledgeable about the subject and have an expectation of the relationship to be investigated. Normally exploratory and descriptive research is executed first and then the causal research attempt to show that when one thing is done, another thing will follow. (Zikmund, 2000) Like descriptive research, causal research requires a planned and structured design. (Malhotra, 1996)

The research in this study can be considered as both exploratory and descriptive. Initially, exploratory research was performed since little knowledge about the problem area existed. In order to increase the knowledge about CRM and CRM systems,

secondary data was studied, as well as literature regarding theories relevant for the problem area.

Before conducting the interviews with the case study objects, knowledge within CRM had been obtained. Thereby, descriptive research was used when asking questions about the CRM approach. However, since there still was interest in identification of new variables regarding CRM systems, exploratory research was used when asking questions about CRM requirements and CRM functionality. Further in the research, the research problem of the study and the information needed was rather well defined. Yet, explorative research was used regarding research question number four, since the connection between the sales process and the usage of CRM functionality isn't described in theory and thereby the knowledge within the problem areas was limited.

Consequently, regarding research question one a descriptive approach was selected, while research questions two, three and four have an explorative approach.

4.2.2 Research Approach

Deductive vs. Inductive Research Approach

When conducting research there are two different approaches to consider, the deductive approach and the inductive approach. The deductive approach implies that a conclusion is derived from a known premise or something known to be true. In contrast, the inductive approach implies that general propositions are established on the observation of particular facts. (Zikmund, 2000)

In this study a deductive approach was chosen. This since the research starts with a literature overview which later on is compared with the empirical findings. In addition, the purpose with the study is not to produce any new theories based on the observations made, which is the major purpose of an inductive approach.

Qualitative vs. Quantitative Research Approach

When collecting information, either qualitative data or quantitative data can be collected. Qualitative data implies "soft" data, such as "atmosphere at work", and is often presented as words and observations. Quantitative data implies "hard" data, like information on profits gained and order size, and is often presented as numbers that will determine the quantity or extent of some phenomena. When making an exploratory research the data collected is often qualitative. (Ibid)

In this study, a lot of data has been collected during the interviews performed. Primly, qualitative data has been collected since the answers to the questions asked are in words and not just numerical findings.

4.2.3 Research Strategy

There are several different techniques to perform research, such as experience surveys, secondary data analysis, case studies, and pilot studies. (Ibid)

Experience study is a technique in which individuals who are knowledgeable about a particular research problem are surveyed. The purpose with the experience study is to

help formulate the problem and clarify concepts, rather than develop conclusive evidence. (Zikmund, 2000)

Secondary data analysis is a review of data colleted for another purpose to clarify issues in the early stages of research effort.

Case study is a technique that intensively investigates one or a few situations similar to the researcher's problem. An advantage with performing a case study is that an entire organization or entity can be investigated in depth. This enables that the researcher may study for example the order of events or the relationship among functions or individuals. However, the results from a case study should be seen as tentative and since most situations are typical in some sense it's dangerous to make generalizations based on the result.

Pilot studies is a technique that uses sampling, but that doesn't apply rigorous standards. (Ibid)

For this study, the case study technique is the most appropriate research strategy. This since it enables the researcher to investigate several aspects in detail on few entities, which in this study is more appropriate than studying few aspects on many entities. In addition, the purpose with a case study is not to generalize the findings, which is in accordance with the purpose of this study.

4.3 The Sample Design Process

During the sample design process the target population is identified, as well as the sampling frame, sampling technique, and the size of the sample.

4.3.1 Define the population

Initially, the target population has to be identified. The target population is the specific group relevant to the research project, the group that posses the information relevant to the researcher. (Malhotra, 1996)

The target population for this study is customer companies and retailers to Jeeves Information Systems AB. The customer companies should operate within the production or service industry. These two industries was chosen since the activities in production and service companies can be quite different and it's interesting to investigate if this has any influence on the CRM requirements. The limitation, to only look at two industries, was made due to the time constraints for this study.

In order to select suitable study objects, three criterions that the companies had to fulfill were developed. First, the companies should currently apply CRM and use the Jeeves Marketing Module, or the company should have bought the Marketing Module in Jeeves Enterprise and be in the starting phase of implementing CRM. This will ensure that the company already is familiar with the CRM approach, which will enable them to provide relevant and interesting information when being studied. Secondly, the companies should benefit from applying CRM; otherwise they won't be able to provide interesting information. In order to ensure that the companies would benefit from using CRM, the company should apply more of a relationship marketing approach than a transaction marketing approach. Thereby the study objects' likeliness

to profit from CRM, as well as their marketing approach needed to be studied. The final criteria, is that the companies have a CRM system with quite high CRM complexity, in order to enable the companies to provide information on CRM requirements within many different business functions. If the company is in the starting phase of applying CRM it is important that they are aiming at a solution with high complexity.

One criterion on the retailers is that they have great experience of CRM systems. This is required to ensure that the retailers will provide high-quality information when being investigated.

4.3.2 Determine the sampling frame

After the target population has been defined it's time to identify the sampling frame, which is a representation of the elements of the target population. It consists of a list or set of directories for identifying the target population, such as a telephone book, a directory listing the firms in an industry, or a mailing list. (Malhotra, 1996)

The sampling frame for this study is the customer record of Jeeves Information System where all the customers are listed. The sampling frame also includes all retailers of Jeeves Enterprise.

4.3.3 Select a Sampling Technique

When taking a sample there are two major techniques to choose between, these are *probability* versus *nonprobability sampling*. In probability sampling every element in the population has a known nonzero probability of selection. Nonprobability sampling is a technique in which units of the sample are selected on the basis of personal judgment and convenience. In *judgment sampling* the sample is selected based on some appropriate characteristic of the sample members, and in *convenience sampling* the units or people most conveniently available is selected. (Zikmund, 2000)

In this study, the nonprobability sampling technique have been used. The Marketing Director at Jeeves Information Systems and some retailers were asked to recommend suitable companies. This since they have a lot of knowledge about the customers. Thus, the selection of study objects was based on the judgment of experienced individuals, which is in accordance with the sampling technique called judgment sampling. To receive information from the retailers concerning suitable companies showed to be time consuming, since it was difficult to get hold of the retailers and since they didn't respond straight away. The selection of retailers was also based on the judgment of the Market Director and the CRM Product Manager at the assigner company.

Convenience sampling is another nonprobability technique that was used in the study. This sample technique was used since the time frame and economical aspects implied restrictions on the geographical area where the samples were situated. However, many of the samples are situated close to Stockholm, thus the restrictions of the graphical area did not affect the selection noticeably.

When selecting which persons to interview the judgment sampling was used, this since it was very important to find the most suitable respondents with good knowledge about their company, as well as about the CRM approach.

4.3.4 Determine the sample size

In this step the sample size is selected, implying that the number of units included in the study is selected. According to Zikmund (2000) it's difficult to determine the size of the sample, and in order to make the right decision different factors must be considered. The nature of the research is such a factor. For exploratory research, using a qualitative approach, the sample design is usually small. Limitations of money and time also influence the selection of sample size.

For this study a rather small sample size was selected. Two customer companies were chosen, as well as two retailers. The reason to why the sample size was limited to involve four study objects is due to that it's suitable when applying a qualitative approach. Another reason is the time constraints for this study.

The customer companies selected are anonymous in this study, they are named Company A and Company B. The companies preferred to be anonymous since the study includes information that is sensitive to the companies.

The persons suitable as respondents were selected based on recommendations from the Marketing Manager and the CRM Product Manager at the assigner company. As well as on recommendations from the companies. The position of the respondents are presented below.

Respondents at Company A:	Respondent A: Marketing Manager Respondent B: IT Manager Respondent C: Logistics Manager Respondent D: Export Manager Respondent E: Service Manager
Respondent at Company B:	Financial Manager

The retailers selected to represent the retailer case are Jan Stenberg and Pär Heed, who are more thoroughly introduced in the empirical chapter.

4.4 Data Collection

When the research problem has been defined and the type of research has been selected it is time to decide which technique for collection of data that is going to be used. In this section the different numbers of techniques will be presented, as well as the specific choice for this study.

4.4.1 Classification of Data & Data Collection Method

The data collected can be classified as primary versus secondary data. Primary data is gathered and assembled specifically for the research project at hand. (Zikmund, 2000) Secondary data has allready been collected for purposes other than the problem at hand. (Malhotra, 1996) Secondary data is often found inside the company, in the library, on the Internet, or it can be bought from organizations providing information

on different subjects. Secondary data can be collected more quickly and more cheaply than primary data and has shown to be useful when performing exploratory studies since it saves the researcher from "reinventing the wheel". However, what is worth remembering is that secondary data has been collected for another purpose and thereby might not meet the needs of the researcher or the data might be out-of-date. (Zikmund, 2000)

According to Yin (1994) there are six sources of information to rely on when performing a case study. The sources are complementary and a good case study should thereby include as many sources as possible. The sources of information are:

- *Documentation:* documentary information includes, written reports from events and communication, administrative documents (proposals, progress reports, internal documents), formal studies/evaluations of the site under investigation, and articles from mass media.

- *Archival Records:* organizational records, maps and charts, lists of names, survey data previous collected, and personal records such as diaries and calendars.

- *Interviews:* there are different forms of interviews, such as open-ended interview, focused interview, and survey. Open-ended interviews are performed in an conversational manner. The respondent may provide facts, opinions about events, and own insights about occurrences. With the focused interview the main purpose is to confirm facts that already have been established and not ask questions of a broader nature. The interview last for a short period of time, for about an hour, and the questions derives form a protocol. Finally, the survey implies more structured questions.

- *Direct Observation*: visits to the case study site which enables direct observations, through attending at meetings, in classrooms, or by visiting the factory.

- *Participant Observation:* a special mode of observation where the observer can participate in events being studied, such as being a resident in a neighborhood being studied.

- *Physical Artifacts:* a technological device, an instrument, a work of art, or some other physical evidence that may be collected or observed when making a visit at the case study site. (Yin,1994)

In this study, both primary and secondary data has been used. The secondary data about CRM systems was collected from external sources, such as web sites and sales brochures of CRM suppliers. Furthermore, knowledge was also obtained from internal sources, in form of oral information from the CRM Product Manager at Jeeves Information Systems and from their sales brochures. In order to get basic knowledge about the study objects, external data was collected from the Internet.

The primary data was collected through interviews with people having good knowledge about the study objects as well as people being familiar with the CRM approach and CRM systems.

Consequently, the information sources used in this study are documentation and interviews. Documentation was primly used to gather secondary data, while the interviews were used to gather primary data. The interviews conducted can be considered to be of opened-ended nature. This since the interviews were performed in a conversational manner and the respondent could answer in his own words.

When performing an interview there are several approaches to choose between, such as:

- *Personal interviews*
- *Telephone interviews*
- *E-mail*

In this study primly personal interviews were conducted, implying face-to-face contact with the respondent. Telephone interviews and e-mail correspondence was also utilized to a certain extent. Personal interviews showed to be most appropriate since the research area demands complex questions and lengthy interviews. In addition, personal interviews offer many advantages. It's easy for the investigator to notice if the respondent doesn't seem to understand the question or seem hesitant about answering, in this case he or she can further explain the meaning of the matter. If the answers given by the respondent are too brief the investigator also has the possibility to ask for a more detailed description. Furthermore, with personal interviews the likelihood of receiving answers to all question increases. Finally, an advantage is that face-to-face interviews allows usage of visual aids, which was utilized during the interviews conducted in this study. (Zikmund, 2000)

The personal interviews conducted with Company A are similar to focus group interviews that involve small groups with 6-10 participants. This since the interviews conducted with Company A involved three respondents, a head respondent (the Marketing Manager) and two more respondents (the Logistics Manager and the IT Manager). The reason why there were several respondent was to secure correct answers to the questions since the head respondent wasn't familiar with all areas covered during the interview. The answers given by the head respondent could, whenever necessary, be complemented with additional information from the other respondents. However, the interviews conducted with Company A can't entirely be considered to be of focus group kind, this since the number of participants were less and since the purpose with the group wasn't to encourage a discussion between the respondents.

The interviews conducted with Company A and Company B were carried out in two rounds. The purpose with the first interview was to obtain knowledge about the marketing approach at the companies, in order to determine whether they were suitable as study objects. The purpose was also to collect information about the companies sales processes and brief information about their CRM requirements.

In order to receive information about the sales process at Company A, I made telephone interviews with two other respondents, the Export Manager and the Service Manager. In this case telephone interviews were suitable since the questions weren't' that extensive and not of very complex nature. Furthermore, telephone interviews is a

fast way of collecting data and the quality of the data obtained may be comparable to the data collected during personal interviews. (Zikmund, 2000) In addition, it was more suitable since a telephone interview is less time consuming than a personal interview. Telephone interviews were also utilized to clarify answers to questions asked during the personal interviews. For this purpose e-mail correspondence was also utilized.

By performing the literature study I had obtained knowledge about the activities involved in a sales process. Based on that knowledge I further developed the sales processes described by the companies. During the second interview I presented the further developed sales processes and together we discussed what adjustments that had to be made. Then, the final constitution of the sales processes could be settled and subsequently the CRM requirements could be identified.

As stated earlier in this chapter the retailer case involve two retailers, Mr Jan Stenberg and Mr Pär Heed, this since it's preferable to use different sources when collecting data. A personal interview was conducted with Mr Jan Stenberg. However, due to the time constraints of the study the interview with Mr Pär Heed was conducted using e-mail correspondence. This implies that the data collected from Mr Pär Heed is much more brief and only works as a complement to the interview performed with Mr Jan Stenberg.

The procedure of the interviews

The personal interviews took place at the companies' offices. During the interviews I was taking notes and I also used a tape recorder. This way misunderstandings could be ruled out and the interviews be well documented. The interviews were typed down on a computer and analyzed shortly after the interviews in order to achieve the best result possible.

Prior to the first interview with Company A, Company B, and with Mr Jan Stenberg the interview guide was sent to the respondents in order for them to get more prepared for the interview. However, prior to the second interviews with Company A & B only a brief description of the questions was sent to the respondents. This since the interview guide developed was very extensive and probably only would make the respondents more confused since many concepts needed to be further explained.

4.5 Design of the Data Collection Tool

In order to structure the collection of data, interview guides were used durng the interviews, which are shown in appendix 7. The questions included in the interview guides were developed with the research problem and research questions in mind. To ensure the correspondence between the interview guide and the problem area the questions were checked by both my supervisor at the university, as well as by the supervisor at the assigner company. This proved to result in useful feedback. The questions in the interview guides were written in a conversational manner in order to ensure that all questions were as easy to understand as possible.

The interview guides haven't been followed strictly, it has only served as a guidance. During the interviews I got information that implied that there was no need to ask certain questions that were specified in the guide. For example, during the first

interview with Company A there was no need to ask questions about their current CRM system, this since it became clear that the company hasn't started to use a CRM system yet. Consequently, I had to cut out certain part of the interview guide as the interview went along.

The structure of the interview guides and how the questions relate to the research questions are described in appenix 7.

4.6 Data Analysis

According to Miles & Huberman (1994) there is two types of analysis, the *within-case analysis* and the *cross-case analysis*. As said in the title, the within-case analysis is performed within a case and the data collected will be compared to the theory included in the frame of reference. The cross-case analysis is performed between several cases, where the purpose is to enhance generalizability and to deepen understanding and explanation.

In this study, a within-case analysis will be conducted initially, and then a cross-case analysis between the two customer companies will be performed. The cross-case analysis is interesting to conduct since the two companies are operating in different industries and it is relevant to investigate if this has an effect on the CRM requirements and need for CRM functionality.

4.7 Summary of Research Methodology

In this chapter the methodology used in the study is described. A visualization of the choice of methodology is provided in figure 23.

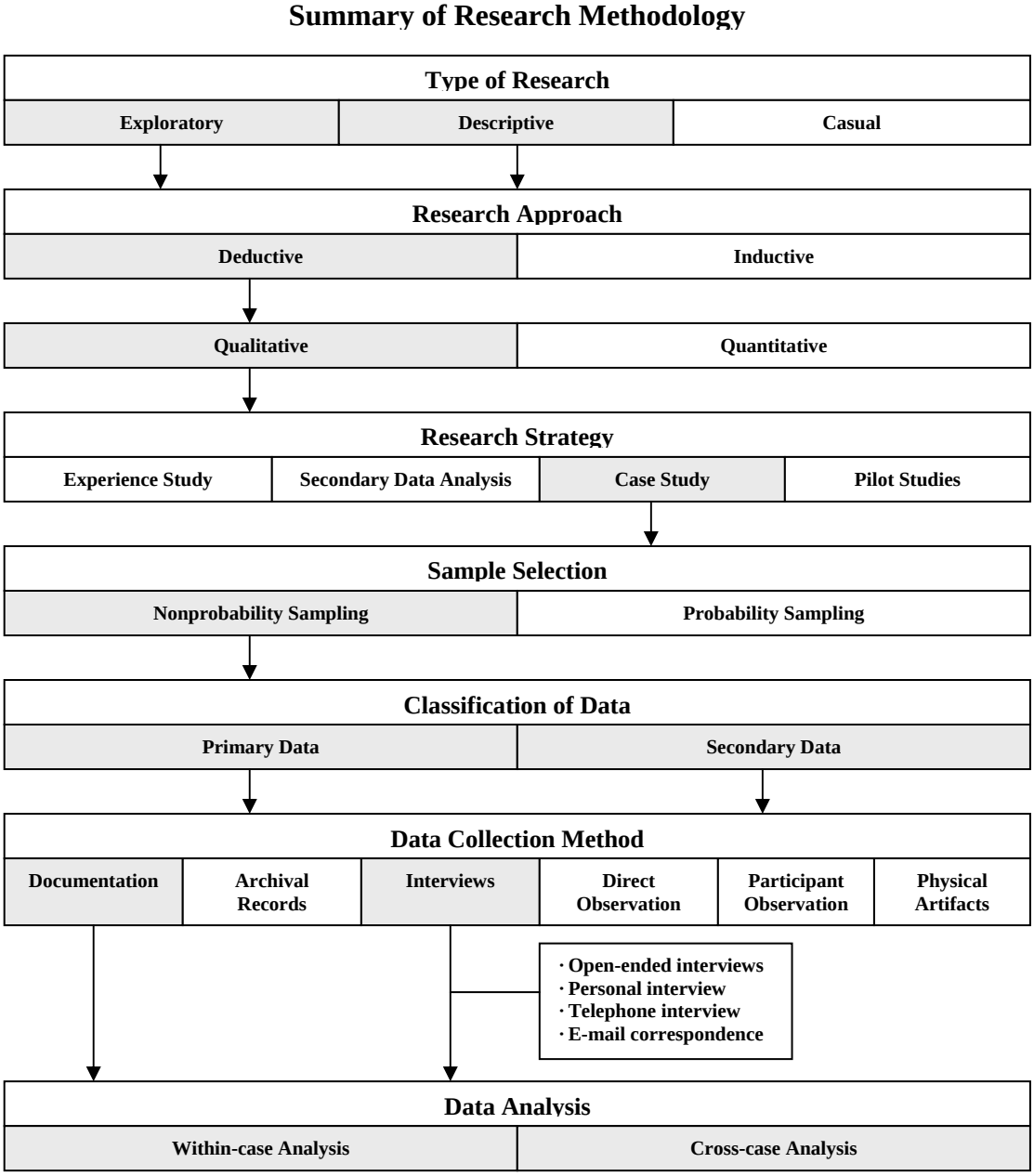


Figure 23: A visualization of the methodology choices made for this study.

4.8 Methodology Problems

A number of methodological problems were faced during the carrying out of the study. The problems were of various difficulty and have affected the result and the quality of the study to a various degree.

The first problem occurred already when defining the research problem and when formulating the research questions, and it showed to be one of the most difficult tasks during the research. It is very important to make an appropriate problem definition

since it has great impact on whether the result of the study will be in line with the purpose of the study. The research problem and the research questions were thereby revised several times during the study and were finally approved by both supervisors.

It was also difficult to find appropriate companies to interview and it proved to be a time consuming work. To make sure that the companies were suitable, I based the selection on recommendations from people having a lot of knowledge about the companies. In addition the companies were approved by the supervisor at the assigner company and I also made sure that they fulfilled the criteria's declared in the section above, describing the defining of target population.

Another methodological difficulty occurred when performing the analysis of the CRM systems. It became clear that the functionality included in the CRM systems was sometimes termed differently than in theory. I chosen to categorize the CRM functionality included in the CRM systems after the categories of CRM functionality brought up in theory, this in order to see whether there were any functional areas that needed to be added to the frame of reference. Consequently the categorization was based on my understanding of CRM functionality, but it was also approved by my supervisor at the assigner company. However, there is a risk that I have interpreted the functionality wrong, which in this respect decreases the validity and reliability of this study. Thereby I would be interesting to conduct future studies on whether there are any differences in how CRM vendors and CRM researchers define and categorize CRM functionality.

There are also some aspects regarding the data collection that needs to be considered. The data collected concerning research question one, *"How can CRM be described?"* is not that extensive. This implies that the possibility to make a comparison with the theories describing the CRM approach is restricted. The reason why a limited amount of data was collected concerning this aspect is that I consider that the respondents at Company A and Company B doesn't have enough knowledge about CRM as an approach. Their ability to provide interesting input is thereby restricted. I based my findings on that neither of the companies have a concrete CRM strategy, nor have they implemented CRM in their organization. Consequently, the answer to research question number one is primly based on the theories describing CRM, which are included in the frame of reference.

Furthermore, when preparing the data collection regarding companies' CRM requirements and need for CRM functionality, it became clear that it is difficult to separate the concepts. This since, terms of CRM functionality often are used to express CRM requirements. Thereby, these issues are treated together in the empirical chapter, as well as in the analysis, and discussion and conclusion chapter. It's important that the reader has this in mind when reading, in order not to be confused.

During the data collection regarding CRM requirements and need for CRM functionality at Company A and B it was impossible to treat all functionality included in the frame of reference, it would have been too time consuming. However, this is a problem since the reason why a certain CRM function hasn't been brought up by the respondents might be that the interviewer didn't ask for it. Perhaps the respondent didn't even know that function exists and thereby didn't mention it. Consequently, the interview technique selected might have influenced the result from the empirical

findings. However, because of the complex and broad nature of the subject it was necessary to conduct a personal interview, focused- or survey interviews wouldn't have been suitable. In addition the risk of omitting questioning about functionality important for the companies are quite little since the questions were based on the companies individual circumstances. At the point of the actual interview I had acquired a lot of knowledge about CRM functionality, as well as about the companies, and I used this knowledge when developing the question.

Finally, it proved to be difficult to find theories regarding research question four, "*How can a CRM system be designed?"*. I did not manage to find any theories treating the connection between the sales process and CRM functionality, where it's described what CRM functionality that is used in what situation. Consequently, the sales process and the CRM functionality is described separately in the theoretical frame work for this study. However, during this study I have acquired knowledge about CRM functionality and at what situations it can be useful, as well as knowledge about the sales process. Consequently, based on my interpretation of the empirical findings and the theory, the connection between CRM functionality and the steps in the sales process could be described. There were only limitations regarding the possibility to compare the findings with theory.

4.9 Criteria for Evaluating Measurements

There are two major criteria for evaluating measurements, these are reliability and validity.

4.9.1 Reliability & Validity

Reliability can be defined as the degree to which measures are free from error and therefore yield consistent results. Thus, reliability is obtained when similar results are presented over time and across situations. (Zikmund, 2000) For example, in order to obtain high reliability the results should be independent of the researcher and the selected respondent. (Wiedersheim & Eriksson, 1982).

Validity can be defined as the ability of a measuring instrument to measure what is intended to measure. (Ibid)

In order to illustrate the differences between validity and reliability Zikmund (2000) uses three rifle targets, figure 24. An marksman fires an equal amount of bullets with one old and with one modern rifle. The shots from the old rifle are scattered whilst the shots from the modern rifle are closely scattered. Consequently, the variability of the old rifle compared to the modern indicates that it's less reliable. When the marksman shot the rifle target to the right in the figure the sun dazzled him. His shot is still consistent but he doesn't manage to hit the bull's-eye. Accordingly, a result can be considered as reliable but it doesn't necessarily imply that the result is valid.

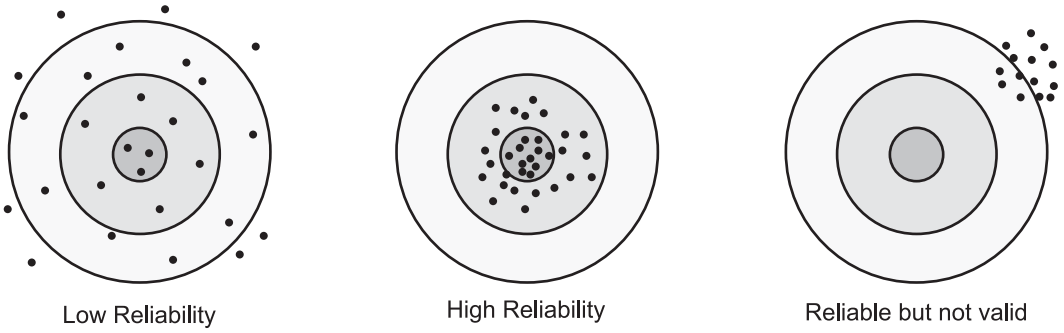


Figure 24: An illustration of the differences between validity and reliability. (Zikmund, 2000)

In order to obtain valid and reliable results in this study several precautions were made. When developing the research questions I was careful about covering all aspects of the research problem, and the research questions were also approved by both supervisors. The questions included in the interview guide were based on the research questions, which ensures that the questions are relevant for the study. In addition, the interview guide were reviewed by both supervisors.

I used multiple sources of information, both documentation and interviews, which is important when collecting data. It is also important to collect data from several respondents, but due to the time limitations for this study the number of respondents that could be interview were restricted. However, I managed to make interviews with several respondents at the two customer companies and with two retailers

In order to receive reliable answers the respondents must be experienced within the current area of interest and I believe that the appropriate respondents were found. They were very knowledgeable about their companies and their needs. It could have been desirable that the respondents at Company A & Company B were more knowledgeable about the CRM approach. However, since the answer regarding research question one primly is based on the theoretical frame work the respondents lack of knowledge doesn't constitute any problem.

When performing interviews there is a risk of misinterpretations and loss of information. In order to avoid this I used a tape recorder during the interviews which implied that I could check the answers with the notes I had made. In addition the probing technique was used, which means that the interviewer asks for clarification or further expansion of answers that are unclear or concise. This further improved my interpretation of the answers given from the respondents. In addition, the answers from the interview were typed down shortly after the interview had took place, this way it was still fresh in the memory. However, the validity of the answers may have been undermined by the fact that the respondents may have misinterpreted some of the theoretical concepts used during the interview.

The personal interviews with Company A were conducted in English since the head respondent is from England. When conducting interviews in English the risk of not being able to talk freely and to make misunderstandings is greater. However, since English is the mother tongue for the head respondent and everyone else was used to speak English, this can't be considered a problem. During the other interviews Swedish was used, which includes a risk of making translating errors when typing

down the data collected. However, the risk for misunderstandings was reduced regarding the interviews with Company B. This since the respondent received a presentation of the data before the analysis was performed, a few corrections were made and then the respondent approved the presentation. Due to lack of time it was not possible to send the other data presentations to the other respondents.

As mentioned earlier it is very important to put the right questions to the respondents. Thereby. I asked several questions during the first interviews with Company A and B in order to be able to put the right questions during the second interview occasion. For example, during the first interview I asked several questions about the steps in the sales process in order to, during the second interview, be able to ask questions about the CRM requirements at the different steps.

When making the literature review there is a risk that certain areas not are covered. Thereby I also performed an analysis of three CRM systems. This way I could increase the likelihood of covering all areas of CRM functionality and thereby develop more appropriate questions to the respondents.

When performing interviews there is a risk of influencing the respondents. In order to receive the right answers I tried to keep neutral and not influence the respondents. However, sometimes I found it hard to stay objective since there were occasion were I had a different view from the respondents.

5 Empirical Findings

This chapter includes the empirical findings from the interviews with the case study objects selected for this research. At first the findings from Company A will be presented, then the data from Company B, and finally the data collected from the retailers, Jan Stenberg and Pär Heed, will be presented together. For Company A & B a brief introduction of the companies will be provided, then the data regarding the marketing approach will be presented and finally the presentation of the empirical data will follow the structure of the research questions. However, the companies CRM requirements and need for CRM functionality will be presented together. As mentioned in the frame of reference companies' sometimes prefer to express their CRM requirements by using terms of CRM functionality. The presentation of the requirements is also based on the categorization of the CRM functionality provided in the frame of reference.

5.1 Company A

5.1.1 The company

Company A is the parent company in a Company Group that was founded in 1932 in Sweden. Ever since, Company A has produced and marketed compasses and instruments. The exportation to other countries started early and today the Company Group exports to more than 110 different countries. At present the Company Group consists of Company A, which is divided into seven functional departments, and a number of subsidiaries, figure 25. Altogether the group employ about 220 employees. The core activities within the Company Group are design, development, manufacture, marketing and sales of magnetic compasses, electronic compasses, GPS and other electronic navigation equipment.

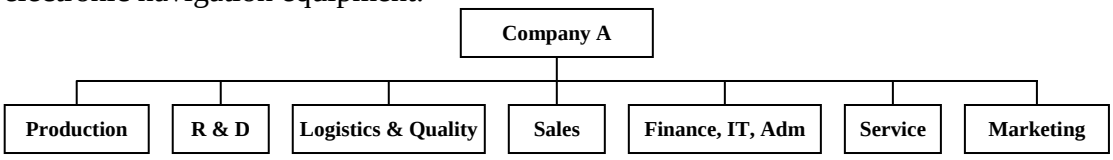


Figure 25: Organizational chart for Company A.

Customers

The company is operating within the business-to-business industry. Here follows a description of the business areas targeted and within each business area the customers are divided into different customer segments.

- *Orienteering:* Sport Chains, Bush dealers (field sales at "5-dagars" and "O-Ringen")
- *Outdoor:* Retailers, Sport Chains, Hard Customers (the military)
- *Marine:* Boat Builders, Distributors, Retailers
- *Premium Gifts:* Retailers

5.1.2 Marketing Approach

Customer relationships

Company A has classified their customers after level of importance for their business. How important the customer is depends on a combination of customer profitability

and on how responsive the customer is to opportunities offered by Company A. The classification will help the sales people to prioritize certain customer in front of others, hopefully leading to an increase in closing rate. Consequently, how customers are treated is dependent on the expected level of return from that customer. The respondent gives the following example.

However, if the customer is not that profitable but still very responsive to offers and anxious to make more business, Company A also considers that company as an important customer. This specific customer might become very profitable in the future and it is therefore important to treat the customer right.

Additionally, how customers are managed also depends on the customers' need of close contact with Company A. Some customers buy a lot of products without being in close contact with the company and consequently Company A has a rather distant relationships with those customers. Other customers require a lot of attention and thereby Company A has a much more close relationship with those customers. The respondent emphasizes that he considers good customer interaction as very important when building close relationships with customers. He said that usually a close customer relationship, with a high level of interaction, is contingent with a good relationship between the parties involved. In addition, close customers are important for Company A, this since close customers usually see Company A as a mechanism for making profit in their own company and therefore are anxious to make more business with Company A.

Consequently, Company A has different kinds of relationships with their customers; where some are closer than others. However, most of Company A's relationships are long-term relationships. Company A's customer turnover is quite low, where a large part of the customer base has been customers for a very long time.

Customer Interaction

The employees at Company A who interacts with the customers vary depending on the customer. Generally speaking the main players involved in customer interaction is the Outside sales, the Telesales Desk, and the Credit Control. When dealing with boat builders the engineers also are involved in customer interaction and when producing components that other companies will use in their products the production people will be involved. This is necessary to secure the quality between the different factories.

The IT Department is also involved in customer interaction. This since the retailers continuously are demanding sales statistics and Company A also needs sales statistics from the retailers.

The Marketing Function

The Marketing and Sales Function performs the major parts of the marketing of the Company Group. However, since other functions, as Credit Control, IT, Production, and R&D also interacts with the customers they are also responsible of marketing of the company.

Price sensitivity

The price sensitivity of the customer depends of how Company A presents the price change and on the characteristics of the customer. Retailers are not really concerned about price changes as long as they reflect the market situation and the level of profit percentage has not changed.

On the contrary, Boat Builders or other companies that buy components from Company A to use in their own products usually don't like increases in price. This is a normal reaction, since it implies that their products will be more expensive to produce and consequently will force them to raise their own prices as well. This may result in some customers switching to cheaper suppliers, unless the company can motivate the increase in price in a good way.

The respondent states that it's always important that Company A presents the reason to why they make price changes; otherwise it is very likely that the customer reaction will be quite negative.

Perceived Quality

As mentioned before the need for frequent and close contact with Company A varies between the customers. Thus, Company A's customers also perceive quality differently. Some customers highly value having good interaction with Company A while others mostly care about the product quality.

Customer Satisfaction Measurement

Company A does not have any formal approach to measuring customer satisfaction. At present, the customers' satisfaction is based on how the relationship between the customer and the sales people is running.

Interdependency between functions

The respondent states that it's important with collaboration between the different functions in order to provide the customer with the best service possible. As stated earlier, the Marketing Function at Company A is not totally responsible for the marketing of the company; the other functions are also obliged to perform marketing when interacting with customers.

Internal Marketing

Company A use Internal Marketing to a certain extent. The tool they use is an Intranet Site which all employees have access to and where they can find information about the business and the market situation. The Intranet Site helps forming a common spirit in the company and will allow people to say the same things even if they operate from different parts of the business. In addition, the people working at Company A have done so for a very long time. Many of them have over 20 years of experience and know almost everything about the company. Thus, the respondent states that the employees' perception of what Company A stands for is about the same.

Being a customer - an active role

The degree to which customers are actively interacting with the Company A is depending a lot on the customer, as well as on the product. Some customers are happy

to interact with the company while others if possible just prefers to make a fast deal with little contact with the company. Sometimes it is required that the customers actively participate, for example when Company A is producing components that the customer will use in their products. Then it is necessary that the customers communicate their wishes and requirements.

"Win-Win Attitude"

In the business concept formulated, the Company Group states, *"The products and expertise provided by the group are aimed to optimizing the output of different user applications"*. In other words Company A is striving to create value for the customer and thereby obtain a "win-win situation". Additionally, The respondent underlines the importance of understanding the needs of the customers in order to offer them a product that will create customer satisfaction.

Likeliness to benefit from CRM

The respondent believes that Company A has a significant need to apply CRM and that it will generate a lot of benefits. The main reason for this is that by applying CRM the chance of creating good relationships with the customers increases, which in turn increases the possibility to sell more.

CRM complexity

Company A is in the phase of introducing the CRM approach. They have bought the Marketing Module in Jeeves Enterprise, but at present they do not use it. The employees at Company A have been reluctant to use the Marketing Module and it has been difficult for management to convince the employees of the necessity to make improvements in their way of working; they have not been very responsive to changes. According to Respondent B, the reason why many of the employees are skeptic is due to that they have been working in a certain way for many years without any problems. Hence, they do not see the incitement for changing their routines. However, Company A is using several other modules in Jeeves Enterprise and they are about 35-40 users.

Regarding the implementation of a CRM system, respondent B states that it has to be done step-by-step. Company A can't implement a whole system at once; on the contrary they should begin with a small change that might generate a lot of advantages. This would make the employees more positively inclined.

One restriction regarding the implementation of a CRM system is the level of usage of computers among the employees at Company A. Even if Company A has a more computerized approach than many other companies they still have sales people not using computers in their daily work. Consequently, the organization has to be more adapted to a CRM approach and the employees must increase their use of computers before Company A can start to implement a CRM system.

5.1.3 CRM at Company A

The CRM Approach

According to the respondent CRM is *"an on-line dynamic record of the key issues that need to be available for sales, and those connected to sales, to maximize the*

inter-relationship and profitable sales". In this definition on-line means that you have access to the record at any time, and dynamic means that the record changes continuously. In other words, the respondent sees CRM like a live data warehouse that is easily accessible and is used to maximize the company's position in the relationships with their customers. Consequently, CRM is very much a tool for recording data.

The customer interaction points should be used to collect customer data that is recorded into the CRM system. Recording of data is of vital importance since, according to the respondent, it is impossible to maximize sales unless the company use customer data to fit the messages directed towards the customers. With adjusted messages the probability of making deals will increase. Consequently, Company A has to collect customer data, use that information to identify customer needs and then try to find out how their product can satisfy those needs. The process, from collecting data until the settlement of the deal, will vary in time. It can take a few hours or a few years, it is depending of the complexity of the product.

The respondent states that the skill of selling is depending on the seller's individual spirit, nature, character, and the kind of training he or she has received. You can learn selling to a certain degree but it is very difficult to learn the spirit, either you have it from the beginning or you will never have it. Thus, by recording data you can improve your selling a lot but the company also needs to have gifted sellers in order to really maximize sales.

One view

As mentioned before, a majority of the employees working at Company A have done so for a very long time, resulting in a good knowledge about the company. This widespread knowledge in combination with usage of the Intranet Site enables Company A to provide their customers with a singular view of the company. On the other hand Company A are not that good at creating a singular view of the customer. Company A suffers from not having a single source, one database, which all employees have access to. Today, the employees have access to different data and they spend too much time on delivering information between each other. Still, everyone does not use the same data about the customers and therefore it is difficult to secure that the employees get a singular view of the customer.

5.1.4 CRM Requirements & Need for CRM Functionality

In this section, the empirical findings on Company A's CRM requirements is described, as well as the CRM functionality needed to meet the CRM requirements. To start with the general need for CRM functionality will be presented, and then the CRM functionality needed in the sales process for the export market will be described. The reason why this structure was chosen is that respondent A preferred to discuss the need for CRM functionality without the connection to specific steps in the sales process. This implies that functionality belonging to the same functional group can be included both in the first description of needs, as well as in the description of the needs in the sales process.

Sales Force Automation

Sales Process/Activity Management

Organizing of Sales Activities

In order for the sales people to organize the sales activities they need to have access to a running record of recent activities. In the record they can get information on what activities has taken place and they can also register their own activities with the customers.

Limitation of Information Access

Regarding accessibility to the information stored in the CRM system Company A has no need of differentiation between different people and different departments. All information should be accessible to everyone. However, the respondent states that the interface could be adopted after the specific need of the users, which can be considered as a limitation of information access in order to make the usage of the CRM system easier.

Document Handling

The salespeople would need to use Document Handling in order to access price lists, discounts, budgets, unpaid invoices, recent deliveries, and documents regarding history of contacts and prevailing issues. However, as mentioned before, the use of computers have to increase among the salespeople before Company A has any use of Electronic Document Handling.

Automated Processes

Respondent A states that he sees no value in automating any of the steps in the sales process described.

Access to a central database

According to Respondent A the most important CRM need is to have a common system where data needed by the employees interfacing with customers are stored.

Generating Quotations

Most of the quotations made by the sales people are verbal, made by telephone or face-to-face when visiting a customer. Even if most of them are made in an informal way Respondent C would like to increase the internal control over how quotations are done. Providing the salespeople with different models for making quotations could secure that the quotations made are more consistent. When creating quotations the salesperson needs to have access to costs, prices, prevailing discounts, and lead-times.

Mobile CRM

When working externally the sales people also need to have access to the CRM system. Respondent A states that Company A needs both direct access to the CRM system and possibilities to work offline when being away from the office.

Sales Management

Overview of sales activities

The sales people at Company A are mostly organizing their own way of working, so the management has no need of CRM functionality for organizing sales teams.

However, it is important for the management to have an overview of what each salesperson is currently working on.

Sales Force Performance
Respondent A also states that it is relevant for management to know how the sales people's work is going. It's relevant to know how much time the salespeople are spending with the customers. Yet, respondent A states that Company A is no way near to measure the time each employee spends on different tasks. It is also relevant to register how many orders each salesperson has taken, the sales volume and the margins. Management also likes to estimate their order-closing ratio, however, this possibility will be restricted since the verbal quotations made seldom are registered. When evaluating the salespersons performance, management primarily pay attention to the number of calls and visits made to customer, and how many orders they have taken.

Sales Analysis
Company A needs to make analysis on sales data, which at present is performed by using sales data recorded in Jeeves Enterprise and other systems and by using Chrystal Reporting tool. Company A needs to make analysis on how their relationships with their customers have been, for example during the last three years. They also need to analyze their sales results to observe their current business performance in order to see where the business is heading. It's also necessary for Company A's customers to know their current status, so they often turn to Company A to retrieve information on sales. Here follows some examples of sales data needed:

- Total sales volume for a certain period or sales volume this year to date
- Total sales volume by product group
- Sales volume by district or territory/per whole firm or division
- Sales volume by customer
- Order size and number of individual products bought by each customer
- Compare sales volume against budget
- Latest deliveries
- Back Orders: It is important to know the likely negative issues before talking with the customer
- Money due

In addition, respondent A states that Company A likes to carry out analyses of competitive sales in the territories. They like to know how much the competitors sell and through which channel. Based on that information Company A can estimate their current penetration at the different markets and form an opinion on whether there is a possibility to grow or not.

The retailers' sales statistics are of course very important for Company A. Company A is analyzing sales result in turnover or sold quantity per product group. The sales result can also be broken down to specific article. The data analyzed is extracted from Jeeves and presented in a MS Excel document. By analyzing sales results Company A can identify which outlet is selling most. When knowing this, Company A can try to figure out the reason to why they are selling a lot and then use that information to adapt their sales and marketing support in order to get the best return.

When selling to a distributor, it is also interesting to know the sales results for their customers, but respondent A states that usually the distributor do not want to give away those figures.

Graphical Tools
The respondent states that it is good with graphical tools when visualizing sales result. The standard graphs that are provided by excel are useful tools. Respondent C states that Company A is using graphs to show results. However, he would like to see more simple ways of showing results because today you have to be very familiar with the graph in order to understand it.

Create Budgets & Forecasts
At present the company makes budgets and forecasts by product group, by region, and by customer. Respondent A doesn't see an urgent need for functionality intended to generate budgets but when the employees get used to utilize the CRM system it could be valuable.

Pipeline Management
Respondent A states that since Company A is mostly aiming towards existing customers they are not interested in using a sales pipeline tool in order to visualize their current number of potential customers. When entering new markets it's relevant to record the number of potential customers in different regions, however, Pipeline Management functionality isn't necessary.

Respondent A states that Company A has no specific directives regarding giving the potential customers a term depending on their status in the sales process. However, they mostly use the term "prospect" when talking about potential customers.

Managing Bonus & Commission
Some salespeople are paid straight commission and some are paid bonuses. According to respondent A, the company's process for paying commissions and bonuses are working fine, thus he can't see an urgent need for CRM functionality to improve this process. However, if functionality for managing bonus and commissions arrives with the CRM package he think it could be useful. He also likes to emphasize that the purpose with bonuses and commissions is to increase the motivation of the salesperson. Thereby, it is important for the company to clearly show the advantages off selling more and make this information accessible to the salesperson.

Sales & Marketing Reports
Company A needs sales & marketing reports. Regarding sales, the reports contains the results from the sales analysis, which is described earlier in this section. Regarding marketing, Respondent A mentions the need to make reports on outcome of promotions, which earlier was described under "Campaign Management".

Contact management

Organize and manage data about the company's customers
As mentioned earlier Company A needs to record data about their customers, the customer's business, and about contacts made. According to respondent A the information recorded into the database should be obtained from Field Sales, Sales Management, Desk Sales, Credit Control, and other functions in the company. Jeeves

is the database that underpins it. The information needed about the customer is described more detailed below.

- *Details about the customer:*
  The company should record customer contact information and other general information about the customers. Respondent A stresses the importance of speaking to the right person in the customer company. Therefore, it is crucial to record details about the position of the contact person in the company, what the decision-making process looks like and the people involved in this process. When knowing whom to talk to the company avoid wasting a lot of time on contacting the wrong person as well as they avoid ending up with a lot of unnecessary contact data. Respondent A also underlines the advantage of recording some personal details about the contact persons, in order to get to know the customer as good as possible. Below follows a list of data that is necessary to register.

- Basic customer details
  - Name address, delivery address
  - Hours of opening
  - Phone, fax, Mail etc
  - Size and type of business
- Name of prime contact/all key contacts:
  - Contact data
  - Characteristics
  - Personal details (wife, kids, birthday)
  - Relevant details of position in company: level of authority of the contacts, referrals, work circles, decision routes.
- Present Orders & History of Orders (what and how much)
- Account payable
- Complaints
- Activities
- Documents corresponding to this customer
- Deliveries & Delivery Date

Some of this information is necessary to record since the company also needs to provide the customer with information. The customer's prime requirement is, according to Respondent A, to know the delivery date of orders made and how much it costs. Additional information needed by the customer could be the history of what and how much they have bought and how much they owe.

- *Details about the customer business:*
  Company A has created a limited list with classifications of businesses that are relevant to their company. Company A can follow how that business is growing up and down, which influence the decision making regarding implementation of marketing activities directed to that specific business.

  Since many businesses are global the relationship between the headquarters and subsidiaries must be recorded and the decision making process needs to be identified and understood, this to be sure to contact the right division.

  Regarding chains with many outlets the key outlets, or the strength of the outlet, need to be identified, and then classified in order to adapt the communication to that specific outlet and thus maximize the relationship.

- *Company A's contact records and interface activities:*

Every employee who is in contact with customers need to make a record with information about all contacts with the customers and the activities they have made with the customer. For example the sales people need to record what has been discussed, the next step, what they will offer etc. Thus, Company A needs a list where

all activities with the customer is registered, as well as accessibility to earlier written e-mails. The respondent has provided a list on points where phone, e-mail or face-to-face interactions with the customers need to be recorded, se below:

- Outside sales
- Telephone Sales
- Credit Control
- Sales Management or Other Management
- Customer Service & Support

- *Prevailing Issues:*
  The sales people also needs to have information on prevailing issues, such as information on prices, discounts, and so forth.

Mail Program Integration
Respondent A states that Company A is interested in calendar, mail and contact integration between the CRM system and any tool handling these issues. It doesn't necessarily have to be Microsoft Outlook, Company A is open for using any other tool that is similar to Outlook.

Generate Mailings
Company A doesn't create mailings but Respondent A stated that they might do so in the near future. It could be relevant to create mailings to different customer types and markets. Company A might create mailings to retailers and the managers of chain stores, or members of a customer club that may be founded.

Configuration support

Company A does not have products that consist of many different components that can be combined in many different ways. Thereby, Company A has no need of a tool for automated calculation of product configuration and price.

Marketing Automation

Campaign management

Generation of a list with contact data & Analysis of performed campaign
When Company A creates campaigns, promotions, they are offering a certain product, to a certain price during a certain time. When releasing the campaign, Company A is using their normal sales channels, consequently Company A is not directly targeting end customers. Company A communicates the offers to the retailers by mail, e-mail, fax or face-to-face.

Respondent A states that it could be useful to be able to create a list with relevant contact data of the target group. After the campaign is launched they need to analyze and make a report on the outcome of the promotion, where they look at how many products the retailers sold, how much Company A earned and what the margin amounted to. Company A does not need to analyze campaign responses.

Telemarketing

The respondent also states that in the future Company A might employ individuals that are focused on calling out to customers, but at present they are in the embryo of looking at the opportunities telemarketing offers.

Customer Service & Support

Field Service Automation

Company A only has one man working with service remotely. He is very knowledgeable and take care of problems on his own. Thereby Respondent A sees no need for him having fast access to the CRM system in order to get hold of instructions for problem solving, nor to get in contact with the service representatives located at the company site. However, it is important that he records the interactions taking place with the customer he meets. That information is necessary in order for the other employees staying in contact with the customer to be up-dated on what has happened.

Sales Process - Marine Export Market

Company A has different sales processes for each business area, but the way of working is quite similar. Respondent A states that Company A has no need to structure their sales process on a very detailed level since the CRM system only will support the main steps in the process. Thereby, the description of the sales process will not be that detailed.

Company A is targeting distributors operating abroad. Today Company A has 40 distributors, where 10 of them stands for 80% of the sales volume. 15 of the remaining distributors are also showing good sales figures. Company A is continuously searching for new distributors. In the countries where Company A isn't located the market potential is rather small, and therefore they don't put a lot of effort on trying to increase sales at those markets.

Company A does not sell directly to end-users; this is done via shops in each country that are supported by national distributors. Hence, locating and qualifying potential end customers are mainly a task for the distributors.

Here follows a description of the sales process for the marine export market. The description is a combination of Company A's current way of working and how they would like to work in the future, appendix 8.

Step : Build Prospect Profile

Target Marketing

Respondent D, the Export Manager, states that it is important for Company A to have a prospect profile that is matched to the strategy for the marine export market. The prospect profile derives from the different customer segments within the business areas.

Sales Management

Sales Analysis

Company A also uses sales statistics to be able to classify the customers after their level of importance to the business, which is done by looking at sales and margins for each customer within the different segments.

Step: Build Prospect List

Lead Management

The Export Manager for the marine market is responsible for locating prospects. In order to find potential customers and build a list of prospects the Export Manager often visits public shows in different countries, which is the most common source of prospects. Each year Company A also exhibits at a large trade show, which also generates prospects. Finally, prospects are located by referrals in the target country, federations or directories. According to respondent A, building of a prospect list is not a big issue for Company A, and he doesn't see the need for CRM functionality in order to support the management of prospects.

Organize and Manage data about Leads

According to Respondent D a Customer Information Base (CIB) document is used when collecting information about a prospect, appendix 9. The document states what information Company A should collect, such as information concerning the prospect business, pricelists, competition in the customer market, marketing activities performed, service offered by the distributor, the distributor's customer base, and information on the market the customer is operating in.

By filling in this document Company A may perform a distinction between the prospects with high potential of generating profits from the ones with low potential. The document is used even for existing customers and is continuously updated when new information is obtained from visits, trade shows or other communication with the customer. The document is written in word and is available on Company A's internal network. Respondent D states that the reason to why Company A doesn't note the CIB information in Jeeves Enterprise is that they cannot easily bring the data with them when leaving the office. Respondent A thinks that the information in the CIB document doesn't have to be accessible for all people in the company, only for the Export Manager and the other employees needing it. The respondent emphasizes that primary the contacts made with the customers needs to be recorded and that the information should be available for everyone.

Step: Planning of the first contact with the prospect

Contact Management

Respondent A states that when planning the first contact with the prospect it is relevant for the salesperson to specify what he or she wants to accomplish with the first contact, what he or she is going to say to the prospect, and the information needed about the prospect. It is also important to specify what the prospect probably likes to know about Company A, so that the information is available when they ask for it.

Step: Gaining access to prospect

Contact Management

In this step the Export Manager contacts the prospect. When contacting the prospect he needs to have access to the prospect's contact data and he also needs to record what was brought up during the interaction. The respondent states that Company A doesn't have a need for automatic generation of next step, based on what the prospect response is. That functionality is to heavy for Company A, and would only make the work more cumbersome.

Step: Need Specification

Contact Management

In this stage the Export Manager specifies the needs of the prospect by using the information in the CIB document. Sometimes additional information is needed and the prospect has to be contacted again.

Step: Preparation of Presentation

Knowledge Management

When visiting the prospect the Export Manager needs to make a presentation of Company A. For this purpose he needs to prepare sales and marketing material. The material needs to be easy accessible and at present Company A has stored their sales and marketing material on their internal network. Respondent A states that the material could be categorized by market, product type and product group. The material can be edited by anyone in the company; however, there should be someone that is responsible for approving the changes made.

Step: Prospect Visit

The Export Manager visits the potential distributor. The purpose with the visit is to present Company A and to collect information about the distributor.

Reporting Capabilities

When visiting the potential customer it would be good for the Export Manager to be able to print out a report with contact data and information about earlier communication with the prospect.

Mobile CRM

Respondent A also stated that it would be good for the Export Manager to have access to the CRM system while being away from the office. There is a need of direct access to the CRM system, as well as there is a need for working off-line with possibilities to data synchronization when coming back to the office. The data needed when working remotely is mostly concerning product deliveries.

Step: Evaluation of Prospect

In this step the prospect is evaluated. The Export Manager and the product manager are responsible for the evaluation and have to decide if the prospect lives up to Company A's requirements.

Contact Management

By using the CIB document and data about the contacts made Company A consider both advantages and disadvantages with the prospect, which then constitutes the base for deciding whether to sell to the prospect or not.

Reporting Capabilities

The notes from the meeting should be summarized in a report, enabling management to access information about how they have arrived at different decisions regarding selection of customers.

Step: Closing

Document Handling

In this step Company A decides whether to sell to the prospect or not. In order to take the proper decision the decision makers need to have access to the report written during the prospect evaluation.

Step: Approval from customer

After deciding that Company A would like to collaborate with a prospect, they have to receive an approval stating that the distributor agrees to sell Company A's assortment.

Document Handling

Company A needs to store the formal agreement, which either is made by letter and mail correspondence or by writing a contract. The agreement needs to be easy accessible, which implies that Document Handling functionality could be useful.

Step: Preparation of the Marketing Kit

Knowledge Management

Company A carries out an initial training of all new customers. When performing the training, Company A hands out a "Marketing Kit" containing catalogues, brochures and other important information about the company and the product assortment. In order to prepare the "Marketing Kit" it is important to have easy access to the sales & marketing material, at present stored at Company A's internal network. Company A is satisfied with their current solution and the need for Knowledge Management is not that urgent.

Step: Customer Training

This step involves the initial training of the customer. The Product, Sales, Service or Support Manager carries out the training. Who is involved depends on whether it is a training for technical staff or a training for salespeople.

Contact Management

Sometimes Company A is handing out a certificate of attendance to the people participating in the training; thereby Company A needs to register who participated during the training.

Mobile CRM

At this stage it is not necessary for the people performing the training to have direct access to the CRM system. According to Respondent A it is good enough if they can download the information they need when leaving the sales office and then update the database when coming back to the office.

Step: Meeting with Dealers

In this step Company A participates at a meeting arranged by the distributor. Some of the distributor's most important customers take part at the meeting, during which Company A's products are presented. As this meeting take place Company A's products are released on the market.

Contact Management

When having the meeting with the distributor and their customers, it is also important to record who attended at the meeting.

Mobile CRM

It isn't necessary for Company A to have direct access to the CRM system during the meeting. According to the respondent it would, however, be good to have the possibility to download information needed on a portable PC and than update the database when returning.

Step: Follow-Up

Contact Management

Company A is trying to have a continuous contact with their customer in order to follow-up on their work. This is done via telephone, mail and by visiting the customer 1 to 4 times each year. Company A insists on visiting the customers, it is a good way of ensuring that the customer's needs are satisfied and that they are working in accordance with Company A's expectations. During the visits Company A makes trips together with the customer, where they visit boat shows, end customers and so forth. This way Company A gets valuable direct feedback from end users.

Sales Management

Sales Analysis

The performance of the customer is continuously followed-up by analyzing sales results, which was described earlier in this chapter. In addition, analyses of competitive sales in the territories are performed.

Customer Satisfaction Measurement

As stated before Company A does not have any formal approach to measuring customer satisfaction. In this case, the customers' satisfaction is based on how the relationship between the customer and the Export Manager is running. However, in the future it is likely that they start to use questionnaires for making a more formal measurement of customer satisfaction. Then it would be necessary to make a report based on the results from the measurement.

Sub step to Follow-up: Up-selling & Cross-selling
In the follow-up step, up-selling and cross-selling activities are performed, which can be considered as sub-step to the follow-up.

Up-selling & Cross-selling

The products that are sold to the distributors in the marine export market are divided in three product groups. Company A keeps a record of which products the distributor has bought and how much of each product. With this information Company A can analyze if they are going to up-sell or cross-sell. First the maximal potential of selling to a distributor is estimated. When this is done Company A can analyze whether there is an existing gap between the actual sales and the maximal potential. If there is a gap, there might be a chance that the customer will buy some more. If there isn't a gap, Company A tries to cross-sell. The respondent states that the activities regarding the analysis of up-selling and cross-selling are working fine. Thereby the need for CRM functionality to support these activities are not that great.

Sub Step: Customer Service & Support
The Service Department at Company A handles product repairs and complaints on products from retailers and end customers in Sweden, as well as from agents outside Sweden, these activities are included as a sub-step to the follow-up step.

The Service Department consists of 4 employees, a Service Engineer, a Support Technician, an Administrator, and the Customer Service Manager. At present the department is in the middle of implementing Jeeves Service Module.

Respondent E states that smaller repairs are often taken cared of by the retailers. Sometimes the retailer writes down a list of problems that the customers have pointed out and sends it to Company A. However, when handling larger repairs the Service Department takes care of them, and the end customer stay in direct contact with Company A. The product can be handed in at Company A's support disk or be sent by mail.

CTI

Company A performs customer support via email and telephone. When receiving phone calls it would be useful with CTI. Actually, The respondent believes CTI is valuable for everyone interfacing with customers.

Managing the Service Process

The information regarding the service order that needs to be registered in the CRM system is the errors reported by the customer, Company A's confirmation of the described errors or Company A's own view of the problem, the measures taken by the service engineer, spare parts used and the time used to repair the product.

Respondent E states that the service order should become accessible for the people who need to know about it. For example the sales people to know about it. It is also important that the employees at the Research & Development Department become notified. If there seem to be something wrong with a product they have to consider whether they have to redesign the product or not.

The Customer Service Department needs to make several different analyses regarding accomplished service orders, where the results needs to be presented in reports. According to Respondent E they need to make statistical analyses of errors, in order to find out what kind of errors that are most frequent. They also need to make analyses of how long it takes to make a repair, how the problems are solved and finally analyses of how well they manage to solve the problems.

Service Agreements

Company A does not use service agreements. Instead they use service standards and warranty clauses that are the same for all customers. Since the standards always are the same the need for having easy access to them is not that big, since the Service and Support Department do not need to keep different standards in mind.

Web-based Self Service

When needing information about products, the customers can access product catalogues that are available on the Company Web-site. Company A's customers may also use the support section on the website when having a problem that needs to be solved. The customer can access instructions for various products, which often helps them solving their problem, or they may find an e-mail address to where they can turn with their problem. According to Respondent C and Respondent E, Company A is interested in using the possibilities the web offers to a greater extent. For instance, they would like to have web based managing of customer complaints. Company A would like the customer to fill in a complaint form on the web, where the information is directly registered in Jeeves. Today the data regarding complaints is registered several times, which is very unnecessary and inefficient. By using a web based solution the number of information registration points will decrease to a single one. Company A is also interested in having a web solution that enables the customer to track service orders as well as product orders.

Point-of-Sale

Respondent A states that he would like any part of the company to work as a "point-of-sale". This demands that all people interfacing with customers have access to up to date information about prevailing issues. The respondent gives the example of having a standard message that informs the employees about prevailing issues, what the current promotions and discounts are, and so forth. This way all parts in the company could work as a "point-of-sale", not just the marketing and sales department.

5.2 Company B

This section includes the empirical findings from the case study performed at Company B.

5.2.1 The Company

Company B is specialized in production of customer magazines that are financed by advertisements bought by the customer's suppliers. The company was founded in Sweden in 1987, the business has expanded gradually since then and today the company has 35 employees and is producing about 300 magazines per year. The magazines are totally or partly financed by ads bought by the customer's suppliers. Thus, the customer may only need to pay for the delivery of the magazines. A subsidiary to Company B, Company B1 employ advertisement sellers who are,

without costs for the customer, investigating whether the magazine can be financed by ads or if the customer needs to pay some part. Figure 26 visualizes the organizational structure of Company B.

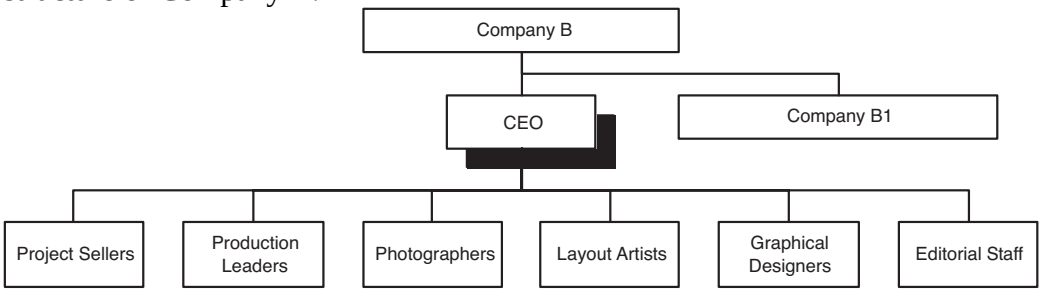


Figure 26: Organizational chart of Company B.

Company B is one of five subsidiaries to a parent company that has its origin in Company B. The parent company consists of a Financial Department, a Marketing Department and an Administrative Department. Together the five companies offer services within advertising, magazine production, web production, and market strategic solutions. The group of companies has 67 employees in total and a turnaround on about 65 millions.

Standard Concept

According to the respondent, Company B is offering the customers a standard concept that involves one customer visit, a free investigation of the possibility to finance the magazine with ads bought by suppliers, and finally a customer magazine on 12 to16 pages depending on the amount of ads sold. If the customer likes Company B to make additional visits or if they like a magazine with more pages they have to pay for it themselves. However, the type of magazine varies depending on the needs of the customers, for example Company B produces customer magazines, magazines used in campaigns, magazines for staff etc.

Customers

Company B is targeting industrial customers operating in business-to-business. The type of companies is varying a lot, they are small to medium sized companies, as well as larger companies. Today Company B is primarily segmenting after the variables turnover, branch and geographical region, all different segmentation variables are presented below

- *Branch:* Company B is targeting customers within different branches.
- *Geographical Region:* Company B's customers are situated in different geographical regions.
- *Turnover:* the size of Company 's customers varies and thereby also their turnover. With higher turnover, the probability of having a lot of suppliers increases.
- *The customer's number of suppliers:* with more suppliers, the greater is the chance of finding a lot of advertisers to the magazine.
- *Need (purpose with magazine):* The customers' needs are similar in the way that all of them are interested in having a magazine. However, the purpose with the magazine can be totally different and therefore the production has to be customized. Some companies may need a monthly paper for their employees

while another company would like a campaign magazine with the purpose to increase sales. Consequently, the needs of the customers are much differentiated.

- *Position of purchase decision maker in the customer company:* the position of the person responsible for making purchase decisions in the customer company is influencing the potential of closing the deal, as well as the scope of the deal.

5.2.2 Marketing Approach

Customer Relationships

Company B is aiming towards building long-term relationships with all their customers. However, today the largest part of the customer base is one-shot deals. The respondent states that the nature of the service is one factor that contributes to the difficulties with re-selling. This since the customers' suppliers finance the magazines and understandably they do not want to pay for ads more often than needed. Consequently, Company B's possibility to re-sell is restricted. However, the respondent states that he is unaware of the exact reason to why Company B is not that good at keeping their existing customers. Without this knowledge it is difficult to take the right measures. He states that it would be good if the PS's register the reason to why an existing customer turns down a new offer. When this is clear it is easier to take the right measures in order to decrease the number of one shot deals.

The long-term customers are managed differently compared to the customers that make one-shot deals. This since the long-term customers are considered as more important, as the deals and projects are larger and more extensive. The differences in management are not that significant but Company B tries to make sure that long-term customers are assigned the most experienced sellers. According to the respondent, Company B is planning to build an A, B, C classification of their customer base in order to manage them in the right way.

Company B has no strategy for how they should work in order to create long-term relationships with their customers. However, the general opinion is to have a continuous dialog with the customers. This is realized by distributing a letter with news and offers to all existing customers, which hopefully increases the likelihood that they will make a re-buy. The respondent also states that Company B encourage their employees to do their best in order to satisfy the needs of their customers, this since satisfied customers is a prerequisite for building long customer relationships.

In addition, the standard concept guarantees that the PS:s visit the customer at least one time, securing face-to-face interaction between the two parties. Otherwise, Company B mainly communicates with their customers by phone. However, if the customer is willing to pay for it, additional visits are possible to arrange. The first contact with a prospect is mostly taken via campaign letters. At the Web page the customers also can find general information about the company and they can also send an e-mail to request more information or ask specific questions.

Customer Interaction

According to the respondent there are several different people in contact with the customer at different points in the business processes. Regarding the sales process the PS has every contact with the customer while in the production process the journalist

is the one responsible for contacting the customer. In specific issues the photographer and layout artist also interacts with the customer. Thus, the people working with production of the magazines have dual responsibilities. At the same time as they are responsible for the operational activities they are responsible for interacting with the customers. Hence, customer interaction takes place at all functions in the company.

The Marketing Function

The marketing is mainly performed by the Marketing Function in the parent company, which carry out all campaigns. However, as the respondent states that all the other employees interacting with the customers also are responsible for marketing of the company and for making sure that the customers receive the quality they want.

Price Sensitivity

According to the respondent the customers' price sensitivity is hard to estimate since the customers only have to pay for the cost of distribution. However, the offering of free magazines is the fundamental reason to why companies are interested in Company B. Consequently, Company B would loose a lot of their customers if they tomorrow would like to get paid for their services. Thereby the customers can be considered as price sensitive, but the respondent states that the customer also values other things than the low costs, for example such thing as good collaboration.

Perceived Quality

The quality customers appreciate will, according to the respondent, differ depending on how much time they put on the design of the magazine. Customers who are not that involved in the design of the magazine do primly value what they receive, instead of how they perceive the interaction. Conversely, customers who participate to a great extent when the design of the magazine is made value a well functioning interaction with the supplier as well as a good final result.

Customer Satisfaction

Company B is measuring the customer satisfaction by letting the customer fill in a questionnaire where the customer gets to evaluate the project. Company B is interested to know whether the customer is satisfied with the employees, the complete magazine etc. They also get feed-back from the customers during the project, which give a direct picture on how satisfied their customers are.

Interdependency between functions

Since the customers may take part in the production of the magazine they automatically get in contact with the production people. Thus, the production people are also responsible for creating good relationships with the customers. In order to realize this the respondent emphasizes that the different functions in the company needs to collaborate. For example the production people need to get access to the PS's information about the customer in order for them to offer the best service possible.

To illustrate that the different functions in the company need to collaborate the organization has been described from a process perspective. This imply that the connections between the functions in the organization is illustrated, figure 27, as well as the relationship between the main business processes in the company, figure28.

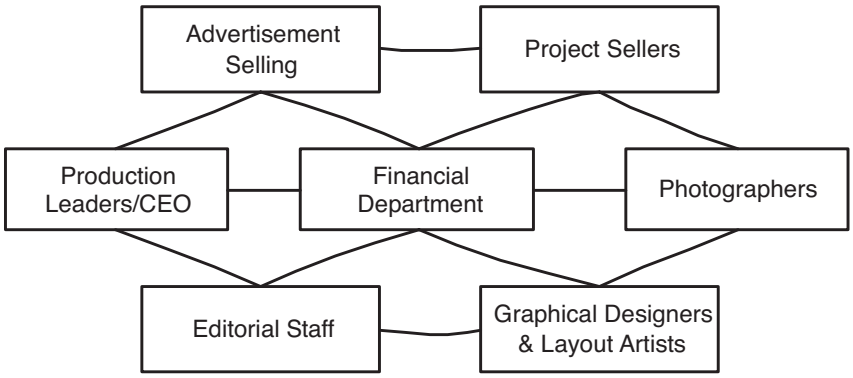


Figure 27: Company B's organizational structure from a process perspective

The respondent states that the connection between the different functions has to be improved in order to make the work in the organization more effective. He also emphasizes that the CRM system has to be adapted after the business processes in the company, which are the sales process, the production process and the invoice process.

Figure 28: The relationship between the main business processes in Company B.

Internal Marketing

According to the respondent the need for Internal Marketing is small since Company B is working with a standard concept, and therefore the employees always know what to offer the customers. The customer unique adaptation that is performed for each customer is carried out during the briefing, which is the initial stage of the production process. This is when the Internal Marketing is performed and the employees involved get to share information with each other. However, the respondent states that this step is very important since the PS has to give the right information to the journalist, photographers, graphical designers and layout artists in order for them to do the work in the right way. Internal education and information to the employees is also given by having meetings ones a month.

Being a customer- an active role

The degree to which customers are actively participating in the production of the magazines is varying a lot. Some do have a lot of ideas while others let Company B decide everything concerning the design of the magazine. Company B lets the customers decide the degree to which they are actively participating, however the respondent thinks that the more the customer participates and communicates their needs, the more likely it is to obtain satisfied customers.

Win-Win situation

Company B emphasis that the core of marketing and business related communication is to increase profit. Thus, by helping their customers to communicate Company B will help them to increase their profits. Indeed, this will cause a significant value to the customers at the same time as Company B creates value for their own business. Company B also indicates that by helping the customers improving their business, hopefully trust and loyalty are established. Accordingly, Company B underlines the

importance of creating a win-win situation that generates mutual value. One way of achieving mutual value is to carefully listen to the customer's ideas and wishes and let the customers participate in the production of the service.

Likeliness to benefit from CRM

According to the respondent, Company B is very likely to benefit from applying CRM. When applying CRM Company B must find a way to structure information and to use the information the right way, which will affect the business positively. Another motive for applying CRM is increased security, where important information will not be lost so easily. Finally, by applying CRM the respondent hopes to improve the possibility to do more business.

CRM complexity

The use of Jeeves CRM solution is limited since the departments involved in production use Mac computers and thus do not have access to Jeeves Enterprise. Today Jeeves CRM solution is utilized by the Financial Department at the parent company, Company B1, by the Project Sellers, and by the Production Leaders. Additionally, the CEO also has access to the system. The number of functions utilized varies a little between the different users. There are also restrictions regarding access to certain information, analyzes regarding business and employee performance is only accessible by management.

5.2.3 CRM at Company B

The CRM Approach

According to Company B, CRM implies managing customer interactions on an individual basis, where the customers are treated with respect to their individual needs and wishes. The respondent also states that CRM implies that two-way communication is performed between the customer and the supplier, where the customers have an active role in the relationship. Treating customers individually and applying two-way communication will help companies to keep their most profitable customers and to make them continuously active.

The respondent also states that a CRM system serve some main purposes. The system should support the sales activities performed in a company. It should also create a complete view of the business. This will facilitate the employees' understanding of their role and how their job is related to the other functions in the company. In addition, a complete view of the business implies that the employees can access all information on each customer, receiving a complete view of the customers as well. Another purpose with a CRM system is to facilitate the management of sales resources, resulting in an optimal management of the resources in the company. According to the respondent, follow-up on campaigns is also a principal purpose of a CRM system, as well as the possibility to analyze various kinds of data in order to achieve better campaign results. Finally, a CRM system serves as a back-up if an employee quits or is away from work. It will prevent information from being lost.

One View

Company B doesn't have a pronounced strategy for creating a singular view of the customer, neither for presenting a singular view of the company to the customer. The

respondent states that a CRM system with information accessible for everyone will improve the possibilities to receive a complete view of the customers.

5.2.4 CRM Requirements and Need for CRM Functionality

In this section, the empirical findings on Company B's CRM requirements is described, as well as the CRM functionality needed to meet the CRM requirements. To start with the needs in the sales process will be described and then the follow-up activities included in the production process will be described.

The sales process and production process involve several steps. In each step it is described what activities are performed and what information is needed. The sales process and the production process is visualized in appendix 10. The visualization includes activities, decision making points, points of information storage and generation points of reports or documents.

Sales Process

Step: Build Prospect Profile

The respondent emphasis the importance of performing as efficient marketing as possible and in order to achieve high efficiency he states that the right customers must be targeted. Thus, Company B needs to have a prospect profile that defines who they should target.

Target Marketing

Company B's prospect profile is based on the segmentation of the customer base that was described earlier. The variables that constitute the basis for segmentation consequently help deciding who to target. However the variables, such as branch, turnover etc is not recorded for each prospect, it is recorded at the point when the company becomes a customer.

Sales Management

Sales Analysis

In order to make the marketing as efficient as possible Company B likes to analyze sales statistics when deciding whom to target. It is important to analyze who their most profitable customers are in order to know who it is most profitable to target. For example, Company B would like to base the segmentation on sales results within different branches. This way it would be possible to target the branches that historically have generated most profit. Today, Company B utilizes ProClarity to make the analysis, with data collected from Jeeves Enterprise.

Company B would also like to be able to analyze external data. For example, import data on what branches are doing well at the moment, and then make a comparison with their own sales results. Such an analysis could improve sales by knowing when to target which branch.

Graphical Tools

When presenting sales statistic the respondent states the advantage of showing sales results graphically.

Customer Satisfaction Measurement

Quality is another variable that the respondent points out as important when deciding who to target. He would like to use the result from the customer satisfaction questionnaire in order to map within which branch Company B has received the best quality marks. This information could enable Company B to target the branch that historically is most satisfied with their services. What is important to take into consideration is that the quality may have been improved and the branch could be valuable to target even if the quality remarks previously have been low

Campaign Management

The respondent also emphasizes the possibility to pay attention to response frequency of campaigns aimed at different branches and regions, as well as the closing frequency related to released campaigns. These two variables must be considered together with profitability. Let's say the profitability within a certain branch is high but the response frequency is low, then Company B has to consider if it is better to target a branch with just reasonable profitability but with high response frequency. Consequently, response and closing frequency could also constitute a base for building a prospect profile.

Step: Decide base of campaign

The Marketing Department at the parent company to Company B releases campaigns by mail to selections of prospects. This step involves deciding if a campaign should be released and who should get targeted in the campaign.

Target Marketing

The Marketing Department follows the marketing plan when deciding which segment to target. In the plan it's specified at what point different segments should be targeted. As when building the prospect profile they use sales statistics and the result from the customer satisfaction measurement when making the marketing plan. With this information it will get easier to estimate what segment it will be most profitable to target. The use of the marketing plan ensures that Company B doesn't target the same companies over and over again. In order to make sure that no existing customer is targeted when releasing a new campaign, Company B registers the organizational number for each customer. This enables eliminating companies that already has their organizational numbers stored in Jeeves Enterprise from the selected target group.

Campaign Management

When making the marketing plan the Marketing Department also take the analysis of campaign results into consideration. The information obtained from the analysis is described under the "Analyze Campaign Result" step.

Furthermore, it would be valuable to have tools for estimating costs and expected returns of campaigns. The costs that are interesting are the cost of the campaign, the cost of the customer campaign response, and the costs involved with closing of a deal. This information could be an additional factor that influences the decision-making regarding marketing planning.

One-to-One Marketing

When releasing campaigns to existing customers the PS is the one responsible. Each existing customer is "owned" by a PS who is responsible for contacting the customer and ask if they are interested in making an additional magazine.

The respondent says that when targeting existing customers the campaigns has to be designed in a different way compared to the mass mailings that are sent to prospect companies. Existing customers already has a lot of knowledge about Company B, so they have to be provided with different information. According to the respondent it's also important that the campaign is personalized, in order for the existing customers to feel that they are special.

Direct Marketing

As mentioned earlier Company B is distributing a letter to existing customers, implying that is useful with functionality for generating address lists. The Marketing Department registers how the customer prefers to receive the letter, by e-mail, mail or by via a log in on the company Web site. The respondent is positive to follow-up of the result of the newsletter in a better way. If it is sent out by e-mail it could be useful see whether the customer has "clicked" on the link to the newsletter, this in order to estimate the customers' interest in the newsletter.

Organizing of Sales Activities & Access to a Central Database

At present the PS:s at Company B doesn't register their specific sales activities, nor does the sales people at the other subsidiaries and the collaboration between the different companies in the company group is insufficient. Consequently, The companies are unaware of each other's activities and therefore there is a risk of calling, mailing or releasing a campaign to the same customer or prospect at the same time. The respondent would like to develop a solution that makes it possible for all employees having interest in a certain customer to access information about all previous and current activities towards that customer. With the current situation, with 6 different databases, it is not possible to get a single view of the customers. According to the respondent, the best way of improving the situation would be to install one common database handling all different companies, where there are restrictions on who have access to what information. However, according to several retailers of Jeeves Enterprise this change would demand a lot of resources, since there are a large number of specific adaptations made in the different databases.

Step: Build Prospect list

Company B is buying a CD-Rom containing information about different companies, from a company providing business addresses. Company B is using the CD-Rom to make selections of companies based on certain variables, such as turnover, branch and region, which are the most commonly used variables. What variable is chosen depends on the decision taken in the previous step "Decide base of campaign" The selected companies build the prospect list that will constitutes the base of the campaign. The PS's also develop prospect lists by receiving tips from personal contacts and by staying up-dated on market changes or companies future events.

Company B also buy prospect lists from companies who supervise what is written about companies in newspapers. For example, they may buy information on all companies that have announced that they are going to celebrate an anniversary. This since these companies perhaps are interested in making a customer magazine related to the happening.

Lead Management

Store information about leads

Before the prospect becomes a customer Company B registers little information about the prospect company. The process for buying a magazine is not that complicated and a magazine only constitutes a small part of a company's marketing strategy. This implies that Company B's sales process is relatively short compared to the sales process at companies that sell complicated services. The respondent states that companies having short and uncomplicated sales processes do not have the same need of registering a lot of information about prospects as companies having long sales processes. However, the respondent brings up information that would be useful to record, which is described later on in the sales process.

Step: Decide mode of contact

In this step, Company B decides the mode of the campaign. Company B mostly releases campaigns by mail. The respondent is rather skeptical to the increasing use of e-mail for sending information to customers. He has got the impression that people tend not to read material sent by e-mail, thereby Company B prefers using mail.

Step: Campaign Release

This step involves the release of the campaign.

Step: Analyze Campaign Result

Campaign Management

When the Marketing Department receives a positive campaign response they register the potential customer as a prospect in Jeeves Enterprise. This step also involves analyzing the campaign results.

Analyze Campaign Results

At present Company B utilizes ProClarity to make the analyses, with data collected from Jeeves Enterprise. The analysis gives information on response frequency on released campaigns, showing which target group that has the highest campaign response frequency. They also would like to analyze the closing frequency related to campaigns and the profitability of orders taken. Since Company B divides their campaigns into different campaign types, they analyze which type is most successful. These analyses are performed in order to know who Company B should target to generate the greatest profits. The respondent states that he thinks Data Mining could be an interesting tool for making more thorough analyses.

Use Campaign Results to Develop New Campaigns

The respondent thinks that campaign management functionality for developing campaigns based on previous campaign results is valuable when making smaller and more targeted campaigns. Then it can be relevant to release a new campaign, with a

revised content, to the ones that didn't respond to the first campaign. However, the respondent does not see the use of registering prospects that doesn't answer on a campaign when releasing large campaigns. If they would register all companies who is targeted in a campaign the customer directory would increase considerably. However, if a prospect respond negatively and doesn't want to be contacted again it must of course be notified in Jeeves Enterprise, this to avoid targeting the company with a new campaign. The process for registering of negative campaign results is visualized in appendix 10.

Sales Management

Pipeline Management & Lead Management

In order to define a potential customer's status in the sales process, Company B names a company that have responded positively to a campaign a *prospect*. The companies that have been identified but who haven't yet been targeted with a campaign are called *leads*.

The respondent thinks that Pipeline Management is a valuable tool for visualizing how the business is going. Company B would like to use such a tool in order to see the current number of prospects, the potential of closing, the lead-time from prospect visit to order, lead-time of production, and average pay time. Company B would also like to use the registration of prospects to analyze closing rates. However, the respondent emphasizes the difficulties with getting the PS:s to reveal how many prospects they have. The PS might not want to register how many prospects he or she has, since the PS might be afraid that someone else contacts the prospect. The PS also might be afraid that, by revealing the number of prospects his or her sales performance will look poorer. If the PS has less prospects registered, his or her closing frequency seem higher. Naturally, many PS:s are unwilling to reveal their current number of prospects.

Step: Qualifying Prospects

Lead Management

In this step it is relevant to estimate the potential for closing the deal and record it into the CRM system. The respondent states that it is not until now that the Marketing Department have access to enough information to make a first judgment of the potential of closing.

Step: Assign Project Seller

In this step the CEO assign a PS, who will be responsible for contacting the prospect company in order to arrange a customer visit. According to the respondent the CEO is well aware of the skills of the different PS:s, this since Company B is a small company that doesn't have so many PS:s. Therefore the usefulness of having the skills of the PS registered in the CRM system is not that important, the CEO already got all necessary information in his mind. The CEO is also aware of the PS preferences and tries to assign PS depending on their individual interests and personal character.

Sales Management

Evaluating Sales Force Performance

When assigning PS:s it's, of value for the CEO to have access to information about the performance of the PS:s. When evaluating a PS's performance the respondent highlight the importance of taking several parameters into consideration. Sales statistics is of course important to consider, how much the PS sells and the turnover of the deals. However, it is also important to consider the profit contribution of each project, since some customers might need a lot of after sales service that will lead to reduced profits for the company. Today the total result of the project is not taken into consideration when evaluating performance.

The respondent states that it is difficult for management to know why a PS shows bad results. Today the PS does not register the reason to why a prospect turns down an inquiry. It may depend on that he or she is not that good at selling, but it might just as well be due to that the customers had no need of their services. Thereby, when analyzing sales force performance it would be of great value if the PS records the reason to why prospects respond negatively.

Overview of Sales Activities

As stated before, the respondent says that it would be good if the PS:s increasingly registered information about their work in the CRM system. Then, the CEO could oversee the PS's planned activities, their number of prospects or customer visits planned this week or month, and based on that information more easily assign the PS:s.

However, management can access some information about the sales peoples work by using the Web-based time reporter, which is linked to Jeeves Planning System where information on what each employee is working on is visualized. The employees at Company B are using Web-based time reporting in order to report work hours. Thus, time reporting enables that employees, as well as management, can see how much time each employee spends on specific customers and projects and how much overtime they have. It also enables each employee to improve the planning of his or her work. Another advantage with Web-based time reporting is that the employees do not need to be at the office when reporting work hours; they only need to have access to the Internet.

Customer Satisfaction Measurement

Another source of information when assigning PS:s is the questionnaire for measurement of customer satisfaction. By using the questionnaire the CEO may take the customers marks into account when assigning PS:s. Depending on within which branch or region the prospects is operating, the CEO can choose the PS that has got the best mark in that specific segment.

Step: Pre-Call Planning

This step includes the planning of the first contact with the potential customer.

Lead Management & Contact Management

According to the respondent it is important that the PS has a goal when contacting the prospect and in this case the goal is quite obvious. The prime goal with the first call is to arrange a visit at the prospect location. If this prime goal isn't obtained the PS should strive for having continuous contact with the prospect. The respondent states that the PS must keep the goals in his mind, however, the goals could also be registered in the CRM system if it helps the PS to do a better job.

Today Company B uses a template that indicates what information the PS needs to collect from the prospect. They need to register general information about the prospect, contact information, the potential for closing the deal, and the source of the customer. Registration of the source implies that when the prospect becomes a customer it is indicated whether the customer was generated by a campaign or by a PS. When targeting existing customers it is also important to access information on history of orders. In addition, Company B would like to use the information registered about the position of the prospects in the sales process in order to analyze at what point Company B is loosing prospects and the reason why.

However, the respondent would like the PS to register more data about what he or she knows about the potential customer, like brief personal characteristics such as their interests etc. It could also be relevant to register prospect information earlier in the sales process, before the company have responded positively on a campaign. An idea could be to register the variables that constitute the base for segmentation for the prospect as well; the variables were described earlier in this chapter.

In addition, the respondent mentions the advantage of registering information about competitors. When loosing a deal Company B should register which supplier who won the deal. That information could be used when analyzing the reason to loosing a prospect or an existing customer. If Company B becomes aware of the reason to loosing prospects it will be easier to take the right measures and hopefully win more deals in the future.

Document Handling

The respondent states that it would be good to access a PDF-file of the final product from the customer window in Jeeves. When a PS contacts an existing customer it would then be easy for him or her get updated on previously made magazines. The respondent states that the need for Document Handling functionality is great at Company B.

Step: Call Prospect

Contact Management & Sales Process/Activity Management

A relatively new way of working at Company B is to have personnel working with calling prospects trying to book visits for the PS:s. They use a list with prospects as a base when trying to arrange meetings. However, generally it is the PS who calls the prospect.

As mentioned earlier the PSs barely ever uses Jeeves Enterprise. Today the information is mostly registered on paper notes and each PS keeps his information to himself. This way, valuable information is not accessible to all people that could have use of it. The respondent would like the PS to register all contacts made with prospects and with existing customers as well, including visits, telephone calls, e-mail, faxes, letters and document related. He also likes them to register the orders and activities performed with that customers. It is necessary to have a complete view of all interactions between the two parts. The respondent also states that it's important to register the customers preferred mode of contact.

For existing customers Company B registers information on customer *recency*, telling when the customer last purchased something. They also register information on *frequency* of publication. The frequency is important since it will be difficult for the Advertisement Seller to find suppliers if the customer publicize very often. When calling a customer with the purpose of making a new deal they register the *money* the project is likely to generate.

Integration with Microsoft Outlook
The respondent states that integration with Microsoft Outlook is considered as very important for the managing of contacts with customers. The company is interested in both calendar integration, mail integration and integration of contact data. The need for integration with Microsoft Outlook is emphasized by the respondent at Company B.

Alarm Reminders
The need for reminders of planned activities is also emphasized by the respondent.

Telemarketing
According to the respondent it is of no interest for the PS to use Telemarketing functionality. This since it is not interesting for Company B to log exactly when, and for how long each PS talked to a customer. However, the PS:s should register which calls that were unsuccessful and whether the company likes to be contacted again. To not forget to call somebody the PS should also register the calls when he or she didn't get in touch with their contact and have to try again.

Step: Prospect Visit
At this step the PS visits the prospect company in order to present the offer and to find out the specific needs of the company.

Reporting Capabilities
When visiting the prospect the PS must be well updated about the prospect. The respondent states that it would be good to have the possibility to print out a report with the most important data about the prospect. This would facilitate the access to information about the prospect company and earlier communication with that specific prospect.

Knowledge Management
Today each PS has a product portfolio available when visiting a customer, containing most of the necessary marketing material. The need for a common repository for all

marketing and sales material is not that urgent but the respondent agrees on that it is always good to make improvements of the accessibility to information.

Mobile CRM

According to the respondent it would be useful for the PS to be able to access the company database when staying away from the office for a long time. Then the PS could bring a portable PC or a PDA and update the database with information received during the prospect visits. The respondent doesn't think that the need for direct access to the database is necessary when being at the prospect location. If the PS brings a PDA to the meeting and uses it to register information received by the prospect, the respondent believes that the customer may consider it as very impersonal. In addition, the PS has no use of having access to the database while being at the prospect location. This since Company B has no restrictions regarding level of production, as the PRL can hire freelancers if they are short of resources in production. Furthermore, there is no need of checking inventory levels before the PS can give the customer a delivery date. Thus, the PS would mainly need direct access to the database after the prospect visit, when needing to register the information obtained during visit.

Sales Management

Pipeline Management

After the prospect visit the PS has obtained additional information about the prospect and therefore can make a new evaluation of the potential of closing the deal. What is necessary to keep in mind is that PS:s are sellers, therefore they may be slightly over-optimistic. In order to make a more solid appraisal the PS judgments of potential of closing should be compared with the final result. This way, management can see how well the individual PS's judgments correspond with the outcome and consequently get an idea of how correct the individual PS's judgments are.

Step: Contact Report

When returning from the prospect visit the PS writes a Contact Report in Word based on the information obtained during the visit. The report includes information about the prospect's target group, purpose and needs, number of suppliers etc.

Document Handling

According to the respondent it would be of value to have this report accessible using Document Handling functionality.

Free text search

To facilitate the search for documents the respondent states that it could be useful to have functionality for free text search in documents by stating keywords.

Step: Is it possible to realize the project?

In this step the PS must try to estimate whether the project is possible to carry out. This will be done by reviewing the information specified in the Contact Report. If the suppliers are too few or if Company B won't be able to fulfill the needs of the prospect, the PS has to call off the project.

Document Handling

The respondent states that in order to facilitate the access to the Contact Report it would be good to use Document Handling.

Contact Management

If it is not possible to realize the project the PS should register the reason why.

Step: Inform Prospect

Contact Management

If the project is not possible to realize the PS needs to inform the prospect about this, and thereby needs access to prospect contact data. The respondent states that the PS should record whether the prospect would like to receive the newsletter or no.

Step: Call Supplier

The sellers at Company B1 are responsible for contacting the customers' suppliers, in order to sell ads for the magazine. Their work is visualized in appendix 10.

Document Handling

The prospect provides an excel file with supplier contact information which is directly linked to Jeeves Enterprise. In order to facilitate the access to supplier contact information Document Handling could be useful.

Contact Management

If the customer did not have the right contact person assigned on the supplier list, the respondent emphasizes that it's important to register the new contact information in the excel form in order to avoid calling the wrong person next time as well.

The customers' suppliers' will to advertise has greatest impact on whether it will be possible to close the deal. In order for the sellers to improve their possibility to sell ads, it is important to register information about the suppliers. According to the respondent the recording of information at Company B1 be improved. Today the sellers have to register information on who he or she calls and if the supplier would like to buy an ad. The advertisement sellers also have to register the date of the call, which make it possible to search on previous calls. In addition, the respondent likes the seller to register what was said during the call and facts about the supplier. In order not to target the supplier too often, it is important for the advertisement sellers to record the last time a supplier participated in a magazine and for which customer.

CTI

The respondent states that it would be good for the sellers to use CTI. However, CTI would be very difficult to implement since the sellers at Company B1 is unwilling to use this functionality.

Sales Management

The success of the selling activities performed at Company B1 is most important for Company B's survival. If the sellers don't succeed with selling ads to suppliers the PS won't be able to close any deals. Therefore, it is important to make analysis about the

efficiency of the advertisement sellers. Company B analyzes the number of calls per project and the number of closings per project. The result is compared with a daily and monthly budget. It is also interesting to track what kind of ads that are sold. This since the profitability of a half side ad is different from a quarter side ad.

Step: Quotation
In this step the PS presents the quotation to the prospect company. If the prospect company accept the quotation, the prospect turns into a customer. The definitive price is dependant on the number of suppliers that are interested in advertising. If there are not enough ads sold to cover the costs, the customer must stand for the remaining part.

Document Handling

The respondent states that it would be good to have access to previous quotations made, by using Document Handling functionality.

Step: Response to Quotation

Sales Management

Managing of Quotation Process
The respondent thinks that it would be good to have CRM functionality that manages the quotation process. By filling in follow-up dates Company B would be able to have control over the quotations sent to different prospects, which hopefully would lead to a better closing rate. Consequently, the respondent states that the company likes to make statistics on quotations made, such as statistics on closing rate.
If the prospect turns down the quotation the respondent thinks that it would be good record whether the company likes to be contacted again, as well as when and in what way.

Step: Order Settlement
In this step the PS writes an agreement between Company B and the customer company.

Document Handling
If the order concerns an existing customer the respondent states that it could be useful to have access to previous agreements written by using Document Handling functionality.

Production Process

At Company B the follow-up step is included in the production process, and will be described below.

Step: Follow-up
Company B has a follow-up meeting in order to evaluate internally what has worked out fine and not during the project. Company B is using the information to facilitate the structuring of the best project groups possible. However, the respondent emphasizes that the procedures concerning follow-up is still being developed, as well as the routines for using customer input. Today, the issues brought up during the meeting are not registered in Jeeves Enterprise, nor summarized in a report. Furthermore, the measures taken by Company B aren't recorded in the system.

Document Handling

The respondent states that when starting a new project it is important to use the information received during follow-up of previous projects. Relevant aspects that have been revealed during follow-up have to be considered and the company has to decide whether any modifications can be made in order to improve the quality. Thus, the production function must have access to documents containing follow-up information.

Customer Satisfaction Measurement

In addition to the internal evaluation the Marketing Department sends out questionnaires to the customers. The customer is requested to evaluate different parameters regarding the project. The result is registered in Jeeves Enterprise and then a report is created in ProClarity, where management can perceive the customers overall impression of the service offered. The respondent is positive to provide the questionnaire on the company Web site.

In addition, the people in contact with the customer during the project continuously get feedback about how the customer perceives the service. The information received is an important complement to the questionnaires and it would be good if the comments are recorded in Jeeves Enterprise.

Cross-selling

At present the sales people at the different companies in the group doesn't see the economical incentives for marketing the other companies' products. The respondent states that this is a problem since if the sellers tried to cross-sell; the benefits for the whole company would certainly increase.

Contact Management

The procedures for updating customer contact information are not well developed. That is a problem according to the respondent, who states that Company B will not obtain a good image if they cannot manage to keep track of what is happening with their customer. In order to make sure that Company B has the right contact data stored about their customers they should continuously update their contact directory.

History of placement

Company B is also interested in tracking if a contact person at a customer company is moving to another company. If Company B has created a good relationship with that person, the potential of that person being interested in buying a magazine at the new company is quite high. Therefore it is of high value to keep in touch with contact persons even if they change company. Thus, the respondent would like to have an overview of a contact person's placement at different companies.

Sales Management

Managing Activities Regarding Bonus

The respondent talks about problems with the design of their current bonus system. The current system implies that the PS does not have the incitement to hand over a lead or a prospect to his or her colleague, who might have a better chance to close the deal. Company B would like to develop a system that stimulate the PS to act in a way that is best for the whole company and not best for them as individuals. Consequently,

functionality supporting the managing of bonuses should show the advantage with acting according to what is best for the whole company.

Step: Measures
The respondent states that Company B is good at collecting information, but they have to start using the information to improve their business. Consequently, they have to start use the information collected in order to make the right measures when problems occur.

Continuous needs of CRM functionality
Management continuously needs information on forecasting, and thereby the need couldn't be connected to a specific step in the sale process. At present, Company B is performing liquidity forecasts, forecasting of results with short- and long-term perspective, forecasting on what projects are going to be invoiced and what the customers mean pay-time is. The PRL also gives judgments of expected profits on different project. Since the costs are not that changeable, forecasting of expected profits is quite easily made.

The respondent also states that Company B can estimate changes that will affect the forecasts. This is done by comparing each PS's activity level, registered in Jeeves Planning System, with their rate of invoicing. If the activity level is higher than originally planned the likeliness of a better result is great. According to the respondent, recording information about prospects as well, may facilitate and improve the forecasting even more.

5.3 The Retailer Case

Data has been collected from two retailers of Jeeves Enterprise. Jan Stenberg, Retailer A, has further developed Jeeves Marketing Module for a company called Zone Systems which will be briefly introduced further down in this chapter. Thereby the data collected regarding CRM requirements and need for CRM functionality will be base on his experience from Zone Systems, as well as from other companies requesting CRM functionality. This implies that the functionality included in the empirical findings is presented on the basis on what Jeeves CRM solution offers today.

Pär Heed, Retailer B, is the other respondent providing data to this study. However, the data collected is very brief and will work as a complement to the empirical findings from the interview with Mr Stenberg.

Zone Systems
Zone Systems provide companies with signs, display products for menu systems and pictures for light boxes, posters, banners, decals etc. At present Zone Systems is represented in about 20 countries and is a market leader supplier in their business area.

Zone Systems is increasingly aiming at building long-term relationships with their customers. They would like to offer the customers a total concept where they function as idea generators and plays more of a strategic role to the customer.

Previously Zone Systems used Jeeves Enterprise and SuperOffice. Today they only use Jeeves Enterprise, where the Marketing Module is further developed into a CRM solution that fits their specific needs. The CRM complexity at Zone Systems is quite high. They are 38 users and all departments at the company use the system, where several different functions are applied.

CRM Requirements & Need for CRM Functionality:

According to both respondents there is a need for complete CRM solutions, integrating all areas of CRM. With a clear picture of the complete CRM solution, CRM systems will be much more easily sold. Mr Stenberg states that it's necessary to have easy access to different modules in the CRM system as well as having easy access to significant information.

Marketing Automation

Direct Marketing

Mr Stenberg states that Zone Systems smaller customers are targeted by mailings and by sending magazines. Thereby it's useful with functionality for generating address lists.

Target Marketing

Zone Systems has classified their customers into three groups, A, B, and C customers. The A group consists of larger customers, the B group consists of customers which Zone Systems would like to have, and the C group consists of smaller customers.

Campaign Management

Zone Systems has a need of releasing campaigns and they use the Campaign Module in Jeeves Enterprise. They use it for printing labels with addresses. Mr Stenberg states that Zone Systems would like to create campaigns towards companies as well as towards contact persons. In addition, Mr Heed states that companies should be able to base the selection of target group on sales statistics. This way companies can direct their campaign against their most profitable customer for example.

Analysis of Customer Data

According to Mr Stenberg Zone systems is primly focusing on being good at recording data. When they are handling this in a good way they will increase their work with analyzing the data. In the future Zone Systems might be interested in using OLAP- cubes as a tool for performing analyses.

Sales Force Automation

Sales Process/Activity Management

Organizing of Activities

By using the Workflow module the time spent on certain activities could be logged.

Calendar Availability

Zone Systems has an Inside Sales Department and an Outside Sales Department. The Inside Sales are managing the smallest customers. They are also responsible for booking the outside salespeople's meetings with customers and provide them with

necessary information while being away from the office. Thereby it is necessary to use a calendar that enables planning of the activities.

To-do list

Mr Stenberg states that the functionality for specifying to-dos must be easy and logical to use. There should be pre-defined activities to choose between, such as "get in touch with contact person", "receive phone call", "logging of meeting", "register customer complaint" and so on. This would facilitate the registration of to-dos since the user do not have to think about which program he should open depending on which activity he or she is going to register.

Automatic Processes

According to Mr Stenberg it is also important to have automatic planning of next activity. There should be pre-defined workflows to follow when performing different activities. For example a predefined process for contacting a customer, starting by planning the contact, followed by making the contact, logging of the communication, and finally stating of necessary measures. The workflows should also be adapted after different sales methods.

Document Handling

At present Zone systems uses document handling to link quotations to the customer window in Jeeves Enterprise.

According to Mr Stenberg it is very important to have restrictions regarding accessibility to documents. There should be possibilities to put up individual authority and group authority to certain documents. Mr Stenberg gave the example where only the company management have the authority to access certain documents. It is also important to be able to indicate who has the authority to read the document and who has the authority to edit the document.

In order to have high security regarding accessibility, the documents only should be accessible via the CRM system, not via a Web-browser. The documents should be saved in the database, not in the fileserver.

Mr Stenberg also emphases that there is a need for free text search functionality when searching for documents.

Generating Quotations

Zone Systems uses Jeeves Enterprise to make customer quotations. The data is collected from Jeeves Enterprise and placed in a quotation template with more advanced layout.

Alarm Reminders

According to Mr Stenberg the Workflow module in Jeeves Enterprise could be used to create reminders and to handle errands.

Access to information

Mr Stenberg states that it is important that the CRM workplace enable access to information as well as linkage to other modules in Jeeves Enterprise, such as the

Service Module which provides information on service matters, such as complaints made by the customer and planned and reported service or support activities.

Easy access is enabled by providing a lot of buttons at the work- place, where the user can access information and programs, such as the customer record, order registration, quotations, projects, documents, contacts persons, invoicing statistics, order stock, articles, planned activities, reported activities, to-do list, coordinators, corporation (company relations), and generation of base of campaign. Furthermore, Mr Heed would like to see different fields and buttons provided in the CRM window, depending on if the user is a field salesperson, an inside salesperson, or a system salesperson, and depending on the type of sales method used, such as solution selling, or target account selling. Depending on what sales method the company uses the CRM workplace will look different and provide different functionality as well as information.

Connection to Microsoft Office

There should be easy access to the Microsoft Office package from the CRM system. According the Mr Stenberg the functionality in Jeeves Enterprise for connecting the CRM system with Word, Excel and so forth needs to be improved.

Contact Management

Record Information

Mr Stenberg states that there is a need to record the information about the customer company, as well as about the contact person at the company, se table 7 and 8.

Data Recorded about Customer Company	
Company Name	Service
Contact Data: Telephone, Fax, address, Home page	Interests
Organizational Number	Prospect Status
Number of Employees	Source
Customer Class	Referral Status
Chain	Responsible Sales Person
Region	Contact Person
Business Characteristics	

Table 7: Data needed to be recorded about the customer company.

Data recorded about Contact Person at Customer Company	
Name on Contact Person	Way of Communication
Contact Data	Planned Activities
Present Position, Earlier Position	Reported Activities
Responsibilities	Notes
Information: Christmas cards, product catalogues, news	

Table 8: Data needed to be recorded about the contact person at the customer company.

Integration with Microsoft Outlook

According to Mr Stenberg the planning of activities at Zone Systems require double work. First the activity is booked in “First Class”, which is the program used by Zone Systems for sending emails and book activities. Then the activity is recorded in Jeeves

Enterprise as well. If Jeeves develop functionality for integration between Microsoft Outlook and Jeeves Enterprise, Mr Stenberg think that Zone Systems would consider using Outlook instead of First Class. Fore Zone Systems an integration between the Calendar System and Jeeves Enterprise would make the booking of activities much less time consuming. Both Mr Stenberg and Mr Heed state that it's important to integrate the CRM system with Microsoft Outlook. Outlook is widely used by salespeople and the integration allows easy information access from handheld devices, such as PDA and mobiles. Mr Heed states that the calendar, the contact record, the planned activities and the reported activities should be integrated.

Lead Management

Zone Systems records information about prospects in Jeeves Enterprise. They register the following information about the prospect:

- Company name, company contact data, organizational number, customer class, which chain the company belongs to, responsible at Zone Systems, contact person and his or her contact data and interests, and the information the contact person shall receive.

At present Zone Systems doesn't register the source of the prospect, neither the potential of closing the deal.

Mobile CRM

Access to Single Server via Web-solution

In order to improve the accessibility to the CRM system and to make the work with the system simpler, Mr Stenberg and Mr Heed emphasizes the importance of having a Webb-based workplace for CRM. This is something that Zone Systems would like to use. They consider that the accessibility would be improved as well as that a Webb interface is a more flexible solution, since the interface can be adapted depending on what information and functionality the user needs.

However, Mr Stenberg highlights that if using a Webb based solution the authorization issue needs to be solved. This involves limiting the possibilities to access information depending on who you are.

Data Synchronization

Both retailers state that there is a need for downloading the CRM system on a portable PC and bring it with when leaving the office. This would enable the user to have access to data and documents when working off-line. When returning to the office the databases should be synchronized. Zone System needs this off-line functionality. There should also be functionality for accessing the system via GPRS.

Access to Supplier System

The customer can use a Web-based solution and access information that is recorded in Jeeves Enterprise, which can be compared with the functionality that enables "the Customer to Interact with the Supplier System". The information is specified in the section below, describing Web-based Self Service.

The customers can place an order by filling in a form provided on the Web, however this will not be treated in this study since its delimited not to include e-commerce.

Handheld devices
Zone System also needs to access the database from different handheld devices, such as a mobile or a PDA. Primly the outside sales people would like to access information on booked meetings from their mobile for example. Today they are accessing the database by downloading a Thin Client to their mobile. According to Mr Stenberg Zone Systems would prefer to work with a Webb interface.

Reporting Capabilities

It is important for companies to have the possibility to print out standard reports. Reports that for example present information from performed analyses or follow-up activities.

Sales & Territory Management

Overview of sales activities
Mr Stenberg states that Zone Systems would like to have a graphical tool for over viewing the planned activities of the sellers.

Sales Forecasts
According to Mr Stenberg it is important to have functionality for performing sales forecasts.

Sales Analysis
According to Mr Stenberg the analyses that Zone Systems would like to carry out are analyses on total sales volume, sales volume per order, profits, losses, strike rate, and analyses of sales force performance for different periods.

Sales Quotations
Mr Stenberg emphasizes the need for information about present quotation stock and the need to make statistics on quotations.

Customer Service and Support

CTI

Mr Stenberg states that he would like to have CTI connected to the CRM system. This would facilitate the reception of telephone calls from customers.

Web-bases self service

Zone Systems have a web-based solution where the customer can access information about products and prices, orders on hand, order status, and previous orders. All information is collected from Jeeves Enterprise.

6 Analysis

This chapter contains an analysis of the empirical data presented in the previous chapter. In the analysis, the empirical data will be compared with the theories presented in the frame of reference, which is based on the initial frame of reference and on the analysis of CRM systems. This chapter also includes a cross-case analysis, where the empirical findings from Company A and Company B will be compared with each other and the theory. The structure of the chapter will be based on the order of the research questions. However, research questions two and three will be presented together since the study objects' CRM requirements and need for CRM functionality is described simultaneously in the empirical chapter. To start with the suitability of the study objects will be analyzed.

6.1 Suitability of Study Objects

In order to ensure the suitability of the study objects a few aspects will be analyzed. First, the companies marketing approach will be analyzed by using the strategy continuum developed by Grönroos (1994). It is important to secure that the study objects apply relationship marketing. If the companies should perform transaction marketing they would have less use of applying CRM and therefore not be suitable as study objects. According to Grönroos there are several characteristics that normally differ between the relationship marketing and the transaction marketing approach. In the analysis each characteristic will be evaluated in order to see the extent to which Company A and B apply relationship marketing.

Secondly, Bose's (2002) theories will be used to analyze the companies likeliness to benefit from applying CRM, since this is an important criteria for being a suitable study object. Finally, the CRM complexity of the CRM system will be analyzed by using Dyché's (2002) theory regarding CRM complexity. The degree of complexity should be rather high in order for the study objects to be suitable for this study. This since high CRM complexity imply more extensive CRM requirements and thereby more information can be obtained from the study objects.

6.1.1 Suitability of Company A

Marketing Approach

To start with, the time perspective is much shorter in transaction marketing than when applying relationship marketing. Considering this, Company A is performing relationship marketing since they are striving for close and long-term relationships with most of their customers. In addition, Company A needs to perform interactive marketing since other functions than the Marketing & Sales Function also are interacting with the customers. Thus people outside the Marketing Function are partly responsible for the marketing of the company, indicating the applying of relationship marketing. The price sensitivity among Company A's customers differs, for example the retailers are less sensitive to price changes than boat builders. Consequently, at this point Company A is positioned between transaction marketing and relationship marketing at the strategy continuum. Regarding the quality aspect Company A is also positions in the middle of the strategy continuum. This since they have customer who only focus on quality of output, while others mostly focus on quality of interactions.

The way of measuring customer satisfaction also shows that Company A has more of a relationship marketing approach. This since they measure customer satisfaction by appraising the relationship between the sales people and the customer, thus they measure customer satisfaction by having a direct and real time contact with the customer. The two remaining characteristics also points at Company A performing relationship marketing. Internal interface is of strategic importance since Company A needs good collaboration between the functions in the company in order to ensure good customer relationship. The empirical findings also show that Company A performs internal marketing via their Intranet site, which is a characteristic corresponding with the relationship marketing approach, even if the degree of internal marketing is not that high at present.

The characteristics of the two marketing approaches are presented in table 9, where the crosses visualize how Company A is positioned along the strategy continuum and the extent to which the company's marketing approach is in accordance with the relationship marketing approach.

THE STRATEGY CONTINUUM		
Transaction Marketing		**Relationship Marketing**
Short-term focus	X	Long-term focus
Marketing Mix	X	Interactive Marketing
More sensitive to price	X	Less sensitive to price
Quality of output	X	Quality of interactions
Indirect Marketing	X	Direct Marketing
Ad hoc customer satisfaction Analysis	X	Real-time customer feedback system
Interface of no or limited importance for success	X	Interface of substantial strategic importance to success
Internal Marketing of no or limited strategic importance to success	X	Internal marketing of substantial strategic importance to success

Table 9: The table visualizes the extent to which Company A's marketing approach is in accordance with the relationship marketing approach.

The discussion above shows that Company A is performing relationship marketing to a quite large extent. It is only regarding price sensitivity and quality that the company is positioned somewhere in the middle of the strategy continuum. The price sensitivity of certain customers can be understood since they might get problems with selling their own products. Even if they value their relationship with Company A they might not afford to increase the price of their own product, leaving them no choice but to switch to another supplier. Customers valuing "quality of output" are also understandable since many of the products offered by Company A are complex and where high quality is required.

Likeliness to Benefit From CRM

First of all, Company A states that they are convinced that they will benefit from applying CRM. To see whether Company A is right this will be analyzed further.

At present Company A mostly have long-term relationships with their customers and the customer turnover is very low. This indicates that Company A will benefit from applying CRM since, according to Bose (2002), low customer turnover is a

prerequisite to benefit a lot from applying CRM. In addition, Company A has close customer contact with a lot of their customers, which according to Bose (2002) imply that the company is more likely to benefit from CRM.

Company A does, at least should, accumulate a lot of customer data when doing business with their customers, apart from the business unit "Premium Gifts" that doesn't collect lots of data. According to Bose (2002), a high accumulation of customer data increases the chance to benefit from CRM, consequently this indicate that Company A probably will profit from CRM.

The needs of Company A's customers are quite identical; Company A does not carry out a lot of customer adaptation. However, they have a handful of customers with differentiated needs, which in accordance with the theory increases the usefulness of applying CRM.

To sum up, Company A has long-term relationships, low customer turnover, rather high degree of customer contact, and high accumulation of customer data, which according to Bose (2002) all indicates that Company A is likely to profit from applying CRM. In addition, the customers to Company A have a certain degree of differentiated needs, which further increases the chances to benefit from applying CRM.

CRM Complexity

Since Company A currently doesn't use a CRM system it is obviously not possible to estimate the CRM complexity of their CRM solution. What can be stated, however, is that Company A will implement their CRM system step by step, where the system will have low complexity to begin with. As the employees' usage of computers increases and they get more responsive to changes Company A will have a solution that comprises several departments using several functions. Consequently, in the future the CRM solution will be multi-functional and multi departmental with quite high complexity.

6.1.2 Suitability of Company B

Marketing Approach

Since Company B is aiming towards long-term relationships with all their customers it implies that they have more of a relationship marketing approach. However, Company B have not yet reached there and today the largest part of their customers is one-shot deals. This implies that regarding the time perspective of the marketing approach, Company B cannot be positioned completely to the right of the strategy continuum. On the contrary, regarding the marketing function Company B is applying relationship marketing. This since the people outside the marketing department at Company B also performs essential marketing tasks when interacting with the customers, implying the need for performing interactive marketing.

The price sensitivity of Company B's customers is high, since they expect to only pay for the distribution costs. However, since the customers also value a good relationship the price sensitivity decreases and Company B is positioned more to the middle of the strategy continuum. Regarding the quality aspect, Company B has customers who mostly value the quality of the magazine, the "quality of output", and customers who

also put a lot of value in the interaction with the company, the "quality of interaction". Consequently, this implies that regarding the quality dimension Company B has both a transaction and relationship marketing approach and is positioned in the middle of the strategy continuum. Company B has a direct and real-time approach towards measuring of customer satisfaction since they receive direct feedback from the customers during the project. They also measure customer satisfaction by distributing questionnaires to the customers, implying more of an indirect approach, which work as a complement to the information received from direct feedback.

Since the employees at Company B needs to collaborate between the different functions in order to create the best customer relationships possible the internal interface can be considered as of strategic importance. Even if there is quite high interdependency between the functions at Company B the use of internal marketing is limited. Almost all sharing of information takes place at a single meeting, during the "briefing" in the production process. However, this is not the same as saying that internal marketing isn't of strategic importance to Company B. The internal marketing performed during the meeting is very important, but the need for continuous internal marketing is not that large.

To sum up, Company B's marketing approach is more of the relationship marketing kind. Except from price sensitivity and quality, all characteristics correspond with the relationship marketing approach, table 10. Regarding price sensitivity, it is an effect of the business concept since it is based on offering magazines that are just about free to the customers. The customers focusing on "quality of output" is also understandable since it is important for them to hand out a high quality magazine. Since almost all characteristics are of the relationship marketing kind, Company B can be considered as applying relationship marketing to a quite large extent.

THE STRATEGY CONTINUUM		
Transaction Marketing		**Relationship Marketing**
Short-term focus	X	Long-term focus
Marketing Mix	X	Interactive Marketing
More sensitive to price	X	Less sensitive to price
Quality of output	X	Quality of interactions
Indirect Marketing	X	Direct Marketing
Ad hoc customer satisfaction analysis	X	Real-time customer feedback system
Interface of no or limited importance for success	X	Interface of substantial strategic importance to success
Internal Marketing of no or limited strategic importance to success	X	Internal marketing of substantial strategic importance to success

Table 10: The table visualizes the extent to which Company B's marketing approach is in accordance with the relationship marketing approach.

Likeliness to Benefit From CRM

Company B is aiming at creating long-term relationship with their customers, which in line with the theory, implies that Company B will benefit from CRM. On the other hand, the amount of one-shot deals still constitutes the largest part of their customer base, implying a pretty high customer turnover, which according to Bose (2002) decreases the likeliness to benefit from CRM.

Company B accumulate quite a lot of customer data when doing business with its customers, which according to Bose (2002) increases the chance to benefit from CRM. Furthermore, the needs of the customers are differentiated which with correspondence to the theory also implies that the company is likely to benefit from CRM. Finally, the services offered require a lot of interaction with the customers and even face-to-face contact. Since Bose (2002) states that the more customer contact that is needed, the greater is the benefits that can be drawn, Company B's likeliness to benefit from CRM increases even more.

To sum up, Company B accumulate quite a lot of customer data, their customers' needs are differentiated, and they have close contact with their customers. In accordance to the theory this indicates that they are very likely to benefit from applying CRM. However, the customer turnover is quite high. Consequently, the likeliness to benefit decreases, but only a little since Company B is aiming at creating long-term relationship and thereby reduce the customer turnover.

CRM Complexity

Company B is using the CRM solution within several different departments, where each department use more than one function. This implies that the CRM solution is multi-functional and multi-departmental, which is the most complex type of a CRM system. In addition, the CRM complexity will probably increase since the respondent states that the information storage in Jeeves Enterprise needs to be improved among the employees. However, the CRM complexity is not very high since the number of departments involved is quite few, as well as the number of functions used.

6.2 Research Question One: Description of CRM

As mentioned in the methodology chapter, the answer to research questions number one, *"How can CRM be described?"*, will mainly be based on the theory. However, some data was collected which implies that the empirical findings will be compared with the frame of reference. At first, the companies view on the CRM approach will be analyzed, then the companies' current situation and view on integrated customer data, and next the empirical findings regarding the companies view of the organization is compared with the frame of reference. The interviews with the companies didn't include any questions on the benefits that may be gained from applying CRM. However, from the respondents' description on CRM some benefits could be revealed and will therefore be included in the analysis.

6.2.1 Company A

The CRM Approach

There are many similarities between how Company A view CRM and how CRM is described in theory. However, the focus of the description differs to some extent. The CRM definition provided in the empirical findings show that Company A mainly view CRM as a live data warehouse that is used by companies to maximize their relationships and accordingly the company profit. Conversely, Dyché (2002) emphasizes that CRM technology is just an enabler for establishing long-term relationships with customers. This is confirmed by the definitions provided by Xu (2002), where CRM defined as an information industry term only constitutes a part of the entire CRM definition. Thus, in theory the database, or the data warehouse, is

viewed as a tool for applying CRM, while Company A views the database as the cornerstone of the CRM concept.

However, as stated at the beginning, there is a resemblance in how CRM is described by Company A and how it's described in theory. Company A states that CRM involves maximizing the relationships and company profits. This corresponds well with the definitions of CRM provided by Xu (2002). In addition, Company A emphasizes that CRM involves all employees working with sales, as well as the ones connected to sales. This can be compared with the CRM definition provided by Xu (2002), stating that all functions that touch customers are embraced by CRM. Company A's definition is however a bit narrower, since it doesn't include the functions that touch customers but aren't connected to sales.

Dyché (2002) states that all data should be stored in the data warehouse resulting in a large record of historic and current data. Consequently, the data comprised in the data warehouse changes when up to date information is stored. In line with the theory, Company A describes the company database as dynamic, where the data included changes continuously.

The respondent states that the data warehouse should be accessible at any time, implying accessibility using the Internet. Easy and quick accessibility to information is also brought up in theory. However, in theory the focus is more on the accessibility to a centralized data warehouse, allowing a singular view of the customer. Of course, the benefits that comes with using the Internet is mentioned in theory as well, for example when describing Mobile CRM and when defining CRM it's stated that Internet helps companies manage their customer relationship in an organized way.

The respondent also emphasizes that the customer interaction points should be used to collect customer data. This is in line with the theory in the CRM development life cycle (Bose, 2002), where it is stated that the customer interaction points needs to be identified and companies must consider how to record the interactions into the CRM system. As in theory, the respondent also states that the collected customer data should be used when making decisions about customer management. The respondent at Company A states that sales can't be maximized without using customer data to identify customer needs and then adjust the messages directed to the customers. This perfectly corresponds with Bose's (2002) statement that CRM involves acquisition, analysis, and use of knowledge about the customers in order to better understand their needs and wishes.

Finally, the respondent at Company A emphasizes that the skills of the sales persons has high impact on the success of selling. Recording of data can help improving the sales but the results will never get maximized without gifted sellers. This aspect can be compared with Douglas (1995) who emphasizes the importance of evaluating the performance of the sales force in order to be able to maximize sales. Yet, the theory doesn't emphasize the skills of the sales people in the same way as the respondent at Company B.

One View

At present, Company A doesn't have a single database which the entire company can access, implying that the employees access dissimilar information about the

customers. This involves difficulties for Company A since it's impossible to create a singular view of the customer. The empirical findings doesn't show that integration of customer data is a fundamental aspect of CRM which is stated in theory (Dyché (2002), Trepper (2002) and Bose (2002)). However, since Company A is aware of the problems with employees having a diverse view of the customers, the empirical findings can be considered as in accordance with the theory.

The company manage to give the customers a complete, single, view of their company since the employees is experienced and have a lot of knowledge about the company and since they use the Intranet to access necessary information. This way of managing to provide the customers with a complete view of the company wasn't included in theory.

Process-Oriented View

Company A's view of the organization is in accordance with the vertical and functional approach of an organization, described by Rummler & Branche (1995). This since the description doesn't visualize the workflows between the different functions in the organization. Consequently, Company A is lacking a process-oriented view of the organization which may, according to Dyché (2002) imply that the business process are not focused on satisfying the customers needs and thereby not fitted to the CRM approach. Thus, Company A's view of the organization is not in accordance with what the theory considers as suitable when applying CRM.

Benefits from CRM

Company A states that CRM will lead to maximized relationships and sales, which is in line with the benefit described as "higher customer profitability" (Swift, 2001).

6.2.2 Company B

The CRM Approach

According to the respondent at Company B, CRM is about management of customer interactions on an individual basis. This is in line with the CRM definition provided by Xu (2002), where it is emphasized that the management of customer relationships has to be differentiated in order to be maximized. The empirical findings also shows that CRM is about performing two-way communication where the customer has an active role. This is also stressed in theory where Swift (2001) states that a relationship must be two-way.

As in the definitions provided by Xu (2002) Company B sees CRM as a mean to keep their most profitable customers.

The theory defines CRM as an all-embracing approach integrating all functions that touch customers. This statement is in equivalence with the empirical findings where it's indicated that one purpose with using a CRM system is to create a complete view of the business, where the employees understands how their work is connected to other functions in the company and what's their role in the "team". However, in the empirical findings the supporting of sales activities is emphasized, which differ from theory where it's states that CRM embrace all customer touch points.

The respondent at Company B also states that another purpose with a CRM system is to optimize the management of the company resources, which is in line with Stone's statement (2000) on why companies need to use CRM functionality .

In accordance with theory, the possibility to analyze various kinds of data in order to perform more successful marketing is emphasized in the empirical findings.

The empirical findings show that Company B view the CRM approach both as a strategy on how to manage their customer relationships and keep their most profitable customers, as well as a system that enables the completion of the strategy. This is totally in accordance with the theory.

One View

In accordance with the theory, the empirical findings indicates that a CRM system should enable a single view of the customers, as well as a complete view of their company. However, at present Company B, together with the other subsidiaries, use six different databases which implies that it's impossible to access all information attached to a specific customer. This situation causes difficulties for the companies, which further highlights the essence of the theory concerning an integrated, single, view of the customer.

Process Oriented View

Company B's description of the organizational structure can be compared with the vertical and functional view, provided by Rummler & Branche (1995). However, the company also tries to describe their organization from a process perspective where the collaboration between the different functions in the company and the relationship between the business processes is visualized. The description of the organization from a process perspective can be compared with Egnell's (1985) process-oriented view of an organization. This since Company B's description shows the workflow in the organization and that the flows in the organization are cross-functional. However, company B's description can't fully be considered as equivalent with Egnell's view since the description doesn't explain what functions are involved in which process. Thus, Company B's view of their organization is almost in accordance with what the theory described as the proper view in order to fit the business processes to the CRM approach.

Benefits from CRM

Company B states that CRM will lead to that profitable customers stays with the company, which is in accordance with the benefits "Increased customer retention and loyalty" and "Evaluation of customer profitability". (Swift, 2001)

6.2.3 Cross-Case Analysis

In this section the companies view on the CRM will be compared.

CRM Approach

There are several aspects that are brought up by both companies. To start with both companies emphasized that CRM is about differentiating the management of customers in order to maximize the customer relationships. They also both talk about profitability.

Both companies also emphasize that CRM primly should support the sales activities. However, Company B also emphasizes that CRM is an all-embracing approach, integrating all functions in the company.

The collection of data is also brought up by both companies. However, Company A view CRM mostly like a tool for recording data, while Company B also views CRM as an approach on how to manage the customer relationships.

When customers likes to have an active role, both companies encourage two-way communication between the two parts. However, when describing CRM Company B also emphasizes that CRM involves two-way communication with active customers, which isn't stated by Company A.

The discovered differences is that Company A brings up the importance of having skilled sales people, it's not enough to be good at collecting and analyzing customer data. Company B brings up that CRM enables optimal management of the resources, which isn't mentioned by Company A.

Single View of the Customer

The cross-case analysis shows that both companies are aware of the importance of having a central database with integrated customer data that allows a single view of the customer. Even though none of the companies have been able to realize this in their own company.

Process-Oriented View

The companies' view of their organization differ. While Company B applies a process-orientated view of the organization, Company A applies the traditional vertical and functional approach. The respondents at the companies had a divers attitude towards process-orientation, which explains the difference in organizational view. While Company B was positive, Company A did not see the need of focusing at business processes.

6.3 Research Question Two & Three: CRM Requirements & CRM Functionality

Here follows a comparison of the empirical findings concerning the second research question, "*What CRM requirements do companies have"*, and the third research question, "*What CRM functionality can meet the CRM requirements?"*, and the frame of reference.

First, the analysis of Company A will be presented, then Company B and finally the analysis of the retailer case. The disposition of the comparison will be based on the order of the CRM functionality included in theory. The comparison of functions is included in appendix 12 and the comparison of information is included in appendix 13. All functionality that is mentioned by the respondents without equivalence in theory will be specified in appendix 14.

6.3.1 Comparison of CRM requirements & CRM functionality: Company A

Marketing Automation

Direct Marketing

In the near future Company A will most likely need to send mailings to specific customers. Thereby they will need functionality for generating address lists and mailings, which is in accordance with the theory describing "Direct Marketing" functionality.

- Functionality described in theory without equivalence in the empirical findings.
  - Integration with Graphical Templates

Target Marketing

Marketing Segmentation

Company A do segment their customers. The segmentation is based on what business area the customer is operating in, on the type of business the customer have, and on the customer's level of importance to the company. In theory, the "type of industry and business" is identified as a demographic variable. The customers "level of importance" can be compared with the "profitability" variable included in theory. This since Company A measures the "level of importance" by looking at level of sales and the margins. Consequently, in line with the theory Company A needs marketing segmentation functionality to meet their segmentation needs.

However, there are several segmentation variables mentioned in theory that wasn't included in the empirical findings, table 11.

Segmentation Variables
Demographics (except from type of industry and business)
Infographics
Psychographics
Operating and situation related (except from profitability)
Purchasing policy and approach

Table 11: Segmentation variables not included in the empirical findings.

- Functionality described in theory without equivalence in the empirical findings:
  - One-to-One Marketing

Campaign Management

The campaign management functionality needed by Company A should primly involve the following:

- Generation of a List with Contact Data
- Broadcasting Through Different Medias
- Analysis of the Results from the Performed Campaign

The analysis of the campaign is a little more detailed described by Company A compared to in theory. This since the respondent states what specific information the

company is interested in, such as the amount of products sold, the turnover and the margin.

- Functionality described in theory without equivalence in the empirical findings:
  - Generate Labels
  - Define workflows including schedule for the campaign
  - Specifying of costs and expected returns, testing of various scenarios depending on selection of customer segment, campaign schedule, and product offer.
  - Use the result from the analysis of the campaign to develop new campaigns
  - Tracking of direct marketing activities
  - Connection between campaigns and questionnaire, projects and web response
  - Automatic creation of follow-up activities with synchronization to MS Outlook
  - All common campaign reports available
  - Monitor your ROI by linking the campaign to a project

Cross-selling and Up-selling

Company A makes analysis on which customers that are suitable to target with up-selling or cross-selling activities. The respondent doesn't consider it necessary to have CRM functionality supporting this process.

Analysis of customer data

The empirical findings show that Company A thinks that it's useful to make analysis of customer data. Some of the analysis performed is in line with the theory. The analysis that Company A makes in order to estimate if a customer is interested in up-selling or cross selling activities can be compared with the "propensity-to-buy analysis" described in theory. This since the purpose with the analysis is to estimate what product a particular customer is likely to buy.

Company A also performs analysis of sales and margins for each customer in order to estimate the customer's level of importance to the business. This can be compared with the profitability analysis described in theory. The empirical findings also show that when estimating a customer's level of importance to the business, Company A considers the potential that the customer becomes profitable in the future. This is in accordance with the theory stating that it's important not to base the customer value on just one dimension and that the customer's potential value is relevant to take into consideration. However, the theory emphasizes several other factors that influence how important a customer is, such as the Customer Life Time Value, the competitive value, support costs, product costs, and channel usage. These are all factors which Company A doesn't take into consideration.

- Types of analyses described in theory without equivalence in the empirical findings:
  - Next sequential purchase
  - Product affinity analysis
  - Price elasticity modeling
  - Dynamic pricing

Telemarketing

At present Company A doesn't have a department performing telemarketing activities. Thus, there is no need for telemarketing functionality. However, the respondent do not exclude the chance that they will need telemarketing in the future.

Sales Force Automation

Sales Process/Activity Management

Organizing of Sales Activities, Calendar Availability and To-do lists

The empirical findings show that Company A needs CRM functionality for managing their sales activities. Primly, they need access to a record of activities and possibilities to plan their activities, which is in accordance with the functionality regarding "Organizing of Sales Activities", "Calendar Availability", "To-do lists", described in theory.

Easy Access to Information

As in theory, the empirical findings also emphasize the need for easy access to information, such as access to:

- orders
- quotations
- activities
- mailings
- documents
- customer details
- customer business
- prevailing issues, such as information on prices and discounts

The differences with theory regarding access to information are minor. Appendix 13 includes the comparison of information and appendix 14 includes the information that only was included in the empirical findings.

Limitation of Information Access

Company A does need functionality to limit the information access and to create individual interfaces, in order to make the work easier for the users of the CRM system. An interface that is adapted after the users specific needs is much more user friendly, which is in accordance with theory.

Document Handling

In accordance with theory, Company A thinks that electronic document handling is useful but yet they are not ready for implementation since the organization have a low degree of computer utilization. The fact that Company A will wait until the organization is ready implies that they have realized that the development of CRM can not start with investments in information technology, it has to start with adopting the business strategy and the business processes to the CRM approach, which is in line with the theory provided by Front Line Solutions, Inc, Greenberg (2001).

The documents that Company A likes to access by using "Document handling Functionality" are the following, price lists, discounts, budgets, unpaid invoices, recent deliveries, and documents regarding history of contacts, report on prospect evaluation, formal agreement on order (a letter, mail, or contract), and prevailing issues. Information on which documents that needs to be accessible was not brought up in theory.

Automated Processes
In theory, Dyché (2002) describes functionality that will guide the user through the different steps in the sales process. However, unlike the theory, Company A doesn't need to automate any steps in their sales process.

Access to Central Database
The need for access to a central database with information concerning the customer is in line with the theory describing Sales Process Management functionality.

Generating Quotations
Making quotations by using templates is needed by Company A and can be compared with the "generating quotations" functionality included in the frame of reference. Company A also emphasize the information needed when making a quotation, such as information about costs, prices, prevailing discounts, and lead-times, which is not pointed out in theory.

- Sales Process/Activity Management Functionality described in theory without equivalence in the empirical findings:
    - Project Function used to define projects
    - Analyze the sales process and estimate the duration of critical activities
    - Alarm reminders
    - Relations Tab: Overview of contact network, where subsidiaries and head quarters easily can be defined
    - Integration with Internet and Intranet

<u>Sales and Territory Management</u>

Overview sales activities
Company A needs functionality for overseeing sales activities, which is in accordance with the functionality described in theory.

Set up Sales Teams
Management at Company A has no need for functionality intended for organizing sales teams, since the it is delegated to the sales people.

Evaluating Sales Force Performance
In accordance with theory, Company A evaluates the performance of the sales people. When evaluating the salespersons performance management primarily pay attention to the number of calls and visits made to the customers, and how many orders they have taken. They also likes to know the margins. All theses measure is included in theory as well.

Sales Analysis
Most of the sales data needed by Company A can be compared with the parameters measured in the sales analysis described in theory. Table 12, 13, and 14 includes the data that is in accordance with the theory.

Organizational Unit	Classification Variables	Control Factors
Whole Firm	Total Volume	Sales Volume
Divisions	Order Size	Margins
Districts	Product Class	Unit Sales
Territories		Market Share
Accounts		

Table 12. The sales data analyzed by Company A, which are in accordance with the measures included in the "Sales Analysis Process" described in theory.

Orders
Strike rate
Number of Orders Taken

Table 13: The sales data analyzed by Company B, which is in accordance with the measures included in theory.

Behaviours
Calls
Complaints
Demonstrations

Table 14: The measures analyzed by Company A, which are in accordance with the input measures included in theory.

As presented above, Company A make analyzes of their current market share. Company A also performs analysis of number of customer visits, which is compared with the number of "demonstrations" made, considered as a input measure in theory. Company A's analysis of back orders can be compared with the analysis of complaints, which also is identified as an input measure. Company A also states that there is a need to perform analysis against budgets and forecasts, which is in accordance with the theory.

There are some measures included in the frame of reference that are not found in the empirical findings concerning sales analysis, these are presented in appendix 11. conversely, Company A's analysis of "latest deliveries" and "money due" is not mentioned in theory. Nevertheless, the sales data needed by Company A can to a quite high degree be considered as in line with the theory, where they use both output measure and input measures when evaluating the performance.

However, in theory it's not mentioned that the sales result is an indication of the customer's performance in the case where the customer is a retailer or a distributor. If the distributor or retailer are buying lots of products it implies that they also are good at selling. When having identified the customers with high sales results, Company A analyzes why certain companies are selling a lot and then uses that information to adapt their sales & marketing support. Thus, the sales result is of significant importance for companies selling to distributors and retailers.

Graphical tools
The theory includes functionality for presenting sales results graphically. Thereby, Company A's need is in line with the theory regarding "Sales results presented graphically". What is worth emphasizing is that the Company A would like to see simple tools, and are not requiring any advanced tools that are difficult to learn.

Budgets & Forecasts
The findings show that functionality for "Generating Budgets and Forecasts" included in theory, could be useful in the future but it's not of any major importance to the study object.

Pipeline Management
Respondent A doesn't see the use of having a tool for visualization of the current numbers of potential customers. Accordingly, the functionality named "pipeline management" in theory is not considered as important and is not considered as needed in a CRM system.

Managing Bonus & Commissions
At Company At the need of functionality for managing bonus and commissions is not that urgent. However, if utilized, the most important thing is that it's designed in such a way that it shows the advantage of selling. The functionality included in the theory is more focused on managing the activities for giving out bonuses and commissions.

Managing of Quotation Process
The functionality intended for managing the quotation process involves making statistics on the quotation process. This is in line with Company A's wish to make analysis of success rates of quotations made, even if it might not be possible since the verbal quotations made seldom are registered.

- Functionality described in theory without equivalence in the empirical findings:
  - Tracking of the quotation process.

This is understandable since the quotations often are made in an informal way, where the need for functionality supporting tracking and managing of the quotation process is little.

Sales & Marketing Reports
See section "Reporting capabilities".

<u>Contact Management</u>

Company A have a need to manage the contacts with their customers. Thereby they have a use for "Contact Management" functionality described in theory.

Organizing and Managing Data about the Customer
In accordance with the theory, the empirical study showed that "Contact Management" is a lot about organizing and managing data regarding a company's customers. All customer interaction points with the customer needs to be recorded.

Table 15 comprises the information included in theory, and the crosses indicates which information that also is included in the empirical findings. Most of the information that is brought up in theory is also mentioned by Company A.

Business information	X
Contact persons	X
Contact data	X
Information on position	X
Organizational chart	X
RFM (recency, frequency, monetary)	X
Profitability	X
Satisfaction	
Retention	
Loyalty	
Activities	X
Interactions	X
Documents related to the contact person	X
Mailings	X
SMS Messages	

Table 15: The information included in theory with correspondence with Company A.

Company A includes more detailed information about contact data and contact persons, than specified in theory. The data is presented in appendix 14.

The respondent at Company A really emphasized the importance of contacting the right people and thereby it's crucial to register how the decision-making process look like and the people involved in this process. In addition, Company A needs to record the delivery method and delivery data after the order is placed. This imply that they need information from the production function or the function in charge of deliveries. This is not in accordance with theory, where the production process isn't supported by the CRM system. (Greenberg, 2001)

There are some information that is included in the empirical findings without correspondence in theory, the data is presented in appendix 15. It's primly concerning information regarding account payable, deliveries, complaints, and prevailing issues that often is needed when the customers calls in. It's also concerning information that is of interest when selling to distributors.

Mail Program Integration
Company A require integration between their mail program and their CRM system, which is in accordance with the theory that includes integration with Microsoft Outlook, Lotus Notes or any other mail program.

Generate Mailings
See the part describing "Direct Marketing".

Relations Tab
The respondent at Company A emphasized that the relationship between the headquarters and subsidiaries must be recorded and the decision making process needs to be identified and understood, which is in accordance with the theory.

Registration of contact behavioural characteristics
The theory included functionality for recording contact behavioural characteristics associated with the next contact step. The respondent states this functionality isn't needed and it would only make the work more time consuming.

- Contact Management functionality included in the theory without equivalence in the empirical findings:
    - Send SMS messages to individuals or groups
    - Storage of an e-mail directly as a task in the CRM system
    - Drag and drop files, documents and e-mails from Windows Explorer and Microsoft Outlook into the CRM document system

Lead Management

Organize and Manage Data on Leads
In accordance with the theory Company A collects a lot of information about their prospects. What is different is that according to Respondent A it is not that necessary to record the information about the prospect in the CRM system, what is important is that just the people needing the information have access to it.

The information collected about the prospect is described more detailed in the empirical findings than in theory, and the information collected by Company A is focused a lot on the customer's business. This kind of information is not included in theory, appendix 14 includes the information recorded by Company A without correspondence in theory. The information collected from the prospects is also needed when the deal is closed and the prospect has turned into a customer.

- Lead Management functionality included in the theory without equivalence in the empirical findings:
    - Analysis Capabilities
    - Recording of data regarding the status and potential of the deal, and regarding competitors, see appendix 13.

Since Company A mostly is targeting existing customers and since the management of prospects isn't a big issue for the company, there is less need to use functionality or information to manage the activities directed towards the prospect, nor to make analysis of the lead finding process.

Configuration Support

The functionality described in theory, intended for automated calculation of product configuration and price is not needed by Company A, since they don't sell products that require such support.

Knowledge Management

Company A stores sales and marketing material on their internal network. This can be compared with the "Knowledge Management" systems described in theory which also allow storage of company critical information. The functionality for categorization of material and "individual editing rights over documents" described in theory could be of use for Company A. However, they are satisfied with their current solution, thus, the need for Knowledge Management is not that urgent.

- Functionality included in theory without equivalence in the empirical findings:
    - Support of Web links, auto/video clips, presentations and graphical software
    - Search engine that allows finding documents by searching on a specific keyword

Mobile CRM

Company A's need of direct access to the CRM system and possibilities to work offline can be compared with the functionality supporting data synchronization and access to a single server via a Web-browser or a thin client, which is described in theory. The respondent stated that the data needed when working remotely is mostly concerning product deliveries. Thereby, it is necessary to be able to access data from the production process as well. This is not in accordance with the theory developed by Greenberg (2001), which doesn't include the production processes when indicating the business processes supported by a CRM system.

The empirical findings also show that there is a need for Company A's customers to interact with the CRM system, which also is in accordance with the theory. The customers primly need to have possibilities to handle complaints and check the status on product and service orders.

- Mobile CRM functionality included in theory without equivalence in the empirical findings:
    - Access to database from hand held devices

Reporting Capabilities

In accordance with theory Company A thinks that it is useful with reporting capabilities. As in theory, Company A needs reports on marketing and sales. However the empirical findings doesn't include many examples of which specific reports that are required. The respondent only mentions reports on sales results, which can be compared with the report on "company performance" included in theory, and a report on outcome of promotion, which can be compared with the report on "profitability of marketing investments" described in theory. However, Respondent A mentions other reports needed which aren't stated in theory, these are:

- Report with contact data and information about earlier communication with the prospect.
- Report regarding evaluation of prospect
- Report presenting the results from the customer satisfaction measurement
- Reports regarding customer service: statistical analyses of errors, lead-times of repairs, how problems are solved, how well does the company manage to solve the problem.

- Reporting functionality included in theory without equivalence in the empirical findings:
    - Define your own search criteria and save them for later searches,
    - Different types of presentations of reports

Customer Service and Support

Managing the Service Process

In accordance with the theory, Company A considers it important to track the customer service performed. However, the information that needs to be recorded when making a service order is more specified in the empirical findings, see appendix 14. The respondent also emphasized that the information about service tasks needs to

be accessible for all employees who need to know about it, which is in line with the theory.

The measurement of customer service, included in theory, can be compared with Company A's analysis of performed service orders. In the empirical findings it was also described what kinds of analysis that are performed. This information could not be found in theory.

- Functionality included in theory without equivalence in the empirical findings:
    - Integration of service and warranty agreements
    - Maintaining optimal inventory levels
    - Recording of information on interaction preferences

Computer Telephone Integration (CTI)

In accordance with theory, Company A thinks that CTI is a useful technology. With difference from theory, Respondent A states that it could be valuable for everyone interfacing with customers, not only for the customer service & support function which is highlighted in theory.

Call-Scripting

Call-Scripting functionality described in theory, was not included in the empirical findings.

Customer Service & Support – Point-of-Sale

In theory the need of the customer service & support to work like a point-of sale is described. Company A takes it one step further by stating that any part of the company should work as a point-of-sale. Respondent A states that it could be useful with standard message that informs the employees about prevailing issues, such as current promotions and discounts. This can be compared with the "screen pop" functionality described in theory which provides the employee with important information.

Web-based Self Service

Company A has a support section on their Web Site, where the customers can access instructions, product catalogues and where they can find contact details to the support function. Company A also mentions the need for having web based managing of customer complaints and a web solution that enables the customer to track service orders as well as product orders. This functionality is in accordance with the "Web-based Self Service" functionality described in theory.

- Functionality included in theory without equivalence in the empirical findings:
    - Questionnaires provided on the Web Site
    - Customer access to product databases
    - Personalized Web Sites
    - On-line chat rooms

Customer Satisfaction Measurement

Since the company probably will begin to measure customer satisfaction by distributing questionnaires the "customer satisfaction measurement" functionality described in theory can be considered as relevant for Company A. However,

considering the fact that Company A haven't started to use a CRM system yet, it is likely that from the start they only will require the most basic functionality. However, what is emphasized in the empirical findings is the need to present the result from the measurement in a report, which wasn't brought up in theory.

Field Service Automation

Company A has one service engineer, he doesn't need to have access to the CRM system while he is away from the office and consequently there is no need for "Field Service Automation" functionality. Apparently, this indicates that Dyché's (2002) statement, that "Field Service Automation" is the fastest growing area within CRM functionality, doesn't apply everywhere. However, it's important to take into consideration that Company A's only have one field service engineer and thereby their needs can't be compared with the need of companies having many engineers operating away from the office. Then the needs probably are a lot different.

Service Agreements

The functionality intended for managing service agreements are not needed by Company A. By having a standardized service offer the work is simplified the work and thereby the functionality is unnecessary.

- "Customer Service & Support" functionality included in theory without equivalence in the empirical findings:
    - Workforce Management
    - Functionality for handling long-term & short-term rental agreements

The reason why Company A didn't express any need for Workforce Management might be that they don't have such a large Service Department that require this type of functionality. In addition, since Company A doesn't perform any rental activities, they don't need functionality for handling long-term & short-term rental agreements.

6.3.2 Possible causes to the differences between theory and the empirical findings: Company A

In the comparison made between the CRM functionality described in theory and the empirical findings several differences were found, both regarding need for recording information and need for technical functions. In some cases the theory includes information and functions which aren't included in the empirical findings and sometimes it's the opposite.

The fact that some information and functions aren't included in the empirical findings can be due to two different reasons. Either, the study objects have stated that they don't need certain CRM functionality, or the study object have just not mentioned the information and functions which was included in the frame of reference. This section provides an analysis of both circumstances.

The analysis will be performed on a general level, where only the causes to the main differences in functionality and information will be discussed. This way the analysis will be more comprehensible than if each single difference is discussed.

Here follows an analysis of the main reasons to why the theory differ from the empirical findings from Company A.

The Complexity of the CRM functionality

In the previous section there were several examples on when Company A didn't need or didn't bring up the functionality described in theory. One of the reasons can be that the complexity of the functionality included in theory is considered as too high, which accordingly can be explained by Company A's current stage in the CRM development process and the company purpose with using a CRM system.

Early Stage of CRM Development Process

Company A is still in an early stage of their CRM development process and unsurprisingly they mainly need the most basic functionality in order to meet their CRM requirements. Too complex functionality might make the work more complicated for the employees, instead of simpler and more efficient. In addition, the fact that Company A is in the pre-phase of implementing CRM, implies that the respondents knowledge about CRM isn't complete, which naturally has an effect on their view of needed CRM functionality.

For example, the empirical findings show that Company A doesn't need Cross-Selling & Up-Selling functionality. This is reasonable since their current way of working with cross-selling activities are working fine. However, since Company A is performing analyses in order to perform cross- selling activities I believe that the needs might change as they develop CRM in the company. At the time when the employees are used to a CRM system the usage of functionality may facilitate their work.

The fact that Company A is in an early stage of the CRM development process may also have an effect on the variables which the segmentation is based on. For example, Company A doesn't base their segmentation on infographics, loyalty, and status of the relationship, which are highly associated with the CRM approach.

As mentioned in the section "The Process-Oriented View" described earlier in this chapter, the process-orientation at Company A is not that extended. This may have had an effect on the need for functionality aimed at supporting managing of the sales process. For example, Company A doesn't mention the need for functionality that supports "Analysis of the sales process and estimation of duration of critical activities", nor "Pipeline Management", which is included in theory. The company need might have been different if the process-orientation had been more widespread.

Finally, the lack of need for "Automated Processes" functionality can also be due to that Company A is in the early stage of implementing CRM, where automation is to early to even consider. In addition, automated processes may not be the solution for all companies since it might require a very consistent way of working. Consequently, Company A might not like to automate their processes even if they apply CRM to a great extent.

Purpose with the CRM System: No need for a high complexity CRM system

Another reason to why Company A doesn't need some of the more complex functions specified in theory is because they don't request a very complex CRM system. They

like to use a CRM system in order to facilitate their work with improving their customer relationships, but they only like to use the system to a certain amount. This implies that even when Company A has implemented the CRM approach to a great extent, they might still not be interested in the more complex functionality presented in theory. I got the over all impression that Company A is interested in applying CRM functionality but are skeptical to the degree of complexity offered. For example, the differences in need for "Campaign Management" functionality and "Pipeline Management" functionality might be due to the high complexity of the functionality described in theory.

Level of Work Experience among Employees

Another aspect that affect the need for CRM functionality is the level of work experience among the employees. As stated in the empirical findings the level of experience is rather high at Company A, which might imply that the need for CRM functionality is less. For instance, the need for functionality for "Recording Contact Behavioural Characteristics Associated with Next Contact Step" is not needed, it would probably only make the work more time consuming. This is understandable since most of the employees have long work experience and naturally do not need guidance in how to act. In addition, Company A's didn't mention any need for "Call-Scripting" functionality, this might be another example on when the level of experience among the employees imply that they don't need certain functionality. In this case the employees do have enough experience to make their own judgments on what is suitable and not.

In addition, the empirical findings shows that Company A has no interest in functionality for "Setting Up Sales Teams" since the sales persons are organizing themselves. Again, the level of experience among the employees affect the need for CRM functionality.

The Target Group – Middlemen vs. end customers

A possible cause to the differences regarding information need is the fact that Company A is targeting distributors and retailers, while it seems like the theory is describing information needed when selling to end customers. Presented below are a few examples that show why it seems like the theory focuses at selling to end customers and not to middlemen.

To begin with, the theory doesn't mentioned that in the case where the customer is a retailer or a distributor, the sales results is an indication of the customer's performance. Implying that sales results is of significant importance for companies selling to distributors and retailers. If Company A is selling to retailers with poor sales results their resources are not used in the most favorable way. It's better to use the resources on customers that are doing well and probably will do more business in the future.

The need for recording information on the prospect's business is very important for companies selling to distributors and is highly emphasized by Company A. This since the data collected is used to evaluate whether the prospect is living up to certain requirements, which is very important in order for the distributors to be able to sell as much as possible. When selling to end customer the collecting of information on

prospect's business is not as important. Again, the difference between the theory and the empirical findings can be explained by the fact that the theory seem to focus on sales to end customers.

The examples above indicate that the theory is focused at sales to end customers, which could be considered as a weakness in theory given that operating in the business-to-business markets often involves selling products to distributors or retailers.

Integration with the Production Process

Another reason to why the need for information differ between theory and the empirical findings can be that Company A need to have access to information from the Production Department. However, the theory doesn't state that the production process should be supported by the CRM system. Consequently, this research show that the "CRM solution Map" included in the frame of reference can be considered as insufficient.

Integration with the Order Process

Company A states that it's important to be able to provide the customers with information about their account payable, which implies that the sales people need to have access to information on payments from the Order Function. The need for information on deliveries, and delivery method further emphasizes the need for integration with the Order Function. However, in theory, the description of the "CRM solution Map" doesn't include support of the Order Process.

Implementation Difficulties

As described in the empirical findings the computer usage is not that high among the employees at Company A. It is quite possible that this situation is affecting the CRM requirements. For example, the reason to why the respondent didn't mention the need for "Access to Database from Hand Held Devices" might be that it isn't very likely that the employees want to use hand held devices and thereby it will be very difficult to implement.

Business Specific Reasons

Some of the differences between the theory and the empirical findings regarding CRM functionality, is due to the specific business of the study object. In other words, Company A doesn't need certain CRM functionality since their business processes doesn't require it.

More Detailed Description Level

The difference in how detailed the theory and the study object has described CRM functionality might be another cause of the discovered difference between the empirical findings and the theory. When comparing the information and functionality included it appears like sometimes the respondents at Company A is describing their needs more in detail than the theory does and sometimes it seems to be the opposite situation, where the functionality is more detailed described in theory. Here follows some examples on differences that are present due to differences in how detailed the descriptions of functionality and information are.

- Functionality described more in detailed in theory:
    - Direct Marketing: graphical templates are not specified in the empirical findings
    - Knowledge Management: Support of Web links, auto/video clips, presentations and graphical software

- Functionality described more in detail in the empirical findings:
    - Information regarding the customer business and contact persons
    - Information needed when managing a service order and what analysis that are performed
    - Examples on documents that need to be accessible when using "Document Handling" functionality

Too "technical" functions

The characteristics of some functions included in theory are sometimes rather technical and this might be the reason to why they aren't included in the empirical findings. Here follows some examples on functionality that might be left out because of that they are too technical.

- Knowledge Management: "Search Engine that Allows Finding Documents by Searching on a Specific Keyword"
- Sales Process Activity Management: Alarm reminders
- Contact Management: "Drag and Drop Files, Documents and e-mails from Windows Explorer and Microsoft Outlook into the CRM Document System" and "Storage of an e-mail directly as a task in the CRM system"
- Reporting Capabilities: Define Own Search Criteria and Save Them for Later Searches. This is not the same as saying that accessibility isn't important, because it is, but how easy access is solved the users care less about.
- Customer Satisfaction Measurement: Automated logging of ID when responding a questionnaire

Weakness in theory

Wrong Focus of Functionality

The respondent make inquiries about "Managing of Bonus & Commission" functionality that is focused on showing the advantages with selling. This implies that the functionality not only should focus on managing activities giving out bonuses and commissions, it should also be a mean to inspire the sales people. The functionality included in theory might not live up to this since it's mostly aimed for supporting the managing of the activities concerning bonus & commission.

6.3.3 Comparison of CRM requirements & CRM functionality: Company B

Marketing Automation

Direct Marketing

Company B is performing direct marketing activities using different medias and are thereby needing functionality for generating address lists and mailings, which is in line with the description of "Direct Marketing".

- Functionality described in theory without equivalence in the empirical findings.
    - Integration with Graphical Templates

Target Marketing

Marketing Segmentation

Company B base the segmenting if customers on several different variables and most of them are in accordance with the segmentation variables included in the frame of reference. Table 16 shows the segmentation variables included in the empirical findings that correspond with the theory.

Company B	Theory
Branch	Type of business, Sales Territory
Geographical Region	Geographical location
Turnover	Size of company
The customer's number of suppliers	Size of company
Need	Psychographics
Profitability	Profitability
Branch Performance	Perceived Risk
Quality	Benefit: Quality

Table 16: Company B's segmentation variables that are in accordance with the theory.

The correspondence between " Branch Performance" and "Perceived Risk" can be explained as follows. The risk with doing business with a company decreases if the branch/industry where the company operate is showing good results. Thereby the perceived risk for the company can be associated with the performance of the customer's branch. What is worth noticing is that Company B have a need of analyzing profitability for individual customers, as well as for customers within a specific branch.

The only segmentation variable that wasn't represented in theory is the "Position of purchase decision maker in the customer company" which is used by Company B.

There are some segmentation variables that are included in theory but with no correspondence in the empirical findings, table 17.

Segmentation Variables
Sales Territory
Infographics
Operating and situation related (except from Benefits, Perceived Risk, and Profitability)
Purchasing policy and approach

Table17: Segmentation variables not included in the empirical findings.

One-to-One Marketing

The need for releasing campaigns that are based on the customers specific needs and preferences, is in accordance with the theory describing one-to-one marketing.

Campaign Management

Generation of a List with Contact Data

As in theory Company B has a need for generation of a list with prospect names and contact information.

Specifying Costs and Expected Returns
Furthermore, Company B states that it would be valuable to have tools for estimating costs and expected returns of campaigns, which is in accordance with the theory describing "Campaign Management" functionality. The respondent also states what specific campaign related costs that are interesting, presented in appendix 14. This information is not included in theory.

Analyze Campaign Results
In accordance with theory, Company B likes to analyze the results from performed campaigns. In contrast to the theory, the respondent at Company B indicates what kind of analysis that are necessary to carry out. These are analysis of "response frequency" and "closing frequency" related to the campaign, and profitability of orders taken related to a specific campaign. They also analyze which campaign type is most successful, which can be compared with the report on "Profitability of Marketing Investments" that is included in theory.

Use campaign results to develop new campaigns
In accordance with the theory, Company B would like to have functionality for developing campaigns based on the campaign responses from earlier campaigns. Company B describes this a little more in detailed than in theory by stating that they like to record the reason to why a company turned down a proposal and based on that they might make decision on the new campaign. However, unlike the theory, Company B states that it's only possible when making smaller and more targeted campaigns, since otherwise the directory will increase extensively.

Tracking Direct Marketing Activities and Marketing Campaigns
The need for Company B to follow-up the distribution of newsletters can be compared with the functionality aimed at "Tracking Direct Marketing Activities and Marketing Campaigns", which is included in the frame of reference.

Broadcast Campaigns
Company B has a need to distribute different kinds of campaigns using various medias, such as e-mail, letter, and the Web site. This is in accordance with the theory which includes functionality for broadcasting the campaign using different medias.

- Campaign Management functionality included in theory without equivalence in the empirical findings:
    - Generate labels
    - Define workflows including schedule for the campaign.
    - Automatic creation of follow-up activities with synchronization to MS Outlook
    - Connection between campaigns and questionnaire, projects and web response
    - All common campaign reports available
    - Monitor you ROI by linking the campaign to a project

<u>Cross-Selling</u>

At present no cross-selling activities are performed between the different subsidiaries in the company group. Thereby there is no need of functionality aimed at supporting cross-selling activities, which is included in theory. However, since the respondent states that cross-selling activities would be very valuable, the functionality described in theory can be considered a valuable in the future. Activities regarding up-selling wasn't either described in the empirical findings.

Analysis of Customer Data

At present Company B doesn't' analyze customer data that much. The only analyze customer profitability. However, the empirical findings doesn't explain whether the profitability is based on sales data only, or on any other factors as well, such as "Potential Value" or "Customer Life Time Value", which is included in theory. The respondent thinks Data Mining could be an interesting tool for making more thorough analyses in the future, which is in accordance with the theory describing "Analytical CRM".

Telemarketing

According to the respondent it's of no interest for the PS to use "Telemarketing" functionality, which is included in theory. This since they have no use of logging time, date, and duration of call. However, the empirical findings indicates that there is a need for the PS:s to record which calls that were unsuccessful, the calls where they didn't get in touch with their contact and have to make a second attempt, and the companies that likes to be contacted again. All this, is possible with Telemarketing Functionality, which imply that Telemarketing could be useful even if the respondent doesn't indicate this.

Sales Force Automation

Process/Activity Management

Organizing of Sales Activities & To-Do list

The respondent stated that Company B needs functionality that enables recording of all performed activities towards the customers, which is in accordance with the "Organizing of Sales Activities" functionality and "To-do list" functionality included in theory.

Easy Access to Information

At present, very little information is accessible in the CRM system. However, the respondent at Company B emphasizes the need to improve the access to information, such as access to:

- Orders
- Activities
- Contacts with the customer
- Documents

The differences with theory regarding access to information are minor, see appendix 13.

Calendar Availability

The need for "Calendar Availability" is in accordance with theory.

Limitation of Information Access

In accordance with the theory, Company B states that there need to be restrictions on who has access to what information, since all employees don't have the right to access the same data.

Analysis of the Sales Process and Estimation of Duration of Critical Activities

Company B emphasizes the need to analyze the lead-time from prospect visit to order, and average pay time. The corresponding functionality in theory is described as

"Estimation of Duration of Critical Activities". With difference from theory, Company B's also need to analyze lead-time of production.

Document Handling
The need for Document Handling functionality is in accordance with the theory, as well as the need for free-text search in documents. However, the empirical findings also include information on which documents that needs to be accessible, which wasn't brought up in theory. In addition, the Production Function must have access to documents containing information from the follow-up. This implies a need for integration between the production process and the sales process, Which wasn't indicated in the frame of reference.

- Document Handling functionality described in theory without equivalence in the empirical findings.
    - Tracking & Logging of documents

Access to a Central Database
The respondent states that it would be best to install one common database handling all different companies. This corresponds to the "Access to a Central Database" functionality included in theory.

Alarm Reminders
In accordance with the theory Company B is interested in "reminders" which will ensure that the sales person doesn't forget about important activities.

- Sales Process/Activity Management functionality described in theory without equivalence in the empirical findings.
    - Project Function used to define projects.
    - Automated Processes
    - Generating Quotations
    - Integration with Internet and Intranet.

<u>Sales & Territory Management</u>
Overseeing sales activities
In accordance with theory, the empirical findings show that the management at Company B likes to oversee the PS:s planned activities. The employees at Company B also uses Web-based time reporting, which enable employees and management to oversee how much time each employee spends on specific customers and projects, and the amount of overtime. This functionality was not included in the theory.
Set up Sales Teams
The theory includes functionality for "Creating Sales Team Profiles" by storing personal data. However, the respondent doesn't see the use of having the skills of the PS registered in the CRM system.

- Territory Management functionality described in theory without equivalence in the empirical findings.
    - Linkage of Individuals to Specific Accounts
    - Linkage of specialists to specific sales teams

The reason it's possible to assign PS without using "Territory Management" functionality to a large extent, might be that the PS:s at Company B aren't that many.

It's possible for the CEO to know every sales person and also have good knowledge about the customers.

Evaluation Sales Force Performance & Sales Analysis
In accordance with theory, Company B uses sales statistics in order to evaluate the performance of the sales people and they also performs a comparison between results and budgets. The measures used are to a high degree in accordance with the theory, and are presented in table 18, 19, and 20.

Organizational Unit	Classification Variables	Control Factors
Whole Firm	Total Volume	Sales Volume
Divisions	Order Size	Margins
Districts	Product Class	Unit sales
Territories		Market share
Accounts		

Table 18 The measures used when analyzing sales, which is in line with the theory describing Sales Analysis.

A sales persons performance at Company B1 can be studied by looking at the kind of ads sold. This since the profitability of a half side ad is different from a quarter side ad. If the ads sold are considered as products/service, the analysis can be compared with analyzing sales volume per product class, which is included in theory.

Orders
Number of Orders Taken

Table 19: The sales data analyzed by Company B, which is in accordance with the measures included in theory.

Behaviours
Calls

Table 20: The measures analyzed by Company B, which are in accordance with the input measures included in theory.

However, there are some measures that are included in theory, without correspondence in the empirical findings, theses are presented in appendix 11. The information emphasized in the empirical findings, without correspondence in theory, is the information on the reason to why prospects respond negatively to quotations made. For example, this might help understanding why certain sales people are showing bad results.

Graphical tools
In line with theory, Company B need graphical tools when presenting sales results.

Sales Forecasting
In accordance with theory, Company B emphasizes the need of making forecasts. In contrast to the theory Company B gives several examples on forecasts that are performed. Company B also mentions the need of estimating changes that will affect

the forecasts, which is done by comparing each salesperson's activity level, with their rate of invoicing.

- Functionality included in theory without equivalence in the empirical findings:
    - Access to and generating of sales budgets

Pipeline Management
As in theory, the respondent at Company B thinks that Pipeline Management is a valuable tool for visualizing how the business is going. In accordance with theory Company B would use it to record the current number of prospects and the potential of closing. Without correspondence in theory, the respondent states that the potential of closing should be compared with the number of orders closed. This in order to see how well the judgments corresponded with the outcome. In addition, the theory doesn't bring up the fact that it can be hard to get the sales people to reveal how many prospects they have, which implies that the pipeline might not be trustworthy.

Managing of Bonus & Commissions
Company B is interesting in functionality for managing bonuses. However, the prime requirement on the functionality is that it clearly demonstrates the advantage with acting according to what is best for the whole company. Consequently, in the empirical findings the main purpose with the functionality is to support the motivation of the sales people, not to support the managing of bonus activities which is emphasizes in theory.

Managing of Quotation Process
Company B need functionality for managing the quotation process, tracking of the quotation process by using follow-up dates, and for making analyses, which is in accordance with the theory. What is not brought up in theory is the need to register the reason why a company turns down an offer and when and how the company likes to be contacted next time.

Sales & Marketing Reports
See section "Reporting capabilities".

<u>Contact Management</u>

Organizing and Managing Data Regarding Customers
Company B need functionality in order to organize the information regarding their prospects and customers.

Most of the data included in theory is also mentioned by the respondent at Company B, see table 21. As indicated in the table, Company B is recording information on RFM (recency, frequency, and monetary). However, the meaning of frequency and monetary differ from theory. In the empirical findings frequency implies "frequency of publication", while in theory it implies the "number of purchases" the customer has made during a certain period. At Company B monetary means the "money a potential deal is likely to generate", while in theory it means the "amount purchased" during a specific time. The adaptation of the "RFM tool" is made to fit the specific business at Company B. However, the meaning of the concepts in theory is also relevant for the company.

Business information	X
Contact persons	X
Contact data	X
Information on position	X
Organisational chart	
RFM (recency , frequency, monetary)	X
Profitability	X
Satisfaction	X
Retention	
Loyalty	
Activities	X
Interactions	X
Documents related to the contact person	X
Mailings	X
SMS messages	
Contact behavioural characteristics	

Table 21: The tables illustrates the information included in theory with and without correspondence in the empirical findings.

Furthermore, Company B likes to register all contacts and activities made with prospects and customers and their preferred mode of contact, which also is emphasized in theory.

There are only some data that is included in the empirical findings, but isn't stated in theory, see appendix 14. For example, the empirical findings show that Company B is interested in keeping track of if a contact person at a customer company is moving to another company, this since it is of high value to keep in touch with contact persons even if they change company. In theory this particular information requirement wasn't specified. However, in the CRM development Life Cycle it's emphasized that companies need to have a methodology for up-dating the database. Which can be compared with Company B's statement.

Company B1 needs to record information about the customers' suppliers. This kind of information is not included in theory. However, the information collected resembles a lot with the customer contact information described in theory, such as general information about the customer, contacts made, and information on the last buy.

Integration with Microsoft Outlook

In accordance with the theory, Company B needs integration with Microsoft Outlook, which additionally is considered as one of the most needed CRM functionality.

Generate Mailings

See "Direct Marketing" functionality.

- Contact Management functionality included in the theory without equivalence in the empirical findings:
  - Send SMS messages to individuals or groups
  - Storage of an e-mail directly as a task in the CRM system
  - Registration of contact behavioral characteristics that are associated with next contact step

- Relations Tab: Overview of contact network, where subsidiaries and head quarters easily can be defined.
- Drag and drop files, documents and e-mails from Windows Explorer and Microsoft Outlook into the CRM document system

Lead Management

Company B's usage of the term "lead" is in accordance with Greenberg (2001) who also use that idiom, and the term "prospect" is in line with Peak Sales Consulting (2002), who uses that term to name a potential customer that is quite close to commitment.

Organize and Manage Data on Leads

In theory, they emphasize the need of recording a lot of information about the leads. However, the empirical findings show that Company B states that since their sales process is relatively short and uncomplicated they don't need to register a lot of information about leads and prospects. Anyhow, the analysis show that Company B records most of the information included in theory, table 22.

Customer account history	X
Information about the lead	X
Salesperson or sales team assigned	
Source of lead	X
Position in the sales process	X
Potential of closing the deal	X
Potential closing date	
Potential final result	X
Product interest & preferences	X
Possible competitors and their level of threat	X
Competitive product matrix	
Information on next step	
Discretionary Budget	
Effectiveness of marketing activities	X
Closing rates	X
The point in the sales process where leads are lost	X

Table 22: The information recorded about leads, which is in accordance with the theory.

The general information about the lead was more detailed described in the empirical findings than in theory. There are also some additional data that is specified in the empirical findings, without correspondence with the theory, see appendix 14.

As you can see in the table 22, the respondent at Company B didn't mention any need for recording information about salesperson or sales team assigned to a particular prospect or customer. However, considering the fact that Company B is assigning a Project Seller to each prospect it should be useful to record this in the CRM system, enabling everyone to know who is responsible for which prospect.

Analysis Capabilities

As in theory, Company B likes to analyze the effectiveness of marketing activities, which is made possible by registering the source of the lead. In accordance with theory, Company B also likes to analyze closing rates by tracking prospects against

orders and they would also like to analyze at what point Company B is loosing prospects and the reason why.

- Lead Management functionality included in the theory without equivalence in the empirical findings:
  - Distribution of leads
  - Automated generation of next step

Since the lead managing process at Company B is rather short, the PS:s don't need functionality to support the generation of next steps with the leads.

Configuration Support

The empirical findings didn't include any need for automated calculation of product configuration and price. This is in accordance with the theory which states that configuration support is needed by companies that sells products comprising different components that can be combined in various ways, which isn't the case for Company B.

Knowledge Management

The need for a common repository for all marketing and sales material is not that urgent for Company B. Consequently, the need for "Knowledge Management" functionality included in the frame of reference is not emphasized in the empirical findings.

Mobile CRM

In accordance with the theory, the empirical findings show that Company B require Mobile CRM. They need data synchronization which enables working off-line, direct access to the database, and need for accessing the database from handheld devices.

- Mobile CRM functionality included in the theory without equivalence in the empirical findings:
  - The customer may interact with the CRM system

The fact that Company B didn't express any need for letting the customer interact with the CRM system, may have various explanations. First, the information needed by the customer is not that extensive. For example, they don't usually need information on status of complaints, since magazines random breaks and the customers thereby rarely make complaints about the magazines. In addition the checking of delivery dates may not be considered as very important since a magazine usually isn't of major importance to the customer business and thereby the date of deliver isn't of major importance.

Reporting Capabilities

In accordance with theory Company B needs reporting capabilities. The reports mentioned by Company B is in correspondence with the reports on individual performance, sales forecasting, segment profitability, and profitability of marketing investments, which are included in theory. Company B also includes reports which aren't brought up in theory, these are:

- Report on the results from the measurement of customer satisfaction and the follow-up

- Report containing the most important data about prospects and existing customers

However, there are reports included in theory that aren't included in the empirical findings, see appendix 13. The reason might be that Company B are good at collecting information, but less good at using the information to make reports.

- Reporting functionality included in theory without equivalence in the empirical findings:
    - Define your own search criteria and save them for later searches
    - Different types of presentations of reports

Customer Service and Support

The empirical findings show that Company B doesn't need a lot of functionality to support their activities regarding customer service and support. Actually, they only need "CTI" and "Customer Satisfaction Measurement" functionality.

CTI

As in theory, Company B emphasizes that there are benefits from using CTI. However, the respondent states that CTI would be very difficult to implement.

Customer Satisfaction Measurement

Company B distributes questionnaires to their customers with the purpose of measuring customer satisfaction. In theory, as well as by Company B, the storage of questionnaire responses, and questionnaires provided on the company Web-site, is emphasized. The empirical findings also includes the need to record feed-back that continuously is received from the customers. Even if this specific information isn't mentioned in the frame of reference it can be considered as in accordance with the theory, since the theory emphasizes the need to record all contacts performed with customers.

In order to improve their business, the respondent at Company B states that they have to be better at using the information collected during the follow-up. At present Company B is good at collecting information but they have difficulties with using it. This is in accordance with Stone's statement (2000) that companies often have difficulties with using the data collected in order to make customer management improvements.

- Customer Satisfaction Measurement functionality described in theory, without correspondence in the empirical findings:
    - Personalized questionnaires
    - Automated logging of ID when responding a questionnaire
    - Identify dependencies between questions in questionnaire

Web-based Self Service

Regarding Web-based Self Service, the need of completing satisfaction questionnaires on the company Web-site is the only functionality that is brought up by Company B.

- Web-based Self Service functionality included in theory without equivalence in the empirical findings:
    - Access to company data
    - Tracking of orders

- Access to electronic brochures or catalogues
- Customer access to product databases
- On-line chat rooms
- e-mail help-desks
- Access to complaint pages
- Personalized Web Sites

- Customer Service & Support functionality included in theory without equivalence in the empirical findings:
  - Managing the Service Process
  - Call Scripting
  - Contact Center Sales Support – Point-of-Sale
  - Workforce Management
  - Field Service
  - Long/Short-Term rental Agreements
  - Service Agreements

A reason to why Company B doesn't need a lot of functionality supporting customer service and support is that they don't perform a lot of service activities. This since the nature of the product offered implies that the customers doesn't need a lot of service and support.

6.3.4 Possible causes to the differences between theory and the empirical findings: Company B

Here follows an analysis of the main reasons to why the theory differ from the empirical findings from Company B.

The Complexity of the CRM Functionality

Some of the differences between theory and the empirical findings might be due to that certain functions included in theory have too high complexity, for example regarding Customer Satisfaction Measurement. In the empirical findings it is showed that Company B has emphasized the need for the most basic "Customer Satisfaction Measurement" functionality. The reason why the respondent didn't mention need for "Personalized Questionnaires" and "Identification of dependencies between questions in questionnaire" might be that those functions are a little more complex and not compulsory for the measurement of customer satisfaction.

Not Fitted to the CRM Approach

A reason to why the theory and the empirical findings differ might be that Company B isn't totally adapted to the CRM approach. For example, today there are no cross-selling activities performed between the different subsidiaries in the company group, and thereby no functionality supporting these activities are needed.

The integration with the Production Process

A reason to why the need for information differ between theory and the empirical findings can also be due to that information needed from or by the Production Function was not included in the frame of reference. In contrary, the empirical findings show that the Production Function needs information on the results from the follow-up, as well as that the sales people need information from production regarding lead-times. Consequently, according to the empirical findings it is necessary that the production process also is supported by the CRM system.

Implementation Difficulties

One explanation to why the respondent didn't mention the need for the sales people at Company B1 to use "Telemarketing" functionality, could be that it would be very difficult to implement. From the empirical findings it's understood that the sales people are unwilling to implement CTI, and since CTI only is one part of "Telemarketing" this would probably cause even more resistance. Consequently, if "Telemarketing" functionality was more easily implemented the empirical findings might have showed a different need.

Business Specific Reasons

The activities included in the sales process has a large impact on Company B's need for CRM functionality. Thereby, some of the differences between the theory and the empirical findings regarding CRM functionality, is due to the specific business of the study object.

More Detailed Description Level

Some of the discovered differences between theory and the empirical findings exists due to that the description of the functionality included in theory is more detailed than in the empirical findings, or conversely the respondent at Company B provides a more detailed description. Here follows some examples on differences that are present due to differences in how detailed the descriptions of functionality and information are.

- Functionality described more in detailed in theory:
    - Direct Marketing: graphical templates are not specified in the empirical findings

- Functionality described more in detailed in the empirical findings:
    - Campaign Management: information on campaign analyses, examples on specific campaign costs that are of interest
    - Document Handling: information on which documents that needs to be accessible with Document Handling
    - Generate Forecasts: examples on forecasts that are performed
    - Lead Management: information about leads

Too "Technical" Functions

Some of the functions included in theory can be characterized as rather technical. It's likely that this is the reason why they weren't mentioned in the empirical findings, since the discussion during the interview didn't have such high technical level. Here follows some examples on functionality that might not be included in the empirical findings because of that they are too technical.

- Contact Management: "Drag and Drop Files, Documents and e-mails from Windows Explorer and Microsoft Outlook into the CRM Document System" and "Storage of an e-mail directly as a task in the CRM system"
- Reporting Capabilities: Define Own Search Criteria and Save Them for Later Searches
- Customer Satisfaction Measurement: Automated logging of ID when responding a questionnaire

Weaknesses in theory

Some of the differences presented in the previous section, indicates that there might be some weaknesses in the theory included in the frame of reference.

Lack of Reality Perspective

Some of the differences might be due to that the theory sometimes lack reality perspective, implying that it includes functionality that only will work in an ideal environment where the sales people always acts in favor of the company and not in favor of their individual needs.

For example, the respondent at Company B states that it can be hard to get the sales people to reveal how many prospects they have, which might imply that "Pipeline Management" functionality won't be used by the sales people. This is not mentioned in theory and it might show that the theory lack a reality perspective, where the theory includes functionality that is technically advanced but doesn't work at a real company.

In "Pipeline Management" functionality, both the empirical findings and theory includes the need for the sales person to evaluate the potential of closing a deal. However, the respondent states that the potential of closing should be compared with the final result, in order to see how well the judgments corresponded with the outcome. Consequently, the study object is taking into consideration that the reality is not always perfect, implying that sales people sometimes are over-optimistic in there judgments. The fact that this wasn't included in theory points a small lack of reality perspective in theory.

Wrong Focus of the Functionality

In the empirical findings the purpose with functionality for "Managing Bonus & Commissions" is primly to motivate the sales people, not to manage the activities regarding bonuses. This isn't emphasized in theory and may therefore indicate that the functionality described in theory has the wrong focus.

6.3.5 Cross-Case Analysis: Comparison of CRM requirements and need for CRM functionality

The analysis show that there are some differences in needs of CRM functionality between Company A and Company B, the major differences will be presented below. The section also includes a cross-case analysis of the causes to the differences between the theory and the empirical findings.

Marketing Automation

Campaign Management

Company B has a much more extended need for "Campaign Management" functionality than Company A. However, the likeliness that this has anything to do with that they are operating within different industries is very small. This since the execution of campaigns isn't specific for the service industry.

Cross-selling functionality

Company A doesn't need Cross-selling functionality, meanwhile Company B thinks it will be useful when their organization is ready for it. This indicates that Company B is a little more open to use CRM functionality in order to improve their work, while Company A prefer to stay with their current way of working as long as it's effective.

Sales Force Automation

Sales Process/Activity Management

Analysis of the Sales Process

Company B mentions the need for performing analysis of the sales process where the duration of critical activities is estimated, which is not brought up by Company A. This difference is probably due to that Company B is more process-oriented than Company A.

Sales & Territory Management

Pipeline Management

The major differences regarding functionality for "Sales & Territory Management" is that Company B need "Pipeline Management" functionality, while Company A doesn't require it. This might have various reasons. First of all, the two companies are at different stages in the CRM development process, where Company B is more fitted to the CRM approach. In addition, Company B is more process-oriented and is therefore more interested in managing the sales process. What also may have an influence is that the companies have different purposes with a CRM system, where Company B seem more positive to complex functionality.

Contact Management

Organize and Manage Data

Another thing that differ between the two study objects is the need for recording of information. Since Company A is targeting retailers and distributors it's much more important to record information about the customers' business performance.

Lead Management

Company B likes to perform analysis of the lead management process, which is not the case at Company A. The reason to why the needs of the companies differ might be that Company A doesn't consider the lead finding process as important as Company B does.

Mobile CRM

The customers to Company A needs possibilities to "Interact with the CRM system", which isn't emphasized by Company B. The reason might be that Company B's customers don't have the same need of support as Company A's customers. However, this doesn't imply that the functionality supporting "Interaction with the CRM system" is primly needed by customers to production companies. For example, customers to bank services often likes to interact with the suppliers systems via a Web-browser.

Customer Service & Sales Support

One of the major differences regarding need for CRM functionality is concerning "Customer Service & Support" functionality. This is due to that the product offered by Company B doesn't require a lot of service, compared to the products offered by Company A.

6.3.5.1 Cross-Case Analysis: Comparison of causes to differences between theory and empirical findings

When comparing what is causing the differences between the theory and the empirical findings it appears like several of the causes are the same for the two companies. In both cases the lack of integration with the production process is one reason to that differences appear. In addition, the empirical findings from both companies differ from theory due to the specific characteristics of their businesses, and due to difficulties with implementing functionality. Furthermore, differences in how detailed the description of CRM functionality is, also cause variation between the theory and the empirical findings. The fact that some functionality is too technical to be mentioned by the study objects also apply for both cases. Finally, regarding the purpose with functionality concerning "Managing of Activities Regarding Bonus & Commissions" both case studies show that the theory might have the wrong focus.

For Company A, the fact that they are in an early stage of the CRM development process cause differences between the theory and the empirical findings. This can be compare with the dissimilarities that are caused by that Company B isn't totally adopted to the CRM approach.

The causes to the differences between theory and the empirical findings that are specific to Company A are the level of experience among the employees, the selected target group, the purpose with the CRM system, and the need for integration with the order process. For Company B, these aspects doesn't imply that any differences appear.

6.3.6 Comparison of CRM requirements & need for CRM functionality: Retailer Case

This section includes a comparison of the CRM requirements and the CRM functionality considered important by the retailers, compared to the CRM functionality provided in theory.

Marketing Automation

Direct Marketing

In accordance with the theory the empirical findings points at the need for functionality supporting "Generating of Address Lists".

- Functionality described in theory without equivalence in the empirical findings.
  - Integration with Graphical Templates

Target Marketing

Marketing Segmentation

Zone Systems base the segmentation on the size of the customer, which in theory is described as demographic variable. They also have a segment consisting of customers which Zone Systems would like to have, which can be compared with the "status of relationship" variable in theory. The segmentation variables included in theory without correspondence in the empirical findings are listed in table 23.

Segmentation Variables
Demographic (except from size)
Infographics
Psychographics
Operating and situation related
Dependence and power structure

Table 23: Segmentation variables not used by Zone Systems

- Functionality described in theory without equivalence in the empirical findings.
  - One-to-One marketing

Campaign Management

In accordance with the theory describing "Campaign Management" functionality, the empirical findings includes need for "Generation of list with contact data" and functionality supporting "Generating Labels". The need for functionality that makes it possible to base the selection of target group on sales statistics is also emphasized. This can be considered as in accordance with theory. However, in theory the need for creation of campaigns towards companies as well as towards contact persons isn't emphasized.

- Functionality described in theory without equivalence in the empirical findings:
  - Define workflows including schedule for the campaign
  - Specifying of costs and expected returns, testing of various scenarios depending on selection of customer segment, campaign schedule, and product offer.
  - Analysis of results from performed campaign
  - Use the result from the analysis of the campaign to develop new campaigns
  - Tracking of direct marketing activities
  - Connection between campaigns and questionnaire, projects and web response
  - Broadcast campaigns via different mediums
  - Generation of campaign reports
  - Automatic creation of follow-up activities with synchronization to MS Outlook
  - All common campaign reports available
  - Monitor your ROI by linking the campaign to a project

Analysis of Customer Data

The empirical findings emphasis the need to perform analysis of customer data and to use analysis tools such as OLAP, which is in accordance with the theory describing functionality supporting "Analysis of customer Data" and Analytical CRM.

- Marketing Automation functionality described in theory without equivalence in the empirical findings:
  - Cross-Selling & Up-Selling
  - Telemarketing

Sales Force Automation

Sales Process/Activity Management

Organizing of Sales Activities

When describing the need of organizing sales activities the empirical findings includes the need of reporting time spent on activities, which can be considered as in

accordance with the theory. However, the use of having pre-defined activities which would facilitate the recording of activities, was not included in theory.

Calendar Availability, Individual and organizational To-Do list, and Project Function
In accordance with the theory the empirical findings includes the need for "Calendar Availability", "To-Do list", and need for functionality supporting creating projects.

Access to Information
Mr Stenberg states that it is important that the CRM workplace enables access to information, such as information regarding: Some of the information specified isn't included in theory, see appendix 14.

In the empirical findings the need for the CRM workplace to provide easy access to different modules in the system is also emphasized. Such as having swift access to modules enabling "Order Registration" and "Generating of New Campaigns". This aspect is not brought up in theory, were the focus is primly on easy access to information, not to other functionality in the system.

Limitation on Information Access
The empirical findings also provide examples on individuals in companies that need different interfaces, with different information and CRM functionality. These are field salespersons, inside salespersons, system salespersons and so forth. This information wasn't included in theory.

Document Handling
In line with theory, is the need for Document Handling with the possibility to free-text search. However, the empirical findings put more emphasis on editing rights, and on accessibility issues regarding documents.

Automated Processes
In accordance with theory, the empirical findings brings up the need for "Automated Processes", which imply that the employees can follow pre-defined workflows when performing activities. However, the retailer also states that there should be different workflows available for different kinds of sales people and different kinds of sales methods, which is not specified in theory.

Alarm Reminders
In accordance with the theory, the empirical findings emphasizes the need for "Alarm Reminders" that can remind the sales person of a specific errand.

Generating Quotations
The need for functionality supporting "Generation of Quotations" is in accordance with the theory.

Linkage to Microsoft Office
The empirical findings emphasize linkage to the Microsoft Office package from the CRM system. This is not included in the theory.

- Sales Process/activity Management functionality described in theory without equivalence in the empirical findings:

- Limitation of information access
- Analyze sales process: estimate duration of critical activities
- Access to a central database
- Integration with Internet & Intranets

Sales & Territory Management

Overview Sales Teams and Sales Activities
The need for management to "Overview Sales Activities" is in line with the theory.

Evaluate Sales Force Performance
As in theory, Mr Stenberg states that Zone Systems like to evaluate the performance of the sales force.

Sales Analysis
The need to perform sales analyses is emphasized in the empirical findings, the measures used is presented in table 24 and 25.

Organizational Unit	Classification Variables	Control Factors
Whole firm	Total Volume	Sales Volume
Accounts	Order Size	Profits

Table 24: The sales data included in the empirical findings, which are in accordance with the measures included in the "Sales Analysis Process" described in theory.

Account
Number of account lost
Orders
Strike rate
Number of Orders Taken

Table 25: The sales data included in the empirical findings, which is in accordance with the measures included in theory.

Sales Forecasts
The need for functionality for performing "Sales Forecasts" is also in line with the theory.

Managing of Quotation Process
Included in the functionality for "Managing of Quotation Process" are the possibility to make statistic on the quotation process. This is also brought up by Mr Stenberg, who emphasizes the need for information about quotation stock. However, Mr Stenberg didn't mention any need for "Tracking of quotation process by using follow-up dates, validity dates and user-defined activities", which was included in theory.

- Sales and Territory Management functionality described in theory without equivalence in the empirical findings:
  - Set up sales teams
  - Sales Results, presented graphically
  - Managing of quotation process: tracking of quotation process
  - Sales Budgets
  - Access to analyses of sales against budget
  - Pipeline Management

- Managing of activities regarding bonus & commissions
- Full range of reports within sales & marketing included

Contact Management

Organizing and Managing of Data

The empirical findings includes a lot of information about the customer company and contact persons that needs to be recorded into the CRM system. The information included in theory, with and without out correspondence with the empirical findings is described in table 26.

Business information	X
Contact persons	X
Contact data	X
Information on position	X
Organizational chart	
RFM (recency , frequency, monetary)	
Profitability	
Satisfaction	
Retention	
Loyalty	
Activities	X
Interactions	
Documents related to the contact person	
Mailings	
SMS messages	
Contact behavioural characteristics	

Table 26: The table demonstrates which information in theory that also is included in the empirical findings.

There is a lot of information that isn't mentioned in the empirical findings, but there is also a lot of information mentioned by Mr Stenberg without correspondence in theory, which is illustrated in appendix 14. The empirical findings provide much more detailed information about contact data and information related to the contact person, while the theory focus more on information on characteristics of the relationship.

Integration with Microsoft Outlook

Mr Stenberg emphasizes the need for integration with Microsoft Outlook, which is in accordance with the theory.

Generate Mailings

See " Direct Marketing" described earlier in this section.

- Contact Management functionality described in theory without equivalence in the empirical findings:
  - Send SMS messages to individuals or groups
  - Storage of an e-mail as a task directly in the CRM system
  - Registration of contact behavioral characteristics that are associated with next contact step
  - Drag and drop files, documents and e-mails from Windows Explorer and Microsoft Outlook into the CRM document system

Relations Tab
The need for information on company relations can be compared with the "Relations Tab" included in theory.

Lead Management

Organize and Manage Data about Leads
Zone Systems records information about their prospects, where the information recorded still is necessary at the point when the prospect has turned into a customer.
The general information about the lead is more detailed described than in the theory. The information recorded, without correspondence in theory, is information on customer class and details about what information the prospect shall receive. However, there is a lot of data included in theory that isn't brought up in empirical findings, see appendix 13. The empirical findings doesn't include any need to record information about potentials or any other information that will provide guidance on what, when or how much the deal might comprise.

Mobile CRM

The need for Mobile CRM, is in accordance with theory. Regarding the need for the customer to interact with the CRM System, the information needed by the customer is described further down in this section, under "Web-based Self Service".

Reporting Capabilities

As in theory, the empirical findings include a need for making reports. However, the findings doesn't include many examples on reports that are necessary.

- Sales Force Automation functionality described in theory without equivalence in the empirical findings:
    - Configuration Support
    - Knowledge Management

Customer Service & Support

CTI

As in theory, the empirical findings includes need for CTI.

Web-bases Self Service

Zone Systems have a web-based solution where the customer can access information about products, prices, and the status on present and previous orders, which is in accordance with the theory.

- Customer Service & Support functionality included in theory without equivalence in the empirical findings:
    - Managing the Service Process
    - Call Scripting
    - Contact Center Sales Support – Point-of-Sale
    - Workforce Management
    - Customer Satisfaction Measurement
    - Field Service
    - Long/Short-Term rental Agreements
    - Service Agreements

6.3.7 Possible causes to the differences between theory and the empirical findings: Retailer Case

In this section a brief analysis of the causes to the differences between the empirical findings from the retailer case and the theory will be performed. The analysis will not be as extended as for Company A and Company B. This since the empirical findings in the retailer case primly is based on the needs of Zone Systems, and the knowledge about that company is quite modest compared to the knowledge about Company A and Company B. Thus, it's not possible to make a thorough analysis on the cause to the differences.

Integration with Production Process

The are some differences in need for information that might be due to that the theory doesn't include the Production Process to be supported by the CRM system. For example, with difference from theory the empirical findings show that the sales persons need to have access to information from an article record, which thereby implies that the Production Process should be supported by the CRM system.

Integration with Order Process

In the empirical findings it's emphasized that the sales persons need access to invoice statistics. This indicates that the Order Process also should be supported by the CRM system. However, as mentioned before this is not in accordance with the CRM-solutions map included in theory,

Weakness in Theory

The fact that the theory doesn't emphasize the recording of information on customer class, or customer segment, can be considered as a weakness in theory. This since the importance of managing the right customers in the right way is a cornerstone in the CRM approach. If the customer class is not recorded it might be difficult for the sales persons to know if they are managing the customers in the right way.

The need for linkage to the Microsoft Office package from the CRM system is not included in the theory, which also can be considered as a weakness since it's a common tool used by many companies.

6.3.8 Summary of Analysis of RQ: 2&3

In this section the comparison between the empirical findings and the theoretical frame work will be summarized, in order to give a clearer picture of the main similarities and differences.

The empirical findings show that all three case study objects need some of the functionality included in the three functional categories, which are Marketing Automation, Sales Force Automation, and Customer Service & Support.

Marketing Automation

Regarding the functionality included in Marketing Automation, the empirical findings show that the need for Direct Marketing, Target Marketing, Campaign Management, and Analysis of Customer Data is very similar to the theory. The empirical findings doesn't include as many types of analyses of customer data, as in theory. This is an

indication on that companies are better at collecting data than at analyzing the information gathered.

For Company B, the need for Cross-Selling functionality is also considered as important, while Company A doesn't need it. The reason to this is probably that Company A already perform cross-selling activities and until now they have managed very well without support from CRM functionality.

The empirical findings show that the need for Telemarketing functionality is not at all critical for the companies. However, the reason for this is that the study objects don't perform telemarketing activities or that they think it will be difficult to implement telemarketing since the employees might be reluctant to use such technology.

Sales Force Automation

The need for Sales Process/Activity Management is almost completely in accordance with the theory. The need for Sales Management functionality is also similar to the theory, apart from a few differences. None of the case study objects need Territory Management functionality. For Company A the reason is that the sales people possesses enough experience to handle the forming of sales teams themselves. Concerning Company B, the reason might be that the number of sales people aren't that many, and the management is familiar with all the individuals, which makes it possible to form sales teams without support from CRM functionality. The functionality regarding Managing of Activities regarding Bonus & Commissions also differs. The empirical findings show that its purpose is to motivate the sales people, not to manage the activities regarding bonuses, which isn't emphasized in theory. This might indicate that the theory is weak on this point.

The empirical findings regarding functionality for Mobile CRM, and Lead Management is almost completely in accordance with the theory. The functionality needed regarding Contact Management is also very similar. However, there is some difference regarding information needed to be recorded. The differences might be due to that the theory is describing information needed when targeting end customers while the empirical findings includes also includes information needed when targeting distributors and retailers.

The empirical findings also include a need for managing company critical information. However, since most of the important information is accessible using Contact and Lead Management, as well Document Handling the need for Knowledge Management is limited. In addition, as in the case of Company A the employees can access important sales & marketing material using their Intranet. Reporting Capabilities is also emphasized, but here the empirical findings is less focused on technical aspects than the theory.

The theory also includes "Configuration Support" but the empirical findings doesn't show that this functionality is needed. The main reason for this might be that it's not suitable for businesses like Company A or B. For companies producing products that consists of many components that can be combined in different ways the need might be different.

Customer Service & Support

In common for all case study objects is the need for CTI. The empirical findings also show a need for Customer Satisfaction Measurement and Web-based Self Service functionality, where the needed functions are very similar to the theory. The need for functionality aimed at Managing the Service Process, and functionality supporting the Customer Service Function to work as a Pont-of-Sale, is also included in the empirical findings.

There are some differences between the functionality included in theory and the needs observed in the empirical findings. To start with, Field Service Automation isn't needed. However, it's important to consider that the lack of need for Field Service Automation probably is due to the specific businesses of the study objects. For companies with more than one service engineer the needs is probably a lot different.

Furthermore, functionality intended for managing rental and service agreements isn't needed or isn't mentioned by the study objects. This is also probably due to business specific reasons, and the need might be different for companies performing a lot of activities concerning managing of agreements. However, the functionality doesn't seem to be a essential for the applying of CRM.

Workforce Management isn't mentioned by any of the Study Object. The reason for this might be that Company A and B doesn't have large Service Departments that require this kind of support for managing the workforce.

Finally, the need for Call Scripting functionality isn't mention in the empirical findings. The reason to this might be that the high level of experience among the employees implies that they don't need guidance in how to act.

Integration with the Production & Order Process

A major difference between the empirical findings and the theory is that according to the findings the Production and Order Process also need to be supported by the CRM system. This might indicate that the theory is weak on this point.

6.4 Research Question Four: Design of a CRM System

This section consists of two main parts. The first part comprises a comparison between the sales process included in the frame of reference, and the sales process described by the study objects. It also includes a cross-case analysis of the sales processes at Company A and Company B. The second part comprises an analysis of the design of a CRM system, implying that the CRM functionality needed by the study objects will be connected to the sales process.

6.4.1 Sales Process

This section includes a comparison of the sales process included in the frame of reference and the sales processes described by Company A & B. The purpose with the comparison is to see whether the description in theory resemble with reality. This is interesting since the design of the CRM system will be based on that sales process. Consequently, the correctness of the sales process will affect how good the design of the CRM system will be.

A cross-case analysis of the sales processes at Company A and Company B will also be performed. This in order to se whether there are any large differences between production companies and service companies.

Company A

Pre-Transactional Phase

In accordance with the theory, "Building a Prospect Profile" constitute the first step in the sales process at Company A, followed by "Building Prospect List". The next step is the "planning of the first contact with the prospect", which can be compares with the "Qualifying prospect" activity in theory, as well as the activities involved in the "Precall Planning step". However, the empirical findings also show that it's relevant to specify the information that the prospect might like to have from the company. Thus, the "Specifying Information Needed" activity also involves specifying the data needed by the potential customers.

Transactional Phase

As in theory Company A includes a step for "Gaining Access to Prospect". However Company A hasn't included "Establishing a Good Relationship" as a step in their sales process. However, during the interview the respondent emphasized that it is important to have a good relationship with the customer. Consequently, Company A is working with establishing good relationships even though it is not included as a step in the sales process. Company A also includes a "Prospect Visit", which can be considered as equivalent with the "Gaining Access to Prospect" step.

The "Needs Discovery" step in theory can be compared with the "Need Specification" step in Company A's sales process. However, Company A do not register task and personal motives that influence the purchase decision. The reason might be that the sales process in theory gives a more detailed description of the sales process, where the recording of motives is an example of that.

In accordance with the theory Company A includes a "Presentation" step in their sales process. On the contrary, Company A doesn't include activities for "Handling Objections", which is brought up in theory. The reason might be that Company A is targeting distributors, which in most cases is in favor of selling their products. If another sales process had been studied, not aiming at distributors, the "Handling Objections" step might have been more relevant and included in the sales process.

The step "Evaluation of Customer", and "Deciding to Sell to the Prospect" in Company A's process can be compared with the step "Qualifying Prospects" in theory. This since the steps aims at deciding whether the prospect is good for the company or not. The "Closing" step also exist in both processes and the "Approval from Customer" step at Company A can also be compared with this step. However, in theory the "Closing" step is focused on when and how to close and for Company A it is more about if they will approve the prospect, the distributor, or not.

Post-Transactional Phase

Regarding the steps included in the follow-up, Company A doesn't include an activity aimed to "Support the Buying Decision". However, the "Manage the Implementation"

step described in theory can be compared with the "Preparing of Marketing Kit", "Customer Training" , and "Meeting with Dealers". In addition, Company A is aiming at having a continuous contact with the customers which corresponds with the follow-up activity mentioned in theory named "Enhancing the Relationship".

The are no activities regarding analysis included in the follow-up step described in theory. Thereby the "Measurement of Customer Performance" specified in the empirical findings is compared with the analysis made in the "Sales Management" step included in theory. However, in theory sales management activities are only performed during the transactional phase of the sales process. In addition, the need to measure the customer performance is more emphasized in the empirical findings. The reason might be that the sales process described in theory is focused on end customers. The need for information on customer performance is less essential when targeting end customers then when targeting distributors.

Based on my knowledge of marketing I think that it is out of the ordinary that no activity regarding measurement of customer satisfaction is included in the sales process described in theory. However, the "Customer Satisfaction Measurement" step will be considered as a sub-activity to the "Enhance the Relationship" step in theory, since the purpose with measuring how satisfied customer are is to use that information in order to enhance the relationship.

The "Cross-Selling" activities corresponds with the theory, as well as Company A's customer service & support activities which can be compared with the follow-up activity "Deal with Dissatisfaction".

In the sales process described by Company A, Sales Management wasn't brought up. However, Sales Management was mentioned when discussing Company A's CRM requirements. Another activity that isn't included in the description of the sales process is "Marketing Campaigns", which are performed occasionally at Company A. This is in accordance with the sales process included in the frame of reference.

Company B

Pre-Transactional Phase

In accordance with the theory, the step "Build Prospect Profile" and "Build Prospect List" is included in the sales process at Company B. The "Marketing Campaign" step included in the frame of reference which comprises the campaign management process can be compared with the steps "Decide Base of Campaign", "Decide Mode of Contact", "Campaign Release", and the "Analyze Campaign Results" step in the empirical findings.

The "Qualifying Prospect" step is in accordance with the theory. However, the "Assign Project Seller" step can be compared with the "Qualifying Prospects" step in theory where the responsible for the prospect nay be stated.

The "Pre-Call Planning Step" at Company B can be compared with the "Specify Goals", and "Specify Information Needed" steps described in theory. However, the point where the sales person decides what he or she is going to say to the prospect is not marked as a step in the sales process.

Transactional Phase

"Call Prospect and Visit Prospect" can be compared with the "Gaining Access" step in theory. The "Establish a Good Relationship" step is not included in Company B's sales process. However, at Company B the activities aimed at establishing good customer relationships permeate the whole sales process.

The "Needs Discovery" step included in theory can be compared with the "Prospect Visit" step since this involves identifying the needs of the customers. However, Company B do not record task and personal motives that influence the purchase decision, which is included in theory. The reason why this isn't included by Company B might be that the theory includes activities on a more detailed level.

The "Prospect Visit" step at Company B includes making a presentation, which can be compared with the "Presentation" step in theory. The "Handling Objections" step is not represented at Company B. The reason for this might lie in the company's specific business concept, where the customers suppliers take care of the payment. A company that is offered a magazine, where their suppliers stands for most of the costs does normally not object to the offer. Of course it happens occasionally, but the need for including an activity with the purpose of handling objections isn't necessary.

The "Contact Report" step can be compared with the indication in theory that it's important to register information on all activities performed with the customer. The step "Is it Possible to Realize this Project", "Inform Prospect", and the "Call Center" activities step have no equivalence in theory. That these activities are included in the sales process at Company B might be due to the specific business idea of the company, where the success of the project is depending on the customers suppliers and on the success of the ad sellers. Finally, the step "Quotation" and "Response to Quotation" step can be compared with the "Closing" step included in theory.

Post-Transactional Phase

The follow-up activity "Customer Satisfaction Measurement" mentioned by Company B can be compared with the "Enhance the Relationship" step in theory. At Company B there is no need for a "Management of Implementation" step which was mentioned in theory. The reason for this might be that the products offered by Company A doesn't require implementation. In addition, there in no need for a "Support the Buying Decision" step included in the theory. In this case, the reason might be that Company B doesn't feel that the customer need this support. The magazines doesn't constitute a great part of the customers marketing budget, implying that the buying decision doesn't need to be very well-considered, which in turn mean that the customers are less dependant on support from the supplier.

The purpose with the "Take Measures" step is that Company B shall take care of problems in a better way, which can be compared with the step "Deal with Dissatisfaction" included in theory. The information sendings performed to existing customers can be considered as an activity aiming to "Enhance the Relationship". In theory it is also emphasized that knowledge obtained during a customer project must be recorded, which also is emphasized by the respondent at Company B.

Cross-case analysis: Sales Processes at Company A & Company B

This section includes an analysis of the differences between the sales processes at Company A & Company B.

The activities involved in releasing a campaign constitutes a major part of Company B's sales process. This is not the case at Company A's and thus this imply a big difference between the two processes. Another difference is that Company A has to perform a lot of after sales activities, while the sales process at Company B finishes with the "Order Settlement" step. These differences is probably due to differences in the way of marketing and on the characteristics of products offered.

Company B has no step for "Customer Service and Support" included in their sales process. The reason to this lies in the type of product offered by Company B. A magazine is not a complicated product and consequently there is no need for reparations or support from the supplier regarding the usage of the product. Additionally the need to measure the performance of the customers is not similar since they are targeting end customers and not middlemen. Finally, Company A doesn't perform an internal evaluation of each project, which is performed at Company B.

To sum up, there are no huge differences between the sales processes and the differences show little sign of depending on whether the company is operating within the service or production industry. The differences presented are rather due to the specific business and product characteristics, and the selected customer target group.

6.4.2 Connection Between CRM Functionality and the Sales Process

In this section, the CRM functionality needed by the study objects will be connected to the sales process described in theory. By illustrating what functionality and information that is needed at the different steps in the sales process, the design of a CRM system is described, which gives a good view of how a CRM system can be used by companies. Prior to that the CRM functionality is connected to the sales process the functionality considered as general, all-embracing, will be presented.

6.4.2.1 Functionality needed throughout the whole sales process

There is certain functionality that is needed by the employees throughout the whole sales process, which thereby can be considered as general, all-embracing, functionality. In this section the general functionality will be presented, and in the next section the general as well as the other functionality needed will be connected to certain steps in the sales process, showing how and when the functionality can be used. The analysis of the generality of the CRM functionality is based on the author's understanding of CRM functionality. This since there are no theories included in the frame of reference treating this issue.

Sales Force Automation

All functionality included in Sales Force Automation can be considered as generally applicable.

Sales Process/Activity Management

Sales Process/Activity Management supports the sales people in their daily work during the whole sales process. By providing a calendar and a To-Do list they may organize their activities. They may also record their planned and performed sales activities, which is important since it enables everyone to be up-dated on the present situation with a prospect or a customer. In addition, sales people constantly need access to information and documents from a central database.

Sales Management

The sales process included in the frame of reference doesn't describe the specific steps where sales management activities are needed, conversely sales management seem to permeate the whole sales process. Thereby, the functionality supporting sales management can be considered as general functionality.

It's reasonably, since it's important for management to, whenever needed, have the possibility to overview the activities of the sales people and evaluate their performance, and based on that information determine how bonus and commissions should be distributed. In order to know where the business is heading it is also relevant for management to have the possibility to continuously perform sales analysis, overview the sales pipeline, and generate sales forecasts & budgets. The analysis of sales results also gives an indication on the customers sales performance when targeting distributors and retailers. The need for generating of marketing and sales reports is also needed at various points and can neither be connected to a specific step.

However, functionality supporting managing of the quotation process can be connected to the part of the sales process where the quotation is handed out, until the closing of the order. The statistics on the quotations process can be connected to the steps after the order is closed.

Contact Management

The sales people stay in contact with prospects and customers during all phases of the sales process, implying that Contact Managing functionality is needed thorough the whole process. For example, there is a constant need for organizing and managing prospect and customer data, and the need for integration with Microsoft Outlook is also general.

Lead Management

Lead management functionality may be used during the whole sales process. However, the analysis regarding Lead Management can be connected to different steps in the sales process. The effectiveness of marketing activities can be analyzed as soon as the source of the lead is recorded in the system. Meanwhile, the closing rate must be analyzed after the deal is settled. Finally, at what point leads are lost can be analyzed whenever a lead turns down a proposal, on the assumption that information on the position of the lead is recorded continuously.

Knowledge Management

Knowledge Management systems comprises different kind of information that needs to be accessible at different steps in the sales process. Thereby, Knowledge Management functionality can be considered as generally applicable.

Mobile Management

The importance of easy access to the CRM system is emphasized both in theory and in the empirical findings. Whenever needed the employees should have access to the system, even if being away from the office. Consequently, Mobile CRM is needed throughout the whole sales process and can therefore be considered as all-embracing functionality.

Reporting Capabilities

Functionality supporting the generation of reports can be considered as all-embracing. This since, reports containing information that facilitates decision making need to support critical decisions that are taken throughout the sale process.

Customer Service and Support

CTI and Web-based Self Service can also be considered as all-embracing functionality.

CTI

The empirical findings shows that CTI can be useful at all situations that a prospect or a customer calls the supplier company. Implying that it's needed through the whole sales process.

Web-based Self Service

The prospects and customers need possibilities to Web-based Self Service during the whole sales process. During the Pre-Transactional and Transactional Phase they may use it to obtain more information about the company and the products and services offered. In the Post-Transactional-Phase the customers may use it to track product orders, to complete satisfaction questionnaires, make complaints or receive customer support.

6.4.2.2 Functionality needed in the sales process

Based on my interpretation of the empirical findings and the sales process described in theory, the connection between CRM functionality and the steps in the sales process can be analyzed.

The sales process consists of three phases, the Pre-Transactional, the Transactional, and the Post-Transactional Phase. Each phase includes a number of steps that in turn includes a number of activities. In this sections, the need for CRM functionality at each activity is analyzed.

When analyzing the need for CRM functionality, it's shown that sometimes there is a need for technical functions to support the activity and sometimes there is only a need for specific information. Consequently, the need for CRM functionality can be

divided into two groups, need for technical functions and related information, and need for information only.

Pre-Transactional Phase

Step 1.1: Locating & Qualifying Prospects

Activity: Build Prospect Profile

Build Prospect Profile	Functionality	Information
	• Target Marketing: Marketing Segmentation	Segmentation variables
	• Sales Management: Sales Analysis	Sales results
	• Sales Management: Sales Results Presented Graphically	
	• Marketing Automation: Analysis of Customer Data	Customer profitability

Information
• Campaign Management: Results of Performed Campaign
• Customer Satisfaction Measurement: Report on results from customer satisfaction measurement

The study objects prospect profile is primly based on the segmentation of the customer base, thereby there is a need for Target Marketing functionality which enable the companies to segment their customers. Furthermore, the companies likes to make sales analysis and analysis of customer data, in order to base the prospect profile on sales results, and customer or branch profitability. The companies also likes to consider the results from earlier campaigns and the results from measurements of customer satisfaction. This way they can choose to target prospects that are operating within a branch with historically good response and closing frequency, and that usually is satisfied with their products.

Activity: Build Prospect List

Building of a prospect list involves how the prospects are found, through direct inquiry, directories, referrals, or cold canvassing. Direct inquires are often generated by marketing activities, such as a campaign. The CRM functionality needed when performing a campaign is described in the next section.

Build Prospect List	Functionality	Information
	• Web-based Self Service	Company data, brochures, products
	• Lead/Contact Management: Organize and Manage Prospect Data	Prospect Data

Another way of marketing is to provide company and product information on the company Web-site. When potential customers sees this information it might awaken their interest, which leads to that they contact the company. When a prospect is identified information concerning the prospect needs to be recorded.

Sub-Process: Campaign Management Process

In the initial step of the Campaign Process, where the campaign is conceived, there seem to be no need for CRM functionality.

	Functionality	Information
Plan	• Target Marketing: One-to-One marketing	Customer Needs
	• Campaign Management: Specifying Costs and Expected Returns	Costs and Returns
Determine Who	• Sales Process Management: Organizing of Sales Activities	Planned activities

	Information
	• Information on Prospect Profile: segmentation variables, sales results, customer profitability, campaign results, report on result from customer satisfaction measurement

The companies use about the same information when deciding who to target with a campaign, as when building a prospect profile. Additional factors that has an effect on the planning of the campaign, is the expected costs and possible returns of the campaign. As well as, if the campaign is going to be personalized for each target, the content have to be adapted after individual customer needs.

Finally, it's very important that the planning and the release of a campaign is recorded as an activity in the CRM system. Otherwise, two different departments may be without knowledge about the others activities and thereby run the risk of releasing two different campaigns at the same time, directed towards the same customer.

	Functionality	Information
Determine How	• Campaign Management: Broadcast campaigns via different mediums	Mode of contact

In this step the companies determine how the campaign is going to be released. There is a need for companies to have possibilities to broadcast the campaign through various mediums, such as by e-mail, mail, fax etc.

	Functionality	Information
Launch	• Campaign Management: Generation of a List with Contact Information	Contact information
	• Campaign Management: Generate Labels	
	• Campaign Management: Broadcast campaigns via different mediums	Mode of contact

When releasing a campaign, functionality for generating a list with contact information is needed, as well as functionality for generating labels.

	Functionality	Information
Analyze Campaign Results	• Campaign Management: Analysis of Campaign Results o Response frequency, closing frequency, profitability of orders related to the campaign, amount of products sold , turnover, margins.	
	• Campaign Management: Use the Result From the Analysis of the Campaign to Develop New Campaigns	Campaign results
	• Campaign Management: Generation of Campaign Reports	Campaign results
	• Sales Management: Pipeline Management	Number of prospects

In this step the companies need functionality for analyzing campaign results, such as analysis of response and closing frequency, and to present to results in campaign reports. For smaller campaigns there is also a need for developing new campaigns based on the results from previous campaigns. If a prospect has responded positively to a campaign the status of the prospect company in the sales process changes, which by using Pipeline Management needs to be recorded in the CRM system.

Activity: Qualifying Prospects

Qualifying Prospects

Functionality	**Information**
• Lead/Contact Management: Organize and Mange Prospect Data	Prospect Data
• Lead Management: Tracking of Customer Account History	Account history
• Lead Management:	
o Distribution & Monitoring of Leads	Potential, source, sales person assigned
o Analysis Capabilities: Effectiveness of Marketing Activities	

Information
- Lead Management: General information about the prospect
- Lead Management: Business information: how are the end customers managed?

In order to qualify a prospect, companies need various information, where the type of information needed is depending of the specific business. The empirical findings show that the company selling to distributors need a lot of information on how the distributor manage their customers, while the other company need more general information about the prospect, and the potential of closing. There is also a need to distribute leads by assigning a sales person. When qualifying the lead the source of the leads is recorded, which makes it possible to analyze the effectiveness of marketing activities.

Step 1.2: Precall Planning

Activity: Specify Goals

Specify Goals

Functionality	**Information**
• Contact Management:	Goals with the contact

The empirical findings shows that if the recording of set up goals facilitates the sales person's work, the goals can be recorded in the system, but it isn't of significant importance.

Activity: Specify Information Needed

Specify Info. Needed

Functionality	**Information**
• Lead/Contact Management:	Prospect Data Data needed by prospect Data on interactions & activities Data that facilitates the management of prospects.
• Lead/Contact Management: Tracking of Customer Account History.	
• Sales Process/Activity Management: Document Handling	

When preparing the first contact with the prospect the information needed from the prospect is specified. The sales person also has to specify the information that the prospect is likely to need from them. It's also important that the sales person is up-dated on the relationship with the prospect, thereby there is s need for access to previous interactions and activities performed, account history, as well as documents related to the prospect. There is also a need to record information that facilitates the

managing of the prospects, such as information on sales team assigned, and the competition.

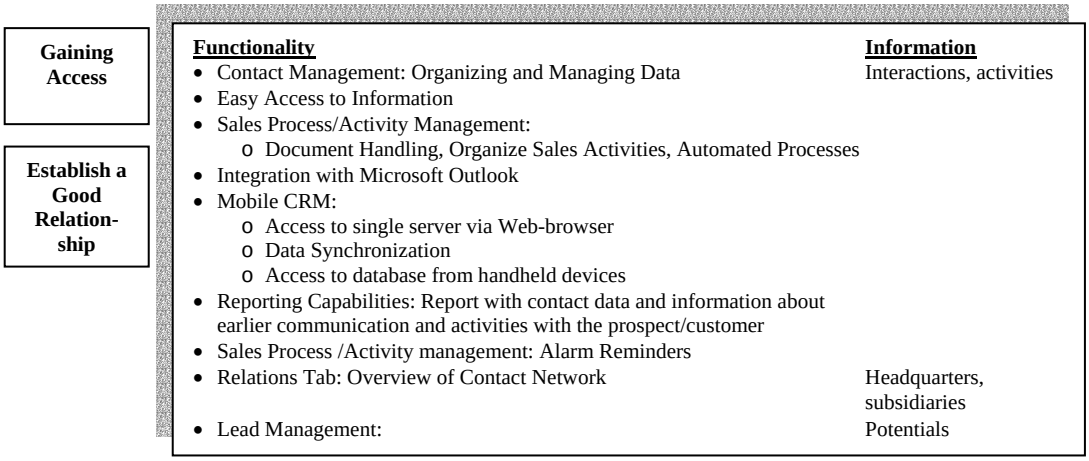
Activity: Decide What You Would Like to Say to the Prospect

The empirical findings shows that this activity doesn't require support from the CRM system.

Transactional Phase

Step 2.1: Approach/Relating

Activity: Gaining Access & Establishing of a Good Relationship



At all interaction points with prospects and customers the sales persons need to record information about the communication and about activities performed. Documents received or created during the contact with the prospect also needs to be recorded using Document Handling functionality. The information received from the prospect also needs to be recorded, where the prospects preferred contact mode should be stated. In order to ensure that the right person is contacted a relations tab is needed, where information on headquarters and subsidiaries is recorded. When contacting the prospect it's also important that the sales person has easy access to information, so that he or she can provide the prospect with the data needed.

The contact activities can be organized using a calendar. By having automated processes the sales person can follow a pre-defined workflow when contacting a prospect, which may facilitate the activity.

Integration with Microsoft Outlook will facilitate the management of contacts. The same apply for Mobile CRM which also is needed by the sales people. However, the sales people need to be careful when using their portable PC at the prospect or customer location. It might be considered as impersonal and might not be appreciated by the prospect. The empirical findings also show that when contacting a customer the sales people would profit by having the possibility to print a report with contact data and information about earlier communication and activities with the prospect/customer. If the contact with the prospect generate new errands, alarm reminders can be created not to forget about important activities. Finally, once the

sales person has been in contact with the prospect he or she can make a new estimation of the potential of closing the deal and potential result.

Step 2.2: Needs Discovery

Activity: Identify Prospect Motives That Influence the Purchase Decision

The empirical findings doesn't show that the identification of prospect motives require any support from CRM functionality.

Activity: Needs Discovery:

	Functionality	Information
Needs Discovery	• Lead/Contact Management: Organizing and Managing Data	Needs
	• Reporting Capabilities: Prospect Evaluation	
	• Sales Process/Activity Management: Document Handling	Prospect Evaluation

The discovered needs of the prospect should be recorded in the CRM system. This also includes their need of information, implying that the companies should record what information they should send to the prospect and in what way they like to receive it. There is also a need for generation of a report regarding prospect evaluation, which also need to be accessible using Document Handling functionality. For Company A this implies a report including information on whether the middlemen lives up to the requirements set up. For Company B it has another meaning, then the prospect evaluation includes the information necessary in order to estimate whether it's possible to perform the project or not.

Step 2.3: Presentation

Activity: Decide Type of Presentation

	Functionality
Decide Type of Presentation	• Knowledge Management:

The companies need easy access to sales and marketing material when presenting the company and their products or services. At this point Knowledge Management functionality can be considered as useful but the empirical findings show that the need for it is limited. What's important is that the documents needed are easy accessible and that there are individual control and editing rights, as well as possibilities to see the history of who has modified material and when.

Step 2.4: Handling Objections

As described in the sales process neither of the study objects includes activities concerning handling objections in their sales process. Consequently, there is no need for CRM functionality supporting this step.

Step 2.5: Closing

Activity: Closing

Closing

Functionality	Information
• Sales Management: Managing of Quotation Process	Follow-up dates
• Sales Process/Activity Management:	
o Document Handling:	Quotations, Order agreements
o Generating Quotations	Costs, prices, discounts, lead-times
• Web-based Self Service /Mobile CRM	

The use of functionality for managing the quotation process is needed. By stating follow-up dates the companies will improve the control of quotations made, which may help the sales people to decide when it's appropriate to seek to close the deal. Functionality for generation of quotations is also needed by the sales people. Easy access to previous quotations made, previous agreements written, and the new order is made possible by using Document Handling functionality. After the order is placed the customer might like to track the order, and receive information on delivery date by using Web-based Self Service where they can interact with the suppliers CRM system.

Post-Transactional Phase

Follow-Up & Servicing

The follow-up activities concerning analysis will be presented first since these activities doesn't fit to any of the activities specified in theory. The empirical findings show that the companies like to perform analyzes that gives an indication on how well they are managing the quotation process, as well as their leads. The sales person should record the reason to why a prospect turns down an offer, since that information may be useful when trying to close future deals. It might prevent the sales person from repeating the same mistake. Analyzing the strike rate gives a good view of how good the quotation process is managed, as well as analyzing the closing rate by tracking leads against orders gives a picture of how well leads/prospects are managed. All these activities are preferable performed during the follow-up step since the analysis have to be made after the closing of the order. The analysis also shows that for companies selling to distributors it's important to continuously follow- up on customers sales performance.

Functionality	Information
• Sales Management: Managing of the quotation process	Reason why negative response
o Statistics on quotation process:	Strike rate
• Sales Management: Sales Analysis	Customer performance
• Lead Management: Analysis capabilities	
o Closing rates	
o Sales persons judgment (potential vs. final result)	
• Sales Process/Activity Management: Sales Process Analysis	
o Lead-time prospect visit to order	
o Average Pay-time	

Activity: Support the Buying Decision

The sales processes described in the empirical findings doesn't include activities that aims at making the customer feel comfortable with the closing of the deal. Thus, there is no need for CRM functionality supporting this activity.

Activity: Manage the Implementation

Manage the Implementation	Functionality	Information
	• Knowledge Management: • Contact Management: Organizing and managing Data • Mobile CRM: Data synchronization	Sales & marketing material Participants at trainings

In the empirical findings, implementation activities was included in the sales process at Company A. The CRM functionality supporting these activities is Knowledge Management, since it enables easy access to sales and marketing material that needs to be handed out to the distributors. There is also a need for recording information on who participated during trainings and dealer meetings, so that a certificate of attendance can be created. Finally, the company representative performing the training needs Data Synchronization functionality, this is also needed when having meeting with dealers outside the office.

Activity: Deal with Dissatisfaction

Deal with Dissatisfaction	Functionality	Information
	• Managing the Service Process: Tracking, Monitoring and Measuring of Customer Service • Web-based Self Service: Access to Complaint Pages • CTI	Service order Complaints

When a customer makes a complaint that results in a service order, it's essential to record information about the order. It is also important that the information is accessible even for sales people, as well as for the Research & Development Department. Besides, there is a need for functionality supporting measurement of the service performed. In addition, the customers need possibilities to report complaints using a complaint page on the company Web-site, where there also should be possibilities to track service orders performed. Finally, there is a need for CTI, which is useful when customers contact the company.

Activity: Enhance the Relationship

Enhance the Relationship	Functionality	Information
	• Contact Management: Organizing and Managing Data	Feedback, interactions activities, contact data, history of placement

	• Customer Satisfaction Measurement
	  o Distribute questionnaires
	  o Store questionnaire responses
	  o Questionnaires available on the Web-site	

	• Reporting Capabilities.
	  o Report on customer satisfaction
	  o Report on follow-up results	

	• Sales Process/Activity Management: Document Handling	Documents connected to the customer relationship

In order to enhance the relationship with the customers Company A stays in continuous contact with their customers and of course the interaction and activities performed need to be recorded, as well as the documents acquired needs to be accessible. It also important to record the feed-back received, as well as if the contact persons change their contact data or moves to another company.

The sales process doesn't include a step managing measurement of customer satisfaction. However, since the measuring of customer satisfaction implies that the relationship can be enhanced, it can be connected to this step.

Activity: Cross-Selling

Cross-Selling	**Functionality**	**Information**
	• Customer Service & Support: Point-of-sale • Cross-Selling: Identification of potential customers	Standard message with prevailing info. Data necessary in order to offer the right products

In order to perform cross-selling activities the customer & service department needs access to previous orders and information on prevailing issues, that will make it possible to estimate which products the customer might be interested in. Such info can be provided in a "screen-pop".

The need to use Cross-Selling functionality to analyze which customers might respond positively to cross-selling is limited. The empirical findings also show that any part of the company shall function as a point of sale, not only the service department. Then it is useful will a standard message including the information necessary.

7 Discussion and Conclusions

In this chapter the research questions of this study will be answered by discussing the empirical findings. By answering the research questions the research problem will also be answered. Furthermore, this chapter includes an evaluation of the study. Finally, recommendations to the assigner company, Jeeves Information Systems AB, will be presented, and further research will be proposed.

7.1 Suitability of study objects

Based on the empirical findings, Company A and Company B can be considered as suitable case study objects. This since both companies are applying relationship marketing and both companies also are likely to benefit from applying CRM.

In addition, Company B has a CRM system with rather high CRM complexity. At present Company A doesn't have a complex CRM solution. However, the important thing is that they are striving to implement a CRM system with rather high complexity, since it's the needs of the study objects that are interesting, not their present CRM situation. Consequently, the fact that Company A currently doesn't have a CRM system doesn't imply that their suitability is questioned.

7.2 Research Question One: Description of CRM

Visualization of the CRM Approach

The aspects brought up in the theory describing CRM can be visualized in a picture that gives a good view of the meaning of the CRM approach, see figure 29 on the next page.

The goal with CRM is to maximize the value of customer interaction, implying that companies can keep their most profitable customers, and by so doing reduce costs, at the same time as profits are maximized. To realize this companies first of all need a business strategy focused on the customer, a strategy that generates a process-oriented view of the organization with business processes that are designed around the customer perspective. In order to support the business processes a CRM system is needed. The CRM system will secure that a single view of the customer is obtain, as well as that the customers receives a single view of the company.

The CRM technology included in the CRM system can be divided into three functional categories, Operational CRM, Analytical CRM, and Collaborative CRM.

- *Operational CRM* includes applications that integrates front-, back-, and mobile offices and automate business operations, with the purpose to increase efficiency of customer interactions.
- *Analytical CRM* involves applications that analyze customer data generated by operational tools. The data is stored in a centralized cross functional database, called a data warehouse. The purpose with Analytical CRM is to enable the companies to take better decisions.
- *Collaborative CRM* seek to facilitate interaction between customers and companies by using different technologies, such as electronic communication.

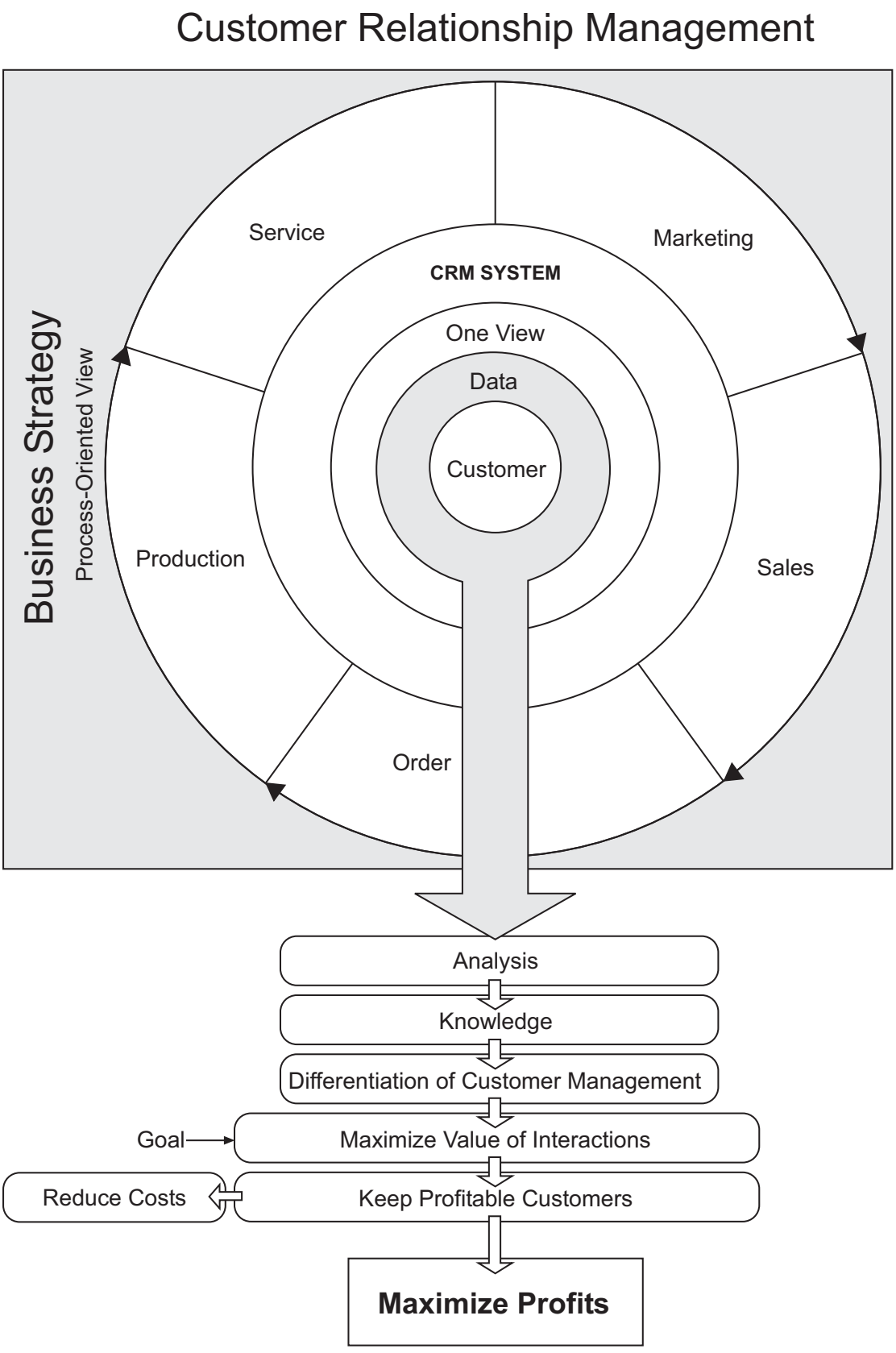


Figure 29: A visualization of the CRM approach (own adaptation of the theories included in the frame of reference regarding research question one)

Consequently, a CRM system implies that customer interactions are managed more efficiently and easily, and that customer data can be collected and analyzed. By analyzing the data collected companies gain knowledge about customers needs. With that knowledge they may differentiate the management of their customer relationships and consequently maximize the value of interaction, which is the goal of CRM.

Even if the data collected regarding the companies view on the CRM approach is limited, the findings show that Company A's and B's view on CRM corresponds quite well with the theory describing CRM. However, Company A's description of CRM is focused on CRM as a database and not on CRM as a business strategy, which is emphasized in theory. The reason might be that Company A is in an early stage of their CRM development process implying that they might not yet know what CRM is all about.

Neither of the companies are using a centralized database, which imply that they have problems with creating a single view of the customers. This confirms the importance of having integrated customer data, which was emphasized in theory. Interesting results from the case study is that Company A manage to provide their customers with a complete view of their company thanks to having experienced employees with widespread company knowledge and by thanks to using the Intranet Site.

There is one aspect brought up by Company A, that isn't emphasized in theory. It's the importance of having skilled and talented sales people in order to maximize sales. Even if companies are good at applying CRM they still need to have sales people with the right spirit.

Benefits From CRM

Swift (2001) states that companies can gain many benefits from applying CRM, the most common ones are presented below:

- *Lower cost of recruiting customers*
- *No need to recruit so many customers to preserve a steady volume of business*
- *Reduced costs of sales*
- *Higher customer profitability*
- *Increased customer retention and loyalty*
- *Evaluation of customer profitability*

Even though no questions regarding benefits from CRM were asked during the interview the empirical findings revealed some aspect that are in accordance with the theory. These aspects are "higher customer profitability", "Increased customer retention and loyalty" and "Evaluation of customer profitability".

CRM-for who?

According to Bose (2002) there some companies that are more likely to benefit from CRM than others. The characteristics typical for these companies are presented in table 28 on the next page.

Characteristics affecting the likeliness to benefit from applying CRM	
MOST LIKELY TO BENEFIT	LEAST LIKELY TO BENIFIT
High accumulation of customer data	Little contact with customers
Differentiated needs	Identical customer needs
Close customer relationships	High customer turnover

Table 28: Characteristics typical for companies that are most and least likely to benefit from applying CRM (Adapted from Bose, 2002)

The case study didn't investigate the companies view on who will profit from applying CRM.

Process-oriented view

The empirical findings showed that Company A and Company B differ in their view of their organization. Company B's view of their organization is almost in accordance with what the theory described as the proper view, in order to fit the business processes to the CRM approach. Consequently, they have a process-oriented view of the organization. On the other hand, Company A's view of the organization is not in accordance with what the theory considers as suitable when applying CRM. This since they have a vertical and functional view of their organization. The reason to this might be that Company A is in the starting phase of implementing CRM and therefore haven't started to re-engineer their processes and their view of the organization. However, another reason might be that the company hasn't realized the importance of being process-oriented, which implies that the CRM implementation might fail.

7.3 Research Question Two & Three: CRM Requirements & CRM Functionality

From the empirical findings, conclusions regarding companies CRM requirements and need for CRM functionality can be drawn. In this section the business processes supported by the CRM solution will be discussed. Further, the CRM functionality needed will be presented and the main differences with theory will be discussed, as well as the main causes to the differences. This section also includes a discussion about the cross-case analysis performed between Company A and Company B.

7.3.1 Business Process Support

The findings show that companies have a need for CRM functionality to support their Marketing, Sales and Service Process. The CRM functionality includes Marketing Automation, Sales Force Automation, and Customer Service & Support, which is totally in accordance with the theory included in the frame of reference. However, the study also shows that companies need CRM functionality to support the Production and the Order Process. This since the information exchange between the Sales, Order, Production and Service Function needs to be supported. The analysis show that the sales people need information from the Production Function , such as information on production lead-times, and articles. Furthermore, the sales peoples need information on account payable, invoice statistics, deliveries, and delivery method, which implies that the sales people need to get access to information from the Order Function. Finally, the Production Function needs information regarding customers needs and preferences from the Sales Function, and information from the Service Function on

the results from the follow-up, which further stresses the importance of integrating the Production Process in the CRM solution.

The description of the sales process also emphasizes that the sales people need information on order and payment status, which indicates that the Orders Process needs to be supported by the CRM system.

The need for the CRM solution to include the Marketing, Sales, Order, Production and Service process is illustrated in figure 30, which is a further development of the CRM-solutions Map provided by Greenberg (2001). The study also shows that customers need to access Web-sites and use Web-based Self Service, which is in line with the CRM-solutions Map. However, since this study is limited not to investigate Partner Relationship Management and e-commerce these two aspects aren't analyzed.

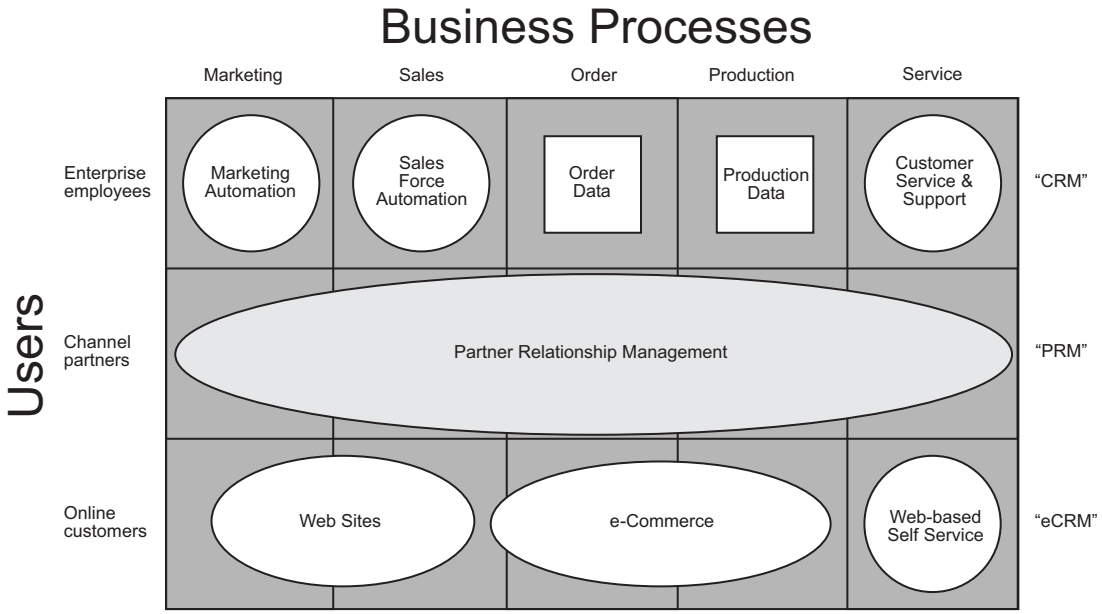


Figure 30: The CRM-solutions Map. The CRM-solutions Map visualizes the business processes supported by a CRM system , the functional categories of CRM and the users of the CRM system. (further developed from Greenberg, 2001)

7.3.2 CRM Functionality needed

In this section, the need for the functionality included in Marketing Automation, Sales Force Automation and Customer Service & Support will be further discussed. To start with the main areas in each category is visualized in figure 31, which gives a clear picture of what is comprised in each category.

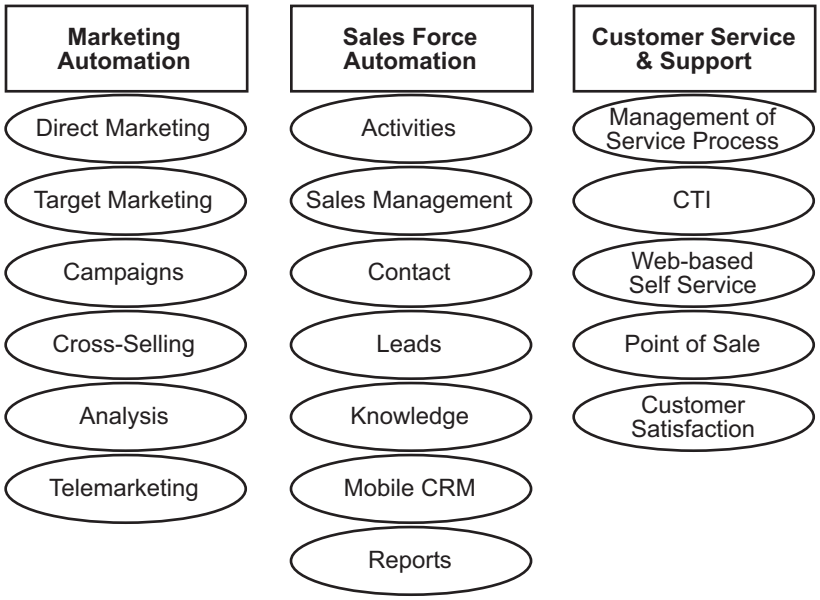


Figure 31: The main functional areas comprised by the three main categories of a CRM system.

Here follows a presentation of the functionality included in the main areas for each category.

Marketing Automation

The Marketing Automation functionality needed by companies, which is based on the findings from the empirical study, is presented below

Direct Marketing
- Generating address lists

Target Marketing
- Marketing Segmentation
- One-to-One marketing

Cross-selling & Up-selling
- Identification of customers who might respond positively to promotions concerning cross-selling and up-selling

Analysis of customer data
- Manage of analyses of customer data

Telemarketing/Telesales

Campaign Management
- Generation of a list with customer or prospect names and contact information corresponding to selected segment
- Generate labels
- Specifying of costs and expected returns. Testing of various scenarios depending on selection of customer segment, campaign schedule, and product offer.
- Analysis of the result of performed campaign.
- Use the result from the analysis of the campaign to develop new campaigns
- Tracking of direct marketing activities & campaigns
- Broadcast campaigns via e-mail, Web, fax, letter, call lists
- Generation of campaign reports

The companies are segmenting their customer based on several different variables, such as demographics, psychographics, operating and situation related, and purchasing policy and approach variables. The variables are presented in appendix 15.

There are a few aspects regarding Campaign Management functionality that is worth mentioning. The analysis show that's it's important to be able to release a campaign

towards companies as well as towards contact persons, and that it should be possible to base the selection of target group on sales statistics. As presented above, companies need support for analyzing campaign results. The empirical findings show that there is a need to analyze which campaign type is most successful, closing frequency, response frequency, profitability of orders taken related to the campaign, amount of products sold, the turnover and the margin.

The companies are also interested in functionality for specifying costs and testing of scenarios. The costs that are relevant are the cost of the campaign, the cost of managing the customer campaign response, and the costs involved with closing of a deal.

An interesting aspect is that the need for analysis of customer data is limited, it only involves analysis of customer profitability and propensity-to-buy analysis. This is rather remarkable since performing analysis is a key aspect in the CRM approach. The reason why the need is limited may be that the study objects are too focused on collecting data, not on the process where the data is transformed to knowledge.

The empirical findings show that the need for Telemarketing functionality is not that important for the companies. The reason for this might be that the study objects don't perform telemarketing activities or that the employees are reluctant to use such technology.

Sales Force Automation

Based on the empirical findings, conclusions can be drawn on the need for Sales Force Automation functionality. The functions are grouped after the main areas comprised in the category.

Sales Process/Activity Management

The needed functionality supporting Sales Process/Activity Management is presented below.

- Organizing of sales activities
- Calendar availability which allows planning of activities
- Individual and organizational To-Do list
- Project Function: Define projects
- Easy access to information
- Limitation of information access:
  - Make information available only to specific departments/users
  - Create individual interfaces: for different sales people
- Analyze sales process: Estimate duration of critical activities (lead-time from prospect visit to order, and average pay time)
- Document Handling:
  - Free-text search
  - Tracking and logging of documents
- Automated Processes: different workflows for sales people using different sales methods
- Access to a central database
- Alarm reminders
- Generating Quotations (costs, prices, prevailing discounts, and lead-times)

There are a few interesting aspects that will be discussed further. To start with , the empirical findings includes more specific information about how the recording of activities could be facilitated. It involves having pre-defined activities so the user more easily now where to record the information.

This study show that the sales people need to have easy access to information. The needed information can be grouped into information on activities, documents, communications, details about customer business and contact person, details about the customer relationship, and finally information on prevailing issues. The information needed is more detailed described in appendix 16. The analysis also show that it must be easy for the users of the CRM system to access different programs comprised in the system. Consequently, the CRM workplace must provide fast linkage to the programs most commonly used.

When analyzing the need for Document Handling functionality, editing rights and accessibility issues regarding Document Handling is emphasized. These issues must be solved if companies are going to use Document Handling.

An interesting aspect is that the need for automated processes differ between the study objects. It's emphasized by the retailers, meanwhile Company A doesn't need it and Company B doesn't mention it during the interview. The reason for this might be that at both Company A & B the sales peoples' current usage of the CRM system doesn't exist or is low, which imply that automating workflows isn't possible or needed at this stage. The retailers have probably experience from companies where the situation is different and where automated processes would facilitate the work.

Sales Management

The Sales Management functionality needed by companies, which is based on the findings from the empirical study, is described below.

- Over View sales teams and their sales activities
- Evaluating Sales Force Performance
- Sales Analysis
- Sales Results, presented graphically
- Create Sales Forecasts
- Create Sales Budgets
- Analysis of sales against budget
- Pipeline Management
- Managing of activities regarding bonus & commissions
- Managing of quotation process
- Tracking of quotation process by using follow-up dates, validity dates and user-defined activities
- Make statistics of the quotation process:
  - strike rates
  - quotation stock
  - reason to turning down proposals
- Full range of reports within sales & marketing include

The sales analysis is an essential part of the functionality for Sales Management, it's used to see where the business is heading, as well as evaluate the sales people performance. The variables analyzed are presented in table 29.

Sales Analysis

OUTPUT MEASURES

Organizational Unit	Classification Variables	Control Factors
Whole Firm	Total Volume	Sales Volume
Division	Order Size	Profits
Districts	Product Class	Margains
Terrirories		Unit sales
Accounts		Market Share

INPUT MEASURES

Behaviours
Calls
Complaints
Demonstrations

Orders
Strike rate
Number of Orders Taken

Table 29: Output and input measures when analyzing sales and sales force performance.

The theory also includes functionality for Territory Management, supporting organizing of sales teams. The reason why this isn't included in the empirical findings might be that Territory Management is of little importance for companies, but it can also be explained by the characteristics of the sales organization of the case study objects. The sales people might possess enough experience to handle the forming of sales teams themselves, or the management might be familiar with all the sales persons, which makes it possible to form sales teams without support from CRM functionality.

Companies need to make different kinds of forecasts. The study includes information on some forecasts that can be performed, these are forecasting on profits & results, liquidity forecasts, and forecasts on what projects that are going to be invoiced.

The need for functionality regarding Managing of Activities Regarding Bonus & Commissions also differs between theory and the empirical findings. The empirical findings show that its purpose is to motivate the sales people, not to manage the activities regarding bonuses, which isn't emphasized in theory. This indicates that functionality for managing bonus and commissions should focus more at showing the advantage of selling.

Based on the findings the need for Pipeline Management can be considered as limited. It's needed by Company B, but at the same time the respondent at Company B brings up the fact that it can be hard to get the sales people to reveal how many prospects they have. Consequently, the Pipeline Management tool might show an incorrect picture of the status of the pipeline since the sales people doesn't record the right information on their number of prospects.

Contact Management

The Contact Management functionality needed by companies, which is based on the findings from the empirical study, is presented below.

- Organizing and managing data regarding a company's customer and prospect organization.
- Integration with Microsoft Outlook, Lotus Notes or similar products.
- Generate mailings based on database selections
- Relations Tab: Overview of contact network

Contact Management comprise two of the most important functions in a CRM system. That is the recording of customer contacts and the integration with Microsoft Outlook, which is highly emphasized in all three case studies.

The contact data needed can be divided into groups of information, which are:

- Basic customer details
- Details about contact persons
- Details regarding the customer relationship
- Information that will facilitate the interaction

The specific information needed is specified in appendix 16.

There are some aspect that are very important regarding recording of contact data. The empirical findings gives emphasizes on recording information that ensures that the you're contacting the right people, and if there is a company with many subsidiaries, or a company that is part of a chain, you have to be sure of contacting the right division. Information that the customer might be interested in when contacting the company is also important to record. Being able to provide the customer with the information they need is an important step when creating satisfied customers.

The differentiation of customer management is a core aspect of CRM. Thereby, it's crucial to record the customer class, the type of information that is going to be sent to the customer and what mode of contact the customer prefers. This in order to enable each customer to be managed in the most appropriate way. In addition, all contacts with the customers needs to be recorded, in order for everyone to be updated on the present state of the relationship.

Finally, this study also showed the importance of keeping track of contact persons changing company. Contact persons might be able to generate business with the new company as well and is therefore of high value.

<u>Lead Management</u>

The Lead Management functionality needed, based on the empirical findings, is presented below.

- Organize and manage data about leads
- Tracking of customer account history
- Distribution & Monitoring of leads
- Analysis capabilities:
    - Analyze effectiveness of marketing activities
    - Analyze closing rates by tracking leads against orders,
    - Analyze at what point in the sales process that leads are lost

Lead Management involves organizing of data about leads, and the empirical findings show that a lot of the information needed about the leads still is needed when the prospect turns into a customer.

There is a need to record a lot of specific data about the prospect business when selling to the distributor, which isn't emphasized in theory. The reason to this might be that the theory is focused on information needed when selling to end customers.

An interesting observation is that it's only Company B that's interested in recording information about potentials or any other information that will provide guidance on what, when or how much the deal might comprise. In addition, that's the only study object that expresses their need to perform analysis of the management of leads. For Company A, the reason might be that the management of prospects isn't considered as a big issue. However, since the retailers doesn't include this information either, it may indicate that companies aren't interested in recording such data.

The empirical findings shows that none of the study objects is expressing the need for functionality for "Generating Next Steps". As mentioned earlier, Company A & B isn't ready for automated workflows, which might be the reason to why there is no need for functionality supporting generation of next steps.

Knowledge Management

The empirical findings also include a need for Knowledge Management, however the need is limited. This since most of the important information is accessible using Contact and Lead Management, as well Document Handling. In addition, as in the case of Company A the employees can access important sales & marketing material using the company Intranet.

The need for Knowledge Management functionality, based on the empirical findings, is presented below.

- Storing of company critical information
- Categorize sales and marketing material for quick access
- Support of Web links, video clips, presentations and graphical software
- Individual control and editing rights over documents
- History of who has modified material, and when
- Search engine, allows finding documents by searching on a specific keyword
- Allows users to view various files and documents via a portal that unifies material that in fact exist at different places.

Mobile CRM

The need for functionality comprised in Mobile CRM is presented below.

- Access to single server:
  - via Web-browser
- Data Synchronization, enables working off-line
- Access to database from handheld devices (PDA, cell phones, tabled PCs)
- The customer may interact with the suppliers systems

The need is totally in accordance with the theory, except from that the study object only emphasis need for access to single server via Web-browser, not via thin client. The use of having a Web-based workplaces both improves the possibilities to access information as well as the possibility to make user-friendly interfaces. However, the empirical studies shows that it's important to solve the issues regarding authorization.

Reporting Capabilities

Reporting Capabilities is also emphasized, the needed functionality is presented below.

- Reporting tools that pull information from different sources in the data repository, depending on the purpose of the report.

The reports needed includes sales & marketing reports, evaluations of prospects, follow-up and customer satisfaction reports, and reports on customer service, appendix 16.

The theory also includes Configuration Support, when describing Sales Force Automation. However, the empirical findings doesn't show that there is need for this functionality. The main reason for this might be that it's not suitable for businesses like Company A or B. For companies producing products that consists of many components that can be combined in different ways, the need is probably different.

Customer Service & Support

Based on the empirical findings, conclusions can be drawn on the need for Customer Service & Support functionality. The functions are grouped after the main areas comprised in the category.

Managing the Service Process

Functionality for Managing the Service Process involves tracking, monitoring, and measuring customer service. This involves specifying information on the service performed, such as the errors reported by the customer, the company's confirmation of the described errors or the company's own view of the problem, the measures taken by the service engineer, spare parts used and the time used to repair the product. The empirical findings also includes information about the measurements of performed service, such as statistical analysis of errors, analysis of how long it takes to make a repair, how the problems are solved and analysis on how well the company manage to solve the problem.

The need for managing the service process functionality can be considered as linked to companies selling products that need service. For a company like Company B its not relevant.

CTI

The need for CTI is highlighted by all case study objects. In theory, its included as a service function, but the empirical findings show that it is useful at all customer interaction points in the company This study show that CTI can be difficult to implement if the employees are hesitant to use such technology. Implementation issues is not included in this study but it it's worth mentioning that if a CRM function is difficult to implement, it might imply that a company won't buy it even if they need the functionality.

Customer Service & Support – Point-of-Sale

The Customer Service & Support Department need information about prevailing issues in order to be able to function as a point-of-sale. Thereby there is a need for necessary information to be provided via a "Screen Pop". The empirical findings show that any part of the company should work as a point-of-sale, which make this functionality needed by other functions than the Service Function.

Web-based Self Service

The functionality comprised in Web-based Self Service, which is emphasized in the empirical findings is presented below.

- Access company information
- Tracking of orders
- Access to electronic brochures or catalogues
- Access to product databases
- Access to complaint pages
- e-mail help-desks
- Complete satisfaction questionnaires

Customer Satisfaction Measurement

The Customer Satisfaction Measurement functionality needed, based on the empirical findings in this study, is presented below.

- Questionnaires measuring customer satisfaction can be distributed via mail
- Questionnaire responses are stored in a central database and added to the customer profile
- Questionnaires provided on the company Web site

The empirical findings emphasizes the need to present the results from the measurement in a report. By presenting the results in a report it will be easier to use the information to make decisions on modifications with the purpose to improve management of customer relationships.

Main differences between theory and empirical findings

There are some of the main functional areas of Customer Service & Support that aren't included in the empirical findings. These are Field Service Automation, Workforce Management, Call Scripting, and functionality intended for Managing Rental and Service Agreements functionality. The lack of need for Field Service Automation is probably due to the specific businesses of the study objects. For companies with more than one service engineer the needs is probably a lot different. The reason why Workforce Management functionality isn't mentioned might be that Company A and B doesn't have large Service Departments that require this kind of support for managing the workforce. The high level of experience among the employees implies that they don't need guidance in how to act an thereby Call Scripting functionality isn't mention. Finally, the lack of need for functionality Managing Rental and Service Agreements is probably due to business specific reasons, and the need might be different for companies performing a lot of activities concerning managing of agreements. As mentioned earlier the need for functionality regarding Territory Management and Configuration Support also differ between the empirical findings and the frame of reference.

The main differences between the theory and the empirical findings is the lack of need for the following CRM functionality:

- Territory Management
- Configuration Support
- Field Service Automation
- Managing Rental & Service Agreements
- Workforce Management
- Call Scripting

In addition, the need for Telemarketing and Knowledge Management functionality is limited. Furthermore, the functionality for Managing Bonus & Commissions need to be more focused at showing the advantage of selling.

Finally, regarding the need to record information, the empirical findings also includes information needed when targeting distributors and retailers. The empirical findings also show that there is a need for information from the Production & Order Department, which isn't brought up in theory.

Possible causes to the differences

This study show that there are several causes to the differences between the theory and the empirical findings. The causes will be summarized below:

- The CRM functionality described in theory doesn't support the production and the order process.
- The theory might be focused on information needed when targeting end customers.
- The study object's stage in the CRM development process.
- The study object's purpose with the CRM system.
- The level of experience among the employees working at the companies investigated in this study.
- Specific characteristic of the business of the study objects.
- Implementation difficulties.
- Differences in how detailed the description of CRM functionality is.
- The theory includes too technical functions.
- Weaknesses in theory.

Cross-case analysis: Comparison of CRM requirements and CRM functionality needed

The fact that Company B is operating within the service industry and Company A within the production industry doesn't seem to imply that their CRM requirements and need for CRM functionality differ noticeable.

The reason to the differences is rather that they are at different stages in the CRM development process, Company B is more process-oriented than Company A, and the companies have different purposes with a CRM system, where Company B seem more positive to use complex CRM functionality. The fact that Company A is targeting retailers and distributors has also an effect on the customer data recorded and the characteristics of the products offered implies that the need for Customer Service & Support" functionality differ.

7.4 Research Question Four: Design of a CRM System

From this study, conclusions may be drawn on how a CRM system can be designed. This implies that the needed CRM functionality identified in the empirical findings is connected to the sales process described in theory, showing were and when companies need certain functions and information. Before presenting the conclusions regarding how a CRM system can be designed, the accuracy of the sales process described in theory will be discussed.

7.4.1 Sales Process:

Accuracy of Sales Process

The accuracy of the sales process will have an effect on how applicable the design of the CRM system will be, this since the sales process constitutes the base of the design. Thus, in order to see whether the theory resembles with reality, the sales process described in theory was compared with the sales processes described by Company A & Company B.

Based on the comparison made in the analysis chapter the Sales Process at Company A and Company B seem to resemble the sales process included in the frame of reference to a quite high degree. However, there are some differences that are presented. None of the companies includes the activity "Identify Prospect Motives". The reason to this is probably that the theory provides a more detailed description of included activities, than provided by the study objects. In addition, the study objects doesn't include the "Support the Buying Decision" activity, nor the "Handling Objections" step. The reason not including activities for handling objections might be the specific characteristics of the businesses, where Company A target distributors and where the customers to Company B doesn't stand for the costs of the products. Even if neither of Company A or Company B includes activities for supporting the buying decision, I consider this step as important. This since the purpose is to make the customer feel comfortable with the purchase, which in accordance with the CRM approach will increase the chances of the customer making re-buys.

The differences presented above doesn't imply that the sales process differ from the theory considerably. It is more noticeable that the empirical findings show a need for integration between the Production Function and the Sales, Order, and Service Function, without correspondence in the sales process described in theory. Furthermore, the study shows that that there is a need for making analysis of sales during the follow-up step. This activity is neither included in the sales process described in theory. This is remarkable since integration of customer data, and analysis is fundamental parts of the CRM approach.

Consequently, the sale process described in theory might have a few weaknesses but on the whole it's similar to the sales processes at Company A & Company B. Thus, the accuracy of the sales process constituting the base of the design of the CRM system can be considered as acceptable.

The Sales Process at Service Companies vs. Production Companies

In the analysis chapter a cross-case analysis of the sales processes at Company A and Company B was performed. This in order to see whether there are any large differences between production companies and service companies. If there are large differences between the sales processes, this may indicate that CRM systems have to be designed differently for production companies versus service companies.

The analysis showed that there are no big differences between the sales processes at Company A and Company B, and the differences doesn't seem to depend on that the companies are operating within the service and the production industry. On the other

hand, the differences presented are rather due to the companies' specific business and product characteristics, and the selected customer target group.

In conclusion, the sales process constituting the base for the design of the CRM system can be the same for companies operating within the service industry and within the production industry.

7.4.2 Connection Between CRM Functionality and the Sales Process

When analyzing what CRM functionality that is needed at different steps in the sales process it turned out that some functions and information often can be useful at many different steps in the sales process and can't be connected to a specific step in the process. Consequently, certain CRM functionality can be considered as general functionality, since the functions are generally applicable, these are:

- *Sales Force Automation:* all the main functional areas in Sales Force Automation is needed all through the sales process.
- *CTI:* at all situations that a prospect or a customer calls the company, the employees should have the possibility to use CTI, implying that it's needed through the whole sales process.
- *Web-based Self Service:* prospects and customers need possibilities to Web-based Self Service during the whole sales process.

The fact that a lot of functions can be considered as generally applicable, might be an explanation to why the theory doesn't attempt to connect specific functionality to specific stages in the sales process. The theory is limited to give examples on how the CRM functionality can be used. However, the theory doesn't make any attempt to categorize certain functionality as general, thereby it's not possible to compare the findings regarding generally applicable functionality with the theory.

In order to create an understanding for how a CRM system can support the sales process, this study includes an attempt to connect even the general functionality to certain steps in the sales process.

The selling process that constitute the base for the design of the CRM system is included in the frame of reference. In order to create a better understanding of the process it's visualized in figure 32. The figure illustrates the phases and steps, as well as the departments comprised by the sales process. It also seek to illustrate the connection between different departments, which give emphasis to the need for integration of customer data which is highlighted in theory as well as in the empirical findings.

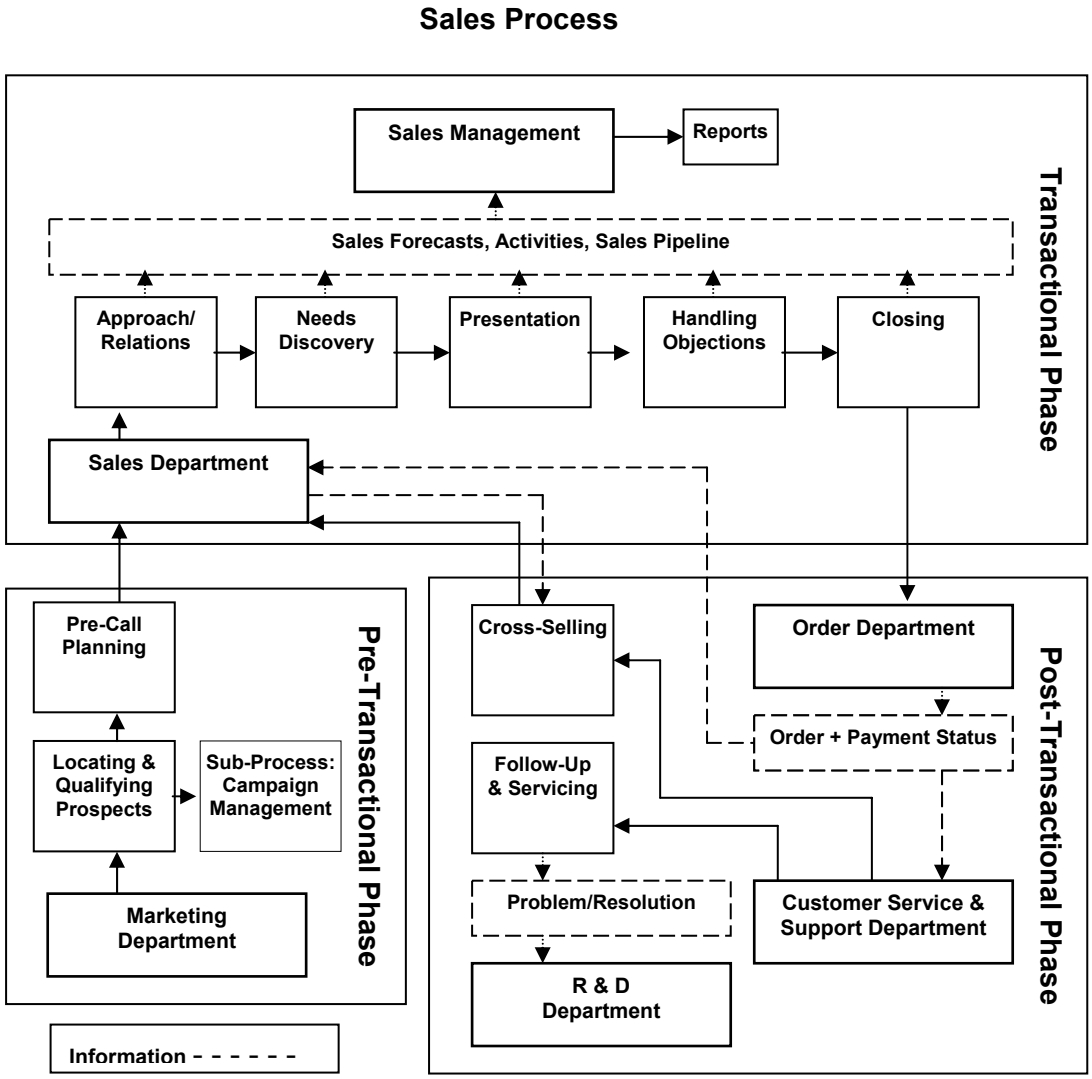


Figure 32: Sales Process

When presenting the need for CRM functionality in the sales process, the process is split up in the three main phases. The CRM functionality needed in the different phases is visualized in figure 33, figure35, and figure36. The CRM functionality used when releasing campaigns will be presented as a sub-process to the activity “Build Prospect List” in the Pre-Transactional Phase, figure 34.

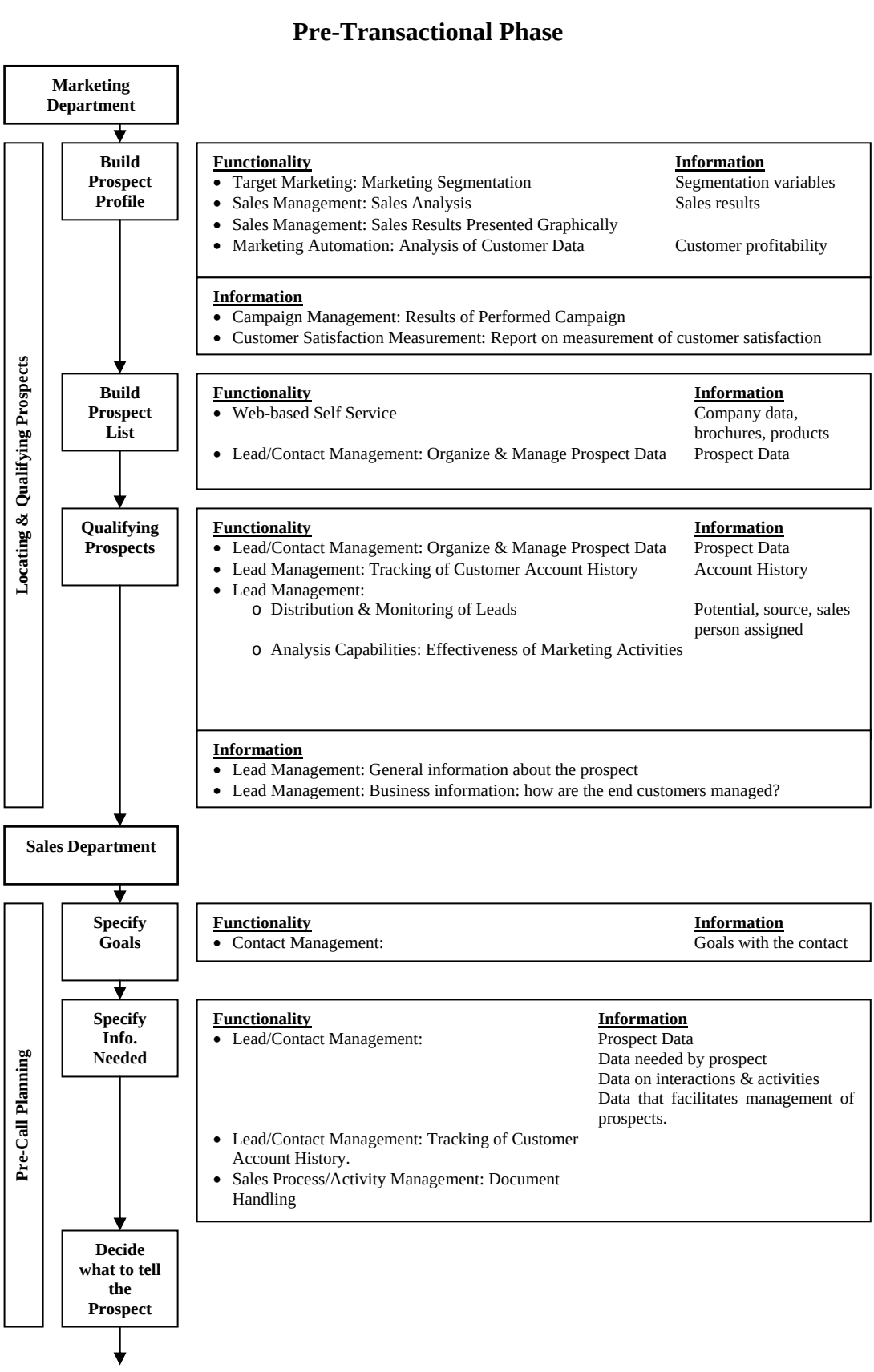


Figure 33 : CRM functionality needed in the Pre-Transactional Phase

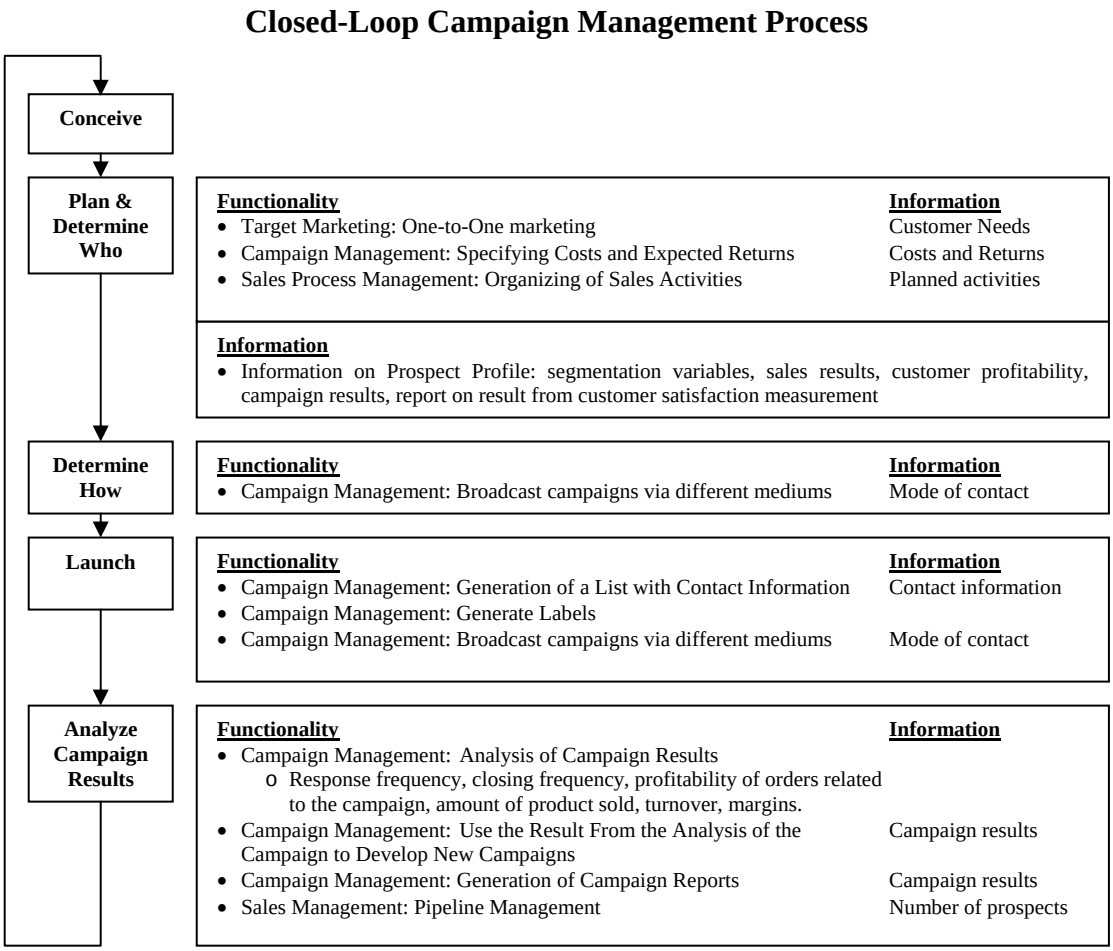


Figure 34: CRM functionality needed in the Campaign Management Process

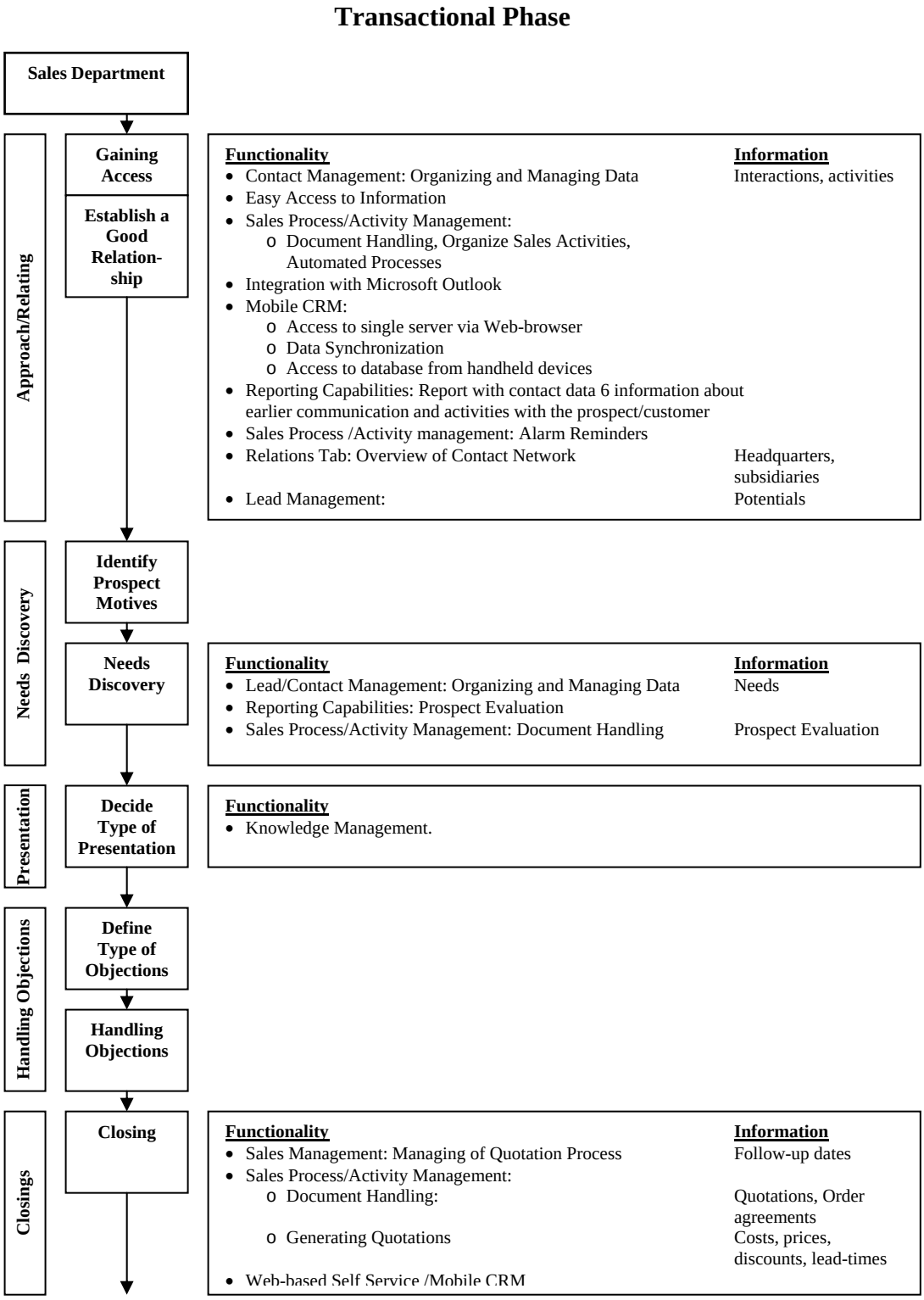


Figure 35: CRM functionality needed in the Transactional Phase

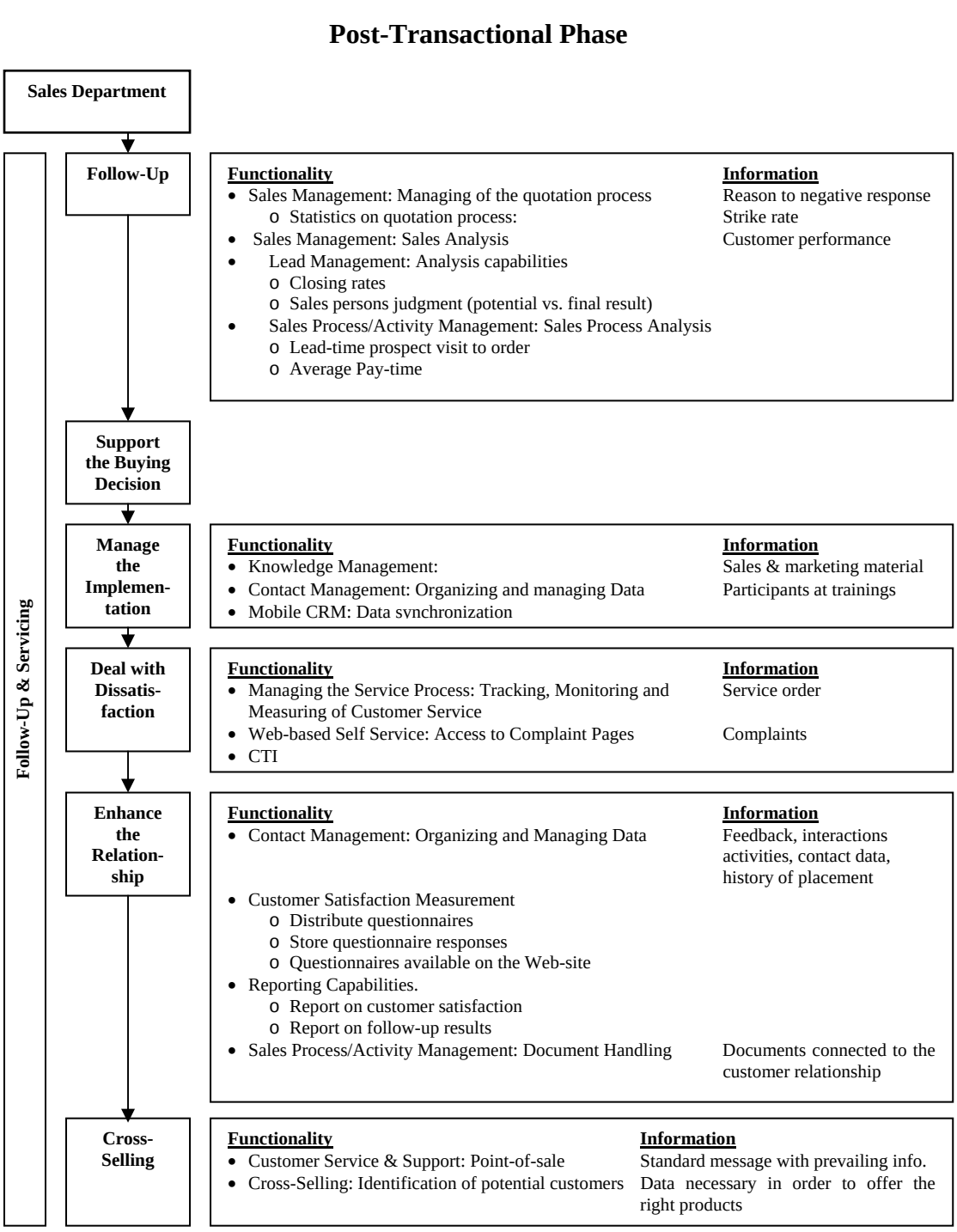


Figure 36: CRM functionality needed in the Post-Transactional Phase

The connection between CRM functionality and the activities in the sales process further emphasizes that the functionality considered as generally applicable really is used throughout the sales process.

The theory also tries to give a description of when CRM functionality is useful. The difference is that in this study the description starts out from the needs identified in the sales process, while the theory starts out from the three main categories of CRM.

When starting out from the main categories you may get the impression that Marketing Automation only is needed for marketing activities, that Sales Force Automation only is used by the sales people, and that Customer Service & Support only is needed when performing service activities. This study shows that this is not the case. For example, the information obtained from the measurement of customer satisfaction can be used when deciding who to target with a marketing campaign. Consequently, by illustrating the CRM functionality used at the different steps in the sales process, the understanding of how a CRM system can support the activities in the sales process is increased. The description of CRM functionality provided in theory needs to be complemented with a description of the design of a CRM system, in order to give a complete view of how a CRM system can be used.

7.5 Evaluation of the Study

A more comprehensive picture of CRM could perhaps have been provided if the case study objects had been working after a well defined CRM strategy and already were highly adapted to the CRM approach. However, I believe that the first research question is fairly well answered since the data collected proved to give a lot of information on the CRM approach and was useful in the analysis.

The data collection regarding companies' CRM requirements proved more complicated than expected. This since neither of Company A & B had detailed descriptions of the steps included in their sales processes, which implied that a process analysis had to be executed. In addition, the need of performing a process analysis was questioned by the head respondent at Company A. However, this could be solved by making complementary interviews with other company representative at Company A. Apart from these aspects the case studies resulted in a lot of data collected, and the second research question can therefore be considered as being properly answered.

Regarding research question three, it proved to be hard to find literature that describes CRM functionality on a detailed level. To ensure that all functional areas in a CRM system were covered an analysis of three CRM systems were performed, which improved the quality of the theoretical framework. However, the comparison of the functionality comprised by the CRM systems, and the theory, showed to be quite difficult since the labeling of functions differed. In ordered to ensure that I made an appropriate interpretation of the meaning of the functionality, the CRM Product Manager at Jeeves Information Systems controlled my work.

The quality of this research would perhaps have been further improved if more customer companies and retailers had been investigated. However, since both retailers and customer companies are investigated the data collected can be considered as more generally applicable. This since the need for CRM functionality, identified in the retailer case, is based on their entire knowledge and not on a specific situation at one customer company. The data collected can accordingly be considered as of high quality, which implies that research question four is well answered.

The fourth research question turned out to be quite hard to answer. This since the theory doesn't include a description of the connection between the sales process and CRM functionality. However, during this study I have acquired knowledge about the

sales process and about the characteristics of CRM functionality, which made it possible to describe how a CRM system can be designed. In addition, the sales process constituting the base of the design can be considered as appropriate. This since the analysis shows that it's similar to the sales processes investigated at the selected case study objects. Consequently, I believe that research question four has been adequately answered.

7.6 Recommendations

In this section a few recommendations will be given to the assigner company Jeeves Information Systems AB. The recommendations concern the CRM functionality needed to be included in their CRM system, the design of the complete CRM solution and the need for a user-friendly CRM system.

The CRM functionality that should be included in the CRM system provided by Jeeves Information System is depending on how complex their CRM system is going to be. Furthermore, the appropriate degree of complexity is decided by the demand from the customers. Based on this study, it seems like the customers need quite complex functionality, however, the question is whether they are ready to apply CRM or not.

It's clear that what's preventing an organization from implementing CRM functionality is often that the CRM way of thinking isn't yet realized, as well as that the employees aren't ready to use the technology required. Consequently, selling CRM systems put a lot of pressure on the retailers selling. They have to understand the company organizations, perhaps participate in the re-engineering of business processes, and finally be able to sell the CRM functionality that is suitable for that specific company. Thereby, it's important to judge whether Jeeves retailers possess the knowledge, time and resources to perform these activities.

This study did not involve Partner Relationship Management, nor e-commerce. However, it's important that Jeeves consider even these two areas when designing their complete CRM solution.

When designing the CRM solution there need to be an integration between the marketing, sales, order, production ,and service process. Implying that the user easily can access information from different departments in the company.

Finally, the need for a user-friendly workplace is essential. This since the uncertainty of buying CRM functionality often depends on that management is afraid the employees will think that the CRM system is difficult to use, which implies that it will be very hard to implement. Thereby, presenting a CRM system that's easy to use will probably increase the chances of closing the deal significantly.

7.7 Further Research

This section includes suggestions on how the results from this thesis can be taken further by performing supplementary research.

This study show that certain CRM functionality described in theory isn't needed by the case study objects selected for this research. This implies that a number of more

studies would be interesting to perform, in order to see whether the same results will be obtained when using different study objects.

To start with, this study show that there is no need for Territory Management functionality. However, before concluding that Territory Management functionality is unnecessary it would be interesting to investigate the needs of a company having a large sales force including lots of sales teams. Their likeliness of needing functionality to support the organizing of sales teams is rather high.

It would also be of interest to study companies with a large Customer Service & Support Department, employing many customer service representatives and field service engineers. This in order to see whether the findings is different regarding need for Field Service Automation, Workforce Management, Call Scripting and functionality for Managing Rental & Service Agreements.

The empirical findings showed no need for Configuration Support functionality. This is due to that the products offered by Company A & B doesn't have the characteristics which imply that a company would benefit from using Configuration Support. Thereby, it would be of interest to study if the need is different for a company offering products consisting of many different components that can be combined in many different ways. It would also be relevant to study a company which performs Telemarketing and Telesales activities. This in order to see whether the need for Telemarketing functionality is greater than showed in this study.

In order to be a suitable study object for this research the companies had to fulfill certain requirements, such as being familiar with the CRM approach, and aiming at developing a CRM system with rather high complexity. It would be interesting to perform a study with different prerequisites, for example with companies that are even more adapted to the CRM approach, in order to see how it will affect their needs.

Since this study indicates that the CRM system should support the production process, as well as the order process. I recommend further research regarding what functionality and information that implies. The cases studies at Company A & B also show that the customers sometimes participates in the production. Thereby it would be interesting to further analyze the CRM requirements and need for CRM functionality connected to the Production Process.

I also recommend future research regarding Partner Relationship Management and e-Commerce, since this study didn't include these two aspects.

In theory the importance of having a process-oriented view of the organization is emphasized when applying CRM. However, Company A doesn't have a process-oriented view of their organization. In addition, the empirical findings doesn't include any information that indicates that the company will change their view in order to obtain more customer focused processes. Thereby, it would be interesting to study if they will keep their traditional vertical and functional approach when implementing CRM or if they are forced to develop a more process-oriented view in order to succeed with the implementation.

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Appendix 1: Fundamental Characteristics of a CRM System

Functionality	Information Storage
Marketing Automation	
Direct Marketing	
▪ Generating address lists ▪ Integration with graphical templates	
Target Marketing	
▪ Marketing Segmentation	▪ The variables for segmentation is provided in appendix 2
▪ One-to-one marketing	▪ Store information on customer needs and interaction preferences
Campaign Management	
▪ Generation of a list with customer or prospect names and contact information corresponding to selected segment	▪ Store information about base of campaign: name and contact
▪ Define workflows including schedule for the campaign. This enables specifying of costs and expected returns, testing of various scenarios depending on selection of customer segment, campaign schedule, and product offer	▪ Storage of information regarding schedule of campaign. Storage of information about campaign costs and expected returns
▪ Analysis of the result of performed campaign	▪ Store information on results of performed campaign
▪ Use the result from the analysis of the campaign to develop new campaigns	
Cross-selling & Up-selling	
▪ Identification of customers who might respond positively to promotions concerning cross-selling and up-selling	
Analysis of customer data	
▪ Manage of analyses of customer data	▪ Profitability analysis, Propensity- to- buy analysis, Next sequential purchase, Product affinity analysis, Price elasticity modeling and dynamic pricing
▪ Visual tools for analyzing customer data	
Telemarketing	
▪ Manage and execute telemarketing activities ▪ Telemarketing window with all relevant information at your fingertips ▪ Computer Telephone Integration (CTI) via TAPI ▪ Full call logging that includes time, date, duration, caller etc ▪ Generate call scripts using the Questionnaire functionality ▪ Identifies calls that were not initially successful so a second attempt can be made ▪ Create call lists based on contacts in business relation and contacts table ▪ Distribute and administrate calls lists among callers	

- Integration between call list and questionnaire module
- Integration between campaigns and call list
- Range of telemarketing reports

Sales Force Automation

Sales Process/Activity Management

▪ Organizing of sales activities	▪ Storage of planned and performed activities
▪ Calendar availability which allows planning of activities	
▪ Individual and organizational To-Do list	▪ Storage of information on To-Dos
▪ Document Handling	
▪ Analyze the sales process and estimate the duration of critical activities	
▪ Access to a central database allows a singular view of the customer	
▪ Alarm reminders	

Sales & Territory Management

▪ Oversee sales teams and their sales activities	▪ Access to information on sales activities
▪ Set up sales teams, and link individuals to specific accounts, regions, and industries	
▪ Link specialists to specific sales teams	▪ Store information on specialist competence
▪ Creates team profiles by storing personal data	▪ Store personal data about employees
▪ Evaluating Sales Force Performance	▪ Store data to perform sales analyses and costs analyses, and storage of data regarding behaviors
▪ Sales Forecasts	▪ Store information on potential closings
▪ Pipeline Management: Visualizes the current number of leads, prospects and so forth, per salesperson or the whole company	▪ Store number of leads, prospects and so forth Store probability of closing

Contact Management

▪ Organizing and managing data regarding a company's customer and prospect organization	▪ Storage of data that covers people, contact data, information on position and organizational chart, business information, activities, and storage of attachments related to the individual
▪ Interface with Microsoft Outlook or similar products, this will allow tracking of e-mails and assigning of appointments	
▪ Registration of contact behavioral characteristics that are associated with next contact step	▪ Storage of information regarding contact behavioral characteristics

Lead Management

▪ Tracking of customer account history	▪ Customer account history, Information about the lead, salesperson or sales team assigned, source of lead, the position in the sales process, potential of closing the deal, potential closing date, final result, product interest & preferences, discretionary budget, possible competitors and their level of threat, competitive product matrix, information on next step
▪ Distribution and Monitoring of leads	
▪ Generating next steps	
▪ Analyze effectiveness of marketing activities	
▪ Analyze closing rates by tracking leads against orders	

Configuration Support

▪ Automated calculation of product configuration and price	

Knowledge Management

▪ Storing of company critical information	▪ Corporate policy handbooks, Sales representation slides, Company phone list, Proposal templates, Contract boilerplate, Expense report forms, Regulatory standards and recent compliance reports, Historical sales and revenue reports, Partner and supplier meetings and executives briefings, Digitalized video of sales presentations or executive briefings, Industry and competitor data, News articles and press releases, Trade show and promotional event schedules, Thank you notes and other client correspondence
▪ Individual control and editing rights over documents ▪ History of who has modified material, and when ▪ Search engine, allows finding documents by searching on a specific keyword ▪ Unified view of files and documents saved at different places	

Mobile CRM

▪ Access to single server via Web-browser or thin client ▪ Data Synchronization, enables working off-line ▪ Access to database from handheld devices (PDA, cell phones, web phones, tabled PCs and so forth	
▪ The customer may interact with the suppliers systems	▪ Access to information on status on complaints, delivery date, placed orders

Reporting Capabilities

▪ Reporting tools that pull information from different sources in the data repository, depending on the purpose of the report	

Customer Service and Support

Managing the service process

▪ Tracking, monitoring and measuring of customer service	▪ Storage of information on how the customer prefers to interact with the company

Computer Telephony Integration (CTI)

▪ Combining telephone systems with computer technology ▪ Automatically Call Distribution (ACD): Mapping of the incoming phone number to a specific customer profile, which enables prioritizing certain customers as well as proper transference of the call. Caller identification and guidance to the right operator ▪ Interactive Voice Response (IVR): Routing based on a customer's response to a question typed on her telephone keypad	

Call Scripting

▪ Situational scripts for guidance in the customer dialog ▪ Different scripts available for different types of customers	▪ Information stored on how to behave in different contact situations

Contact Center Sales Support-Point-of-Sale

▪ Access to the customer database: in order to make the right judgment on when to offer what product ▪ Necessary information provided via a “screen pop”	Information stored about the customers preferences and previous orders

Web-based Self Service

▪ General company information provided	▪ Store information on general company data
▪ Enables tracking of orders	▪ Store information on customer orders
▪ Personalized Web Sites with "cyber agents" who make recommendations based on the customer's preferences	

Workforce Management

▪ Staff Planning (optimizing of staff around busy periods, different communication channels & customer profile)	
▪ Employee scheduling based on skills and preferred work hours	▪ Storage of information on employee skills and preferred work hours
▪ Forecasting of contact volumes	
▪ Performance tracking by customer value, customer satisfaction, priority level, or other factors	
▪ Combine findings from different contact centers to a single report	

Customer Satisfaction Measurement

▪ Questionnaires measuring customer satisfaction can be distributed via mail	
▪ Personalized questionnaires	
▪ Questionnaire responses are stored in a central database and added to the customer profile	▪ Storage of information of customer satisfaction responses
▪ Questionnaires provided on the company Web site	

Field Service

▪ Service engineers are assigned to each problem depending on their skills, availability, workload, and geography	▪ Storage of data that covers sales peoples skills, availability, workload, skills
▪ Fast communication between remote staff and service staff	
▪ Access to instructions for problem solving	▪ Storage of instructions for problem solving
▪ Registration of customer communication	▪ Storage of data covering communication with customers

Appendix 2: Segmentation Variables included in the Frame of Reference

Variables	Characteristics/Segments
Demographics:	
Size of Company:	Small, medium, large (Defined in terms of annual turnover, turnover relative to industry, number of employees, level of export sales, current and fixed assets, current liabilities, etc.).
Type of industry and business:	Manufacturing, trading, agriculture, service, retailer, wholesaler.
Geographical location:	Nations, regions, cities, urban, rural, overseas, location of branches and subsidiaries.
Sales Territory	
Infographics:	Preferred way of communication.
Psychographics:	Interests, opinions, and preferences.
Operating and situation related:	
Benefits:	Convenience, reputation, quality, additional services, reliability, flexibility.
Usage rate & involvement status:	Light, medium, heavy.
Perceived risk:	Low, moderate, high (risk-taking or avoiding).
Loyalty:	None, high shifting, soft, strong. Deal with one or several suppliers.
Profitability	
Life Time Value	
Preferred Sales Channel	
Privacy Preferences	
Purchasing policy and approach:	
Status and relationship:	New customer, existing customer, ex-customer, occasional, frequent, non-customer.
Dependence and power structure:	Low, mutual, high.

Appendix 3: Functionality comprised in the CRM systems offered by Axapta, Movex & SuperOffice

CRM functionality: Axapta

Company: Microsoft Business Solutions
Product: Axapta CRM

Functionality

Ease of use

- Intuitive layout and structure
- User-adjustable menu
- User-adjustable layout of master files and journals
- Windows commands incl. 'copy and paste' from and to Axapta
- Direct access to master files from journals
- Advanced sorting and filter options
- Built-in user help including an integrated manual
- Option to mail and fax directly from Axapta
- Application can be run in different languages

CRM and ERP in One

- One business logic, one database, one set of tools and one source code
- Front office and back office function as a single, unified system
- Entire organization has access to detailed customer information when and where they need it

Sales Force Automation

Overview

- One window containing business relationships of multiple types
- Easy access to sales orders, quotations, projects, activities, mailings and documents for the business relation/contact person
- Overview of financial key figures for each business relationship
- Quotations closely integrated to sales orders and master planning
- Automated Processes
- Generate mailings based on database selections
- Provides advanced reporting options that utilize the financial information found in Axapta
- Analyze actual sales against budgets
- Evaluate a given activity with a customer against the profitability of that customer
- Allows entire organization to access customer information
- Forecast and plan future revenue
- Forecast and plan future production based on anticipated sales

Contact Management

- Contact management for customers, vendors, prospects and other business relationships
- Activity management, appointments and tasks synchronization with Microsoft Outlook
- Drag and drop files, documents and e-mails from Windows Explorer and Microsoft Outlook into Axapta's document system
- Transaction logging on selected tables
- Import business relationships with contact persons
- Computer telephone integration using TAPI
- Generate mailings based on database selections

- Send e-mail and SMS messages to individuals or groups

Sales Management

Sales Target

- Define sales targets for individuals and teams
- Build and maintain a sales pipeline
- Generate sales forecasts

Management Statistics

- Monitor and manage activities of sales people, teams, and the entire organization, with providing detailed pipeline analysis of sales in the channel
- Track status of sales activities, including pending sales quotations
- Track progress and activities of specific sales people
- Display sales data graphically
- Generate reports for sales quotations as well as activities for salespeople and sales units and at company level
- Full range of reports included
- Budget future activities based on up-to-the-minute information

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Marketing Automation

Overview

- Create campaigns based on selection of table fields in various tables
- Campaign administration and distribution
- Campaign window with all relevant information at your fingertips.
- Connection between campaigns and questionnaire, projects and web response
- Automatic creation of follow-up activities with synchronization to MS Outlook
- Monitor you ROI by linking the campaign to a project
- Broadcast the campaign via e-mail, WEB, fax, letter, call lists
- All common campaign reports available

Marketing Encyclopedia

- Common repository for all of your sales and marketing collateral
- Exchange sales and marketing knowledge
- Review sales material such as information on product line, products and price lists
- Categorize sales and marketing materials for quick access
- Access information in the encyclopedia which supports Web links, auto/video clips, presentations and graphical software
- Track competitor information and trends by launching competitor websites for review

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Business Analysis (OLAP)

- Offers decision makers improved reaction time, allowing them to make split-second decisions
- Make business evaluations showing the efficiencies (or lack of) of campaigns, resource allocation, and the performance of your sales force and front office staff
- Analyze the purchase patterns of customers and the delivery patterns of suppliers

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Document Management

- A common document repository where documents are stored and linked
- All business relationships show a complete view of contacts, sales orders and quotations
- Track and log documents – including e-mails, SMS messages and phone calls

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- Marketing encyclopedia for storing all collateral in one place, organized how you need it

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Telemarketing / Telesales

Overview

- Manage and execute telemarketing activities
- Telemarketing window with all relevant information at your fingertips.
- Computer Telephone Integration (CTI) via TAPI
- Full call logging that includes time, date, duration, caller etc
- Full call logging that includes time, date, duration, caller etc
- Generate call scripts using the Questionnaire functionality
- Identifies calls that were not initially successful so a second attempt can be made
- Analyze results from questionnaires

Call List Overview

- Create call lists based contacts in business relation and contacts table
- Distribute and administrate calls lists among callers
- Integration between call list and questionnaire module
- Integration between campaigns and call list
- Range of telemarketing reports

E-mail and SMS Integration

- Send e-mails or notes to employees in the field from within Axapta
- Urgent messages reach sales force instantly
- Save time and money in the communication process within the front office

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Questionnaires

- Design and generate questionnaires for use in telemarketing / telesales activities for mass mailings
- Allows organization to map responses to knowledge about customers for future planning
- Web-based functionality simplifies execution
- Respondents to a questionnaire are automatically created as users
- When answering a questionnaire, the respondent's user ID is automatically logged so there is no need to login to respond
- Questionnaires grouped by type, with the user defining the groups
- Identify dependencies between questions in questionnaire

System Requirements Axapta

- Microsoft Business Solutions-Axapta 3.0
- Microsoft Business Solutions-Axapta Trade
- Microsoft Business Solutions-Axapta Sales Force Automation
- Microsoft Business Solutions-Axapta Sales Management
- Microsoft Business Solutions-Axapta Marketing Automation
- Microsoft Business Solutions-Axapta Telemarketing
- Microsoft Business Solutions-Axapta Questionnaire I
- Microsoft Business Solutions-Axapta Business Analysis
- Microsoft Analysis Server 2000

CRM functionality: Movex

Company: Intentia
Product: Movex Customer Relationship Management

Functionality

Sales Management

Bonus and Commissions
- Managing of activities regarding bonuses and commissions, from planning to settlement and payment.
- Handling of multiples salespeople and agents in a single transaction

Customer Delivery Schedules
- Managing of different kinds of demand: consolidated customer forecasts, customer forecasts, customer call-offs and just-in-time call-offs, customer sales reports and sales statistics.
- Receives demand manually and automatically
- Deviation management and multi-channel alerts
- Managing multi-level synchronization of demands, only one active demand exist for the customer
- Automatically reconsolidation of deliveries or cumulative to manage back order
- Monitoring of active demand, non-active demand and consolidated demand on the current items
- Integration with Order Processing, Sales Statistics and Performance

Customer Order Processing
- Customization of order processes

Pricing & Conditions
- Managing pricing: from planning and calculating of prices and agreements to following up on results in sales statistics

Sales Quotations
- Managing of quotation process: from request for quotation, to creation of sales orders and following-up on lost or won quotes
- Tracking of quotation process by using follow-up dates, validity dates and user-defined activities
- Monitoring and statistics of the quotation process

Sales Statistics & Performance
- Provides sales results
- Creation of budgets and forecasts, allows comparison with outcome and variances

Cash Desk Sales
- Strong integration with back-office and the supply chain
- Extends and integrates the order entry and the payment process seamlessly
- Supports a payment procedure that mixes cash with credit

Point of Sales
- Supports enterprises with one or more point of sale system in a retail chain
- Central management of the valid business rules, planning and replenishment information

Service & Rental

Long-Term Rental Agreements
- Managing and following up on rental activities
- Handling of agreements: including financing of equipment and services in a total solution

Service Agreements
- Service agreement workflow, from establishing, to invoicing of agreements
- Defining and maintaining of different types of service agreements

- Processing of agreements: generating quotations, automatically invoicing agreements in advance or in areas, with periodic invoices flexibly defined in the agreement
- Selection of right level of service to fulfill the commitments

Service Order Processing

- Manage and follow up on service on equipment
- Handling service calls: from point of call, to invoicing, and statistics
- Integration with service and warranty agreements
- Planning of engineering time, including breakdowns and preventive service visits
- Maintaining of optimal inventory levels and utilization of engineers

Short-Term Rental Agreements

- Managing of flow of rental, loan and demo equipment. Including invoicing rental and additional charges
- Monitoring of rentals, performed service and equipment availability, thereby streamlining lead times, minimizing costs and optimizing the fleet

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Sales Force Automation

Sales Automation

- Organizing of activities
- Access to data concerning customer interactions
- Tracking of marketing activities in progress
- Identifying status of business opportunities
- Focusing of efforts and resources to where they are best utilized

Marketing Automation

- Support activities required for mail campaigns: list generation, mail merge, labels and response registration
- Sending offers to a target group by mail
- Distributing leads to salespeople based on specified business rules

Mobile Sales

- Managing of quotations and orders off-line
- Built-in product catalog
- Access to stock availability

CRM functionality: SuperOffice

Company: SuperOffice
Product: SuperOffice CRM 5

Functionality

Office Automation

Integration

- Seamless integration with standard office applications (like Microsoft Office 2000)

Overview of Activities

- Supports tracking of all Company Activities, interactions.

Navigator

- Easy access to the main areas within the software

Company Card

- Access to company critical customer, prospect or supplier contact information

History dropdown list

- Provides shortcuts to the most frequent used requests.

Taskbar
- Buttons along the bottom of the display provides access to tasks currently at hand.

Activity Tab
- A round up of all concluded and on going transactions with customers

Tool Tip
- Tool tips pops up when the mouse rests over a function, interest, contact or activity task.

Free Text Search
- Fast & simple access to information by using free text search

Document Handling
- Generate and re-find any kind of document (letters, faxes, budgets, presentations)

Relations Tab
- Provides overview of a company's contact network where subsidiaries of headquarters easy can be identified.

Projects Function
- Define own projects and link specific activities, correspondence and sales from many companies to a specific project card. Allows communication with all project participants by sending e-mail, meeting requests and reports.

E-mail
- E-mail integration with standard software such as Microsoft outlook.

Diary
- Provides complete overview of you and your colleague's scheduled activities and to-do's. It can be displays by day, week, month and team view. From the diary meetings can be arranged and you may also reserve conference rooms and other company resources.

Calendaring Synchronization
- Two-way synchronization between calendar in Superoffice CRM 5 and the calendar in Outlook or Notes. It will handle additions, changes and deletions of appointments

Internet Links
- Seamless integration with the Internet

Reporting capabilities
- Standard reporting tool where you can define your own search criteria and save them for later searches. Specialized reports and formatting provided by the add-on module Reporter Studio.

Mobile Workforce

See add-on modules, further described below.
- The standard and customized functionality of Superoffice CRM 5 are available anywhere and anytime. This is made possible with the add-on modules for Superoffice CRM 5, Travel, Remote Travel, Satellite, Intellisync and CRM 5 web.

Sales & Marketing

- Sales Force Automation Functionality
- Monitoring the Sales Cycle
- Lead generation

- Opportunity tracking and single out the hottest prospects. Register information about potential closing date, probability of closing, probability of scope, source of lead, and competitor.
- Generate Proposals
- Segmentation of customers and prospects
- Work with selections of customers, which can be processed in several ways: by reports, multiple mailings, label printing and so forth.
- Print out sales forecasts
- Total sales overview at any given moment
- Print out sales reports by category, region, department, team, or salesperson.
- Managing Marketing Reporting
- Tracking of direct marketing activities and marketing campaigns
- Following-up on activities in your or your colleague's diary
- Best-fit functionality for mailings. Multiple e-mails, letters and faxes can be generated by a best-fit delivery method.

Sales Management

Reporting

- Reporting within sales & marketing. Reporting provides insights into target groups, projects and personal performance. The "add-on" module SuperOffice CRM 5 Reporter Studio is a professional reporting and business intelligence solution

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Technology

- An open database, connecting to Microsoft SQL server, Oracle, Sybase
- Easy to perform maintenance
- Assign user rights and preferences
- Set up individual interfaces per department
- Make templates for any application
- Make links to every email program that supports M.A.P.I.
- Make a CTI link
- Make parts of information available to specific departments
- Make links to internet and intranets
- SuperOffice logbook provides a record of who did what and at what time
- SuperOffice can change seamlessly to adapt to the every-changing needs of your organization

Superoffice CRM A315 Add-On Modules

Functionality

Intellisync

PDA Synchronization

- Extract key sections of the SuperOffice CRM database to use on a PDA.
- Updating of the SuperOffice CRM database from the PDA

Calendaring Synchronization

- Two-way synchronization between calendar in Superoffice CRM 5 and the calendar in Outlook or Notes. It will handle additions, changes and deletions of appointments

---

Reporter Studio: A Reporting & Business Intelligence Solution

- Supports almost any combination of information from the database, presented as lists, cross tables or graphically in Microsoft Excel.
- Gives opportunity to measure individual or company performance, activity levels, customer profitability, ROI in marketing
- Reports designs in the Reporter Studio can be published in the SuperOffice CRM 5 reporter

Examples on reports

- Sales Forecasting
- Performance measures of sales force by comparing actual and forecasted sales
- Segment Profitability
- Profitability of marketing investments (based on registration of lead source)
- Number of support calls received sorted against customer type

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Outlook Mail Link

- Storage of e-mails directly from the Outlook Inbox into Superoffice CRM 5
- Storage of attachments directly as a document in Superoffice CRM 5
- Storage of an e-mail as a task directly in Superoffice CRM 5
- An e-mail created and sent from Outlook is automatically stored in Superoffice CRM 5
- Still use the built-in e-mail functions in Superoffice CRM 5

Notes Link

Integrating Notes Database

- Documents produced from Superoffice CRM 5 is automatically stored in Lotus Notes, and can be retrieved form both Notes and Superoffice CRM 5
- Notes forms can be started directly from Superoffice CRM 5, where data is automatically transferred into the Notes form.

Notes-mail Integration

- E-mails are created and sent from Superoffice CRM 5, and is retrievable by others in the organization. The features for public and private e-mail in Notes can be used.
- Storage of incoming mail in Superoffice CRM 5
- Possibility to have an central mailbox for the whole company

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Travel

For short trips with laptop

- Bring the database along to external meetings by choosing "Local Update" in the file menu, then all relevant data is exchanged to the laptop. Allows working off-line.
- When returning the local database will be synchronized with the central database.

Remote Travel

System requirements: Win 32 OS, hardware or software to log on to LAN from a remote location

For extended stay with laptop/desktop

- Updating of database and attach documents from any location with a telephone connection. Depending on the user's rights, all data on the local and central database can be fully equal.

Satellite

System requirements: Win 32 OS, WAN connection, LAN with file-server on each location

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For Branch Offices

- Exchanges information between the branch and the head office using a satellite installation. The update frequency will normally be once a day. The branch office has its own database on the local network.

- There can be up to 111 satellites, branch offices, in a Superoffice CRM installation.

Area Management

System requirements: Win 32 OS

Size & Security

- Works as a filter, so that each travel user or group of users is given the information they need.

SuperOffice CRM 5 web

SuperOffice CRM 5 web can be run when there is access to a computer with Internet access. The CRM 5 web solution provides access to all information in the CRM 5 database and you can read, modify and add information and documents. The solution has four main screens; Company, Calendar, Project and Selection. The functionality is not exactly the same as in the CRM 5 for Windows, and they can be run together in the same environment.

Appendix 4: CRM functionality included by CRM vendors: based on the categorization made in theory

Sales Force Automation

Sales Process/Activity Management

- Organizing of sales activities
- Calendaring synchronization with Microsoft Outlook or Notes. It will handle additions, changes or deletions of appointments.
- Monitoring the sales cycle
- Easy access to sales orders, quotations, projects, activities, mailings and documents for the business relation/contact person
- To-do lists. Access to your own and your colleagues To-Dos
- Document Handling: A common document repository where documents are stored and linked. Tracking and logging of documents – including e-mails, SMS messages and phone calls. Including free text search allowing fast and easy access
- Define projects
- Overview of financial key figures for each business relationship
- Automated Processes
- Relations tab: Overview of a company's contact network, where subsidiaries and head quarters easily can be identified.
- Generate Proposals
- Integration with Internet & Intranets
- Make parts of information available only to specific departments or users
- Entire organization can access the information in the data base

Sales & Territory Management

Sales Targets

- Define sales targets for individuals and teams

Bonus & Commissions

- Managing of activities regarding bonus & commissions

Sales Quotations

- Managing of quotation process
- Tracking of quotation process by using follow-up dates, validity dates and user-defined activities
- Monitor and make statistics of the quotation process

Sales Statistic & Performance

- Generate sales forecasts. Plan production based on anticipated sales.
- Generate Budgets
- Monitor and manage activities of sales people, sales teams, and the entire organization
- Track status of sales activities
- Track activities of specific sales people
- Provide Sales Results
- Analyze sales against budget
- Display sales data graphically
- Full range of reports within sales & marketing included. Reports available by category, region, department, team, or salesperson
- Pipeline Management: Build and maintain a sales pipeline, Identify status of business opportunities

Contact Management

- Contact management for customers, vendors, prospects and other business relationships
- Microsoft Outlook integration
- Notes Database Integration
- Notes-mail Integration
- Drag and drop files, documents and e-mails from Windows Explorer and Microsoft Outlook into the CRM document system
- Storage of an e-mail as a task directly in the CRM system
- Send e-mail and SMS messages to individuals or groups
- Computer telephone integration
- Generate mailings based on database selections

Lead Management

- Lead generation
- Opportunity tracking and single out the hottest prospects. Register information about potential closing date, probability of closing, probability of scope, source of lead, and competitor.
- Distribution of leads to sales people

Configuration Support

- A product and price configurator is included in the e-business solutions provided by the CRM suppliers

Knowledge Management

- Common repository for all marketing and sales collateral
- Exchange sales and marketing knowledge
- Review sales material such as information on product line, products and price lists
- Categorize sales and marketing materials for quick access
- Access information in the encyclopedia which supports Web links, auto/video clips, presentations and graphical software
- Track competitor information and trends by launching competitor websites for review

Mobile CRM

Web Solution

- A CRM Web solution can be run when there is access to a computer with internet access. The Wes solution provides access to the database and the user can read, modify and add information and documents.

Access the database from any location with a telephone connection

- Update the database and attach documents from any location with a telephone connection.

Data Synchronization

- Bring the data base along and synchronize with the central data base when returning to the office

Exchange information between databases

- Companies with branch offices with several databases can exchange information between the different databases using a satellite installation

PDA synchronization

- Extract sections of the data base to use on a PDA.Then update the database from the PDA.

Reporting Capabilities

- Reporting tools where you can define your own search criteria and save them for later searches
- Make reports with combinations of information available in the data base, the reports can be presented as lists, cross tables or graphically.
- Examples of reports: Individual or company performance, Sales Forecasting, Segment profitability, Profitability of marketing investments, Number of support calls received(stored against customer type), Resource allocation, Purchase patterns of customers, Delivery patterns of supplier, Evaluate activities with customers against the profitability of the customer

Customer Service and Support

Computer Telephony Integration (CTI)

- Computer Telephone Integration

Web-based Self Service

- Web-based self service is included in the e-business solutions provided

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Call Scripting

- Generation of call scripts

Workforce Management

- Planning of engineering time, including breakdowns and preventive service visits
- Maintaining of optimal utilization of engineers

Customer Satisfaction Measurement

- Generation of questionnaires
- Allows organization to map questionnaires responses to obtain knowledge about customers hat may be used in future planning
- Web-based functionality simplifies execution
- When answering a questionnaire, the respondent’s user ID is automatically logged so there is no need to login to respond
- Questionnaires grouped by type, with the user defining the groups
- Identify dependencies between questions in questionnaire

Field Service

- E-mail and SMS integration allowing fast access to the sales force

Long-Term Rental Agreements

- Managing and following up on rental activities
- Handling of agreements: including financing of equipment and services in a total solution

Service Agreements

- Service agreement workflow, from establishing, to invoicing of agreements
- Defining and maintaining of different types of service agreements
- Processing of agreements: generating quotations, automatically invoicing agreements in advance or in areas, with periodic invoices flexibly defined in the agreement
- Selection of right level of service to fulfill the commitments

Service Order Processing

- Manage and follow up on service on equipment
- Handling service calls: from point of call, to invoicing, and statistics
- Integration with service and warranty agreements
- Planning of engineering time, including breakdowns and preventive service visits
- Maintaining of optimal inventory levels and utilization of engineers

Short-Term Rental Agreements

- Managing of flow of rental, loan and demo equipment. Including invoicing rental and additional charges
- Monitoring of rentals, performed service and equipment availability, thereby streamlining lead times, minimizing costs and optimizing the fleet

Marketing Automation

Direct Marketing

- Generations of mailings based on database selections
- Generation of templates

Target Marketing

- Segmentation of customers and prospects
- Work with selections of customers, which can be processed n several ways.

Campaign Management

- Create campaigns based on selection of table fields in various tables, list generation
- Campaign administration, distribution, response registration
- Tracking of direct marketing activities & marketing campaigns
- Automatic creation of follow-up activities with synchronization to MS Outlook
- Connection between campaigns and questionnaire, projects and web response

- Broadcast the campaign via e-mail, WEB, fax, letter, call lists
- All common campaign reports available
- Monitor you ROI by linking the campaign to a project

Analysis of customer data

- Analyze purchase patterns of customers and the delivery patterns of suppliers

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Telemarketing / Telesales

- Manage and execute telemarketing activities
- Telemarketing window with all relevant information at your fingertips.
- Computer Telephone Integration (CTI) via TAPI
- Full call logging that includes time, date, duration, caller etc
- Generate call scripts using the Questionnaire functionality
- Identifies calls that were not initially successful so a second attempt can be made
- Create call lists based on contacts in business relation and contacts table
- Distribute and administrate calls lists among callers
- Integration between call list and questionnaire module
- Integration between campaigns and call list
- Range of telemarketing reports

Appendix 5: Comparison between the functionality described in theory and the functionality described by the CRM vendors

Sales Force Automation

Sales Process/Activity Management

Functionality described by CRM vendors, without correspondence in theory.

- *Relations tab:* Overview of contact network, where subsidiaries and head quarters easily can be defined.
- *Project Function: D*efining of projects.
- *Quotations:* Generation of quotations.
- *Document Handling:* In the theory chapter treating Document Handling the functionality isn't described that thoroughly. When CRM vendors are describing Document Handling functionality the possibility to "free text search" is emphasized, as well as that tracking and logging of documents also involve e-mails, SMS messages, and phone calls. In theory, functionality for tracking and logging of documents is described under "Knowledge Management".
- *Access to information:* CRM vendors highlight that users should have easy access to financial key figures, sales orders, quotations, contact network, projects, mailings and documents belonging to each contact person or customer company. It is also pointed out that parts of information, if wanted, only should be available for specific users and that individual interfaces should be possible to create. In the theory chapter, access to information is also highlighted. However the possibility to restrict the accessibility for certain users, or creation of individual interfaces was not emphasized.
- *Automated Processes:* Defined workflow
- *Access to Internet and Intranets:* Integration with Internet and Intranets.

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Alarm Reminders:*
- *Duration of critical activities: A*nalysis of the sales process and estimate the duration of critical activities.

Sales & Territory Management

In the theory chapter the CRM functionality regarding Sales & Territory Management was mainly focused on managing the organization of the sales force. When CRM vendors are describing Sales & Territory Management more functionality regarding sales statistics and performance is described.

Functionality described by CRM vendors, without correspondence in theory.

- *Bonus & Commissions:* Managing of activities regarding Bonus & Commissions
- *Sales Quotations:* Managing of the quotation process. This includes using follow-up dates, validity dates and user-defined activities. It also involves making statistics on the quotation process.
- *Generation of sales budgets*
- *Present sales results graphically*

- *Reporting Capabilities:* Reporting capabilities within sales & marketing, where the reports can be sorted by category, region, department, team, or sales people.

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Team Profiles:* Building of team profiles by storing personal data about the individuals.

Contact Management

Functionality described by CRM vendors, without correspondence in theory.

- *Notes database and mail integration:* Integration with Notes database and mail. In theory integration with Microsoft Outlook as well as with similar products is mentioned.
- *Drag and drop files:* Functionality for drag and drop files from Windows Explorer and Microsoft Outlook into the CRM document system.
- *Storage of e-mail:* Storing e-mails directly as tasks in the CRM system.
- *Sending SMS:* Functionality for sending sms messages to individuals or groups.
- *Generating mailings:* Functionality for generating mailings based on database selections. I the theory chapter, the need for creating mailings is mentioned when describing “direct marketing” and “one-to-one marketing”.

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Contact behavioral characteristics:* Registration of contact behavioral characteristics that are associated with next contact step.

Lead Management

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Generation of next step:*

Pipeline Management

No differences between the functionality described in theory and by the CRM vendors.

Configuration Support:

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Configuration Support:* the CRM vendors do not mention functionality for calculation of product configuration and price. However, the CRM vendors have included this functionality in other modules such as e-businesses.

Knowledge Management

The knowledge management functionality described in theory, is by the CRM vendors described as a Marketing Encyclopedia. However, since the functionality described is about the same the term Knowledge Management may be used.

Functionality described by CRM vendors, without correspondence in theory.

- *Categorize the material:* Functionality for categorizing the material is not mentioned in theory.
- *Support web links, auto/video clips, presentations and graphical software:* Functionality for the repository to support web links, video clips, presentations and graphical software.

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Individual control & editing rights:*
- *History of modifications:* Registration when and by who the material was modified.

In theory, functionality for handling material stored in the repository is described when illustrating "Knowledge Management". In contrast, CRM vendors describe handling of material when illustrating functionality for "Document Handling". Thus, the functionality is emphasized both in theory and by CRM vendors.

Mobile CRM

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Customer access to the supplier system: The CRM suppliers include customer access to the supplier system when describing e-business solutions.*

Reporting Capabilities

Functionality described by CRM vendors, without correspondence in theory.

- *Define and save own search criteria:* Defining of own search criteria and save them for later searches.
- *Presentation of reports:* Reports can be presented in different ways, for example as lists, as cross tables or graphically.
- *Examples of reports:* Individual or company performance, Sales Forecasting, Segment profitability, Profitability of marketing investments, Number of support calls received (stored against customer type), Resource allocation, Purchase patterns of customers, Delivery patterns of supplier, Evaluate activities with customers against the profitability of the customer

Customer Service and Support

Computer Telephony Integration

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *CTI: CTI is mentioned by both CRM vendors and in theory. However, the vendors do not use the terms IVR and ACD.*

Contact Center Sales Support – Point-of-Sale

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Screen pop providing information:* Functionality for providing information via a screen pop, in order for the customer service representative to make the right judgment on when to offer what product.

Web-based Self-Service

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Web-based self-service*: The company provides possibilities for the customer to use a Web site in order to obtain information.

Call Scripting

No differences between the functionality described in theory and by the CRM vendors.

Field Service Automation

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Assigning of engineers:* In the theory chapter functionality regarding assigning of engineers is described. Having access to information about engineering skills, availability, workload, location and so forth facilitates the assigning. Functionality for assigning engineers is not mentioned by the CRM vendors, who just emphasize the importance of having fast and easy access the remote employees.
- *Access to instructions:* Access to instructions for problem solving.

Workforce Management

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Forecasting of contact volumes:*
- *Performance tracking:* Measuring of the performance of the customer contact center.
- *Combine findings from different contact centers:* Combining findings from different contact centers to a single report.

Customer Satisfaction Measurement

In theory, functionality for measuring customer satisfaction is about generating and managing questionnaires. By CRM vendors handling of questionnaires is mainly the same, apart form two features that are mentioned by the CRM vendors.

Functionality described by CRM vendors, without correspondence in theory.

- *Automatic logging of ID:* When answering a questionnaire using the web, the respondents ID is automatically logged.
- *Identify dependencies:* Identifying dependencies between questions and questionnaires.

Long-term Rental Agreements

The theory chapter doesn't include any functionality for handling rental agreements.

Functionality described by CRM vendors, without correspondence in theory.

- *Managing and following up on rental activities*

- *Handling of agreements (including financing of equipment and services)*

Service Agreements

The theory chapter doesn't include any functionality for handling of service agreements.

Functionality described by CRM vendors, without correspondence in theory.

- *Managing of service agreement flow:* from establishing, to invoicing of agreements
- *Defining and maintaining of different types of service agreements*
- *Processing of agreements: including* generating quotations, automatically invoicing of agreements in advance or in arrears, with periodic invoices flexibly defined in the agreement
- *Selection of right level of service to fulfill the commitments*

Service Order Processing

Functionality described by CRM vendors, without correspondence in theory.

- *Integration with service and warranty agreements*
- *Maintaining of optimal inventory levels*

Short-Term Rental Agreements

The theory chapter doesn't include any functionality for handling of short-term rental agreements.

Functionality described by CRM vendors, without correspondence in theory.

- *Managing of flow of rental, loan and demo equipment:* this include invoicing rental and additional charges
- *Enables monitoring of rentals, performed service and equipment availability:* this will thereby streamlining lead times, minimizing costs and optimizing the fleet

Marketing Automation

Direct Marketing & Target Marketing

There are no differences between the functionality described in theory and by the CRM vendors.

Campaign Management

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Define Workflows:* Defining of workflows, including schedule for the campaign. This enables specifying of costs and expected returns, testing of various scenarios depending on selection of customer segment, campaign schedule, and product offer.
- *Develop new campaigns based on previous campaign results:* Use the results from the analysis of the campaign to develop new campaigns.

Functionality described by CRM vendors, without correspondence in theory.

- *Generation of labels*
- *Automatic creation of follow-up activities with synchronization to MS Outlook*

- *Connection between campaigns and questionnaire, projects and web response*
- *Broadcast the campaign via e-mail, WEB, fax, letter, calls lists*
- *All common campaign reports available*
- *Monitor you ROI by linking the campaign to a project*
- *Tracking of direct marketing activities:* The CRM vendors also include functionality for tracking direct marketing activities, not only campaigns.

Cross-selling & Up-selling

CRM vendors do not describe and functionality for identifying who might respond positively to promotions concerning cross-selling and up-selling.

Analysis of Customer Data

Both CRM vendors and theory emphasize the importance of analyzing customer data.

Functionality described in theory, without correspondence in CRM systems provided by CRM vendors.

- *Visual tools for analyzing customer data*

Functionality described by CRM vendors, without correspondence in theory.

- *Analyses of supplier delivery patterns:* This functionality will not be included in the frame of reference since the study is limited to customer relationships .

Telemarketing/Telesales

Telemarketing functionality was not included in the theory chapter. However, “CTI” and “Call scripting” included in “Telemarketing” is described under “Customer Service & Support” in the theory chapter.

Appendix 6: CRM Functionality based on the revised frame of reference

Functionality	Information Storage
Marketing Automation	
Direct Marketing	
▪ Generating address lists	▪ Storage of addresses
▪ Integration with graphical templates	▪ Storage of graphical templates
Target Marketing	
▪ Marketing Segmentation	▪ The variables for segmentation is provided in appendix 2
▪ One-to-one marketing	▪ Store information on customer needs and interaction preferences
Campaign Management	
▪ Generation of a list with customer or prospect names and contact information corresponding to selected segment	▪ Store information about base of campaign (name and contact data), and information on mode of contact.
▪ Generate labels	
▪ Define workflows including schedule for the campaign.	▪ Storage of information regarding schedule of campaign.
▪ Specifying of costs and expected returns. Testing of various scenarios depending on selection of customer segment, campaign schedule, and product offer.	▪ Storage of information about campaign costs and expected returns
▪ Analysis of the result of performed campaign.	▪ Store information on results of performed campaign
▪ Use the result from the analysis of the campaign to develop new campaigns	
▪ Tracking of direct marketing activities & marketing campaigns	
▪ Automatic creation of follow-up activities with synchronization to MS Outlook	
▪ Connection between campaigns and questionnaire, projects and web response	
▪ Broadcast the campaign via e-mail, WEB, fax, letter, call lists	
▪ Generation of campaign reports	▪ Storage of campaign reports
Cross-selling & Up-selling	
▪ Identification of customers who might respond positively to promotions concerning cross-selling and up-selling	▪ Storage of information necessary in order to be able to offer the right products
Analysis of customer data	
▪ Managing analysis of customer data	▪ Profitability analysis, Propensity- to- buy analysis, Next sequential purchase, Product affinity analysis, Price elasticity modeling and dynamic pricing
▪ Visual tools for analyzing customer data	
Telemarketing/Telesales	
▪ Manage and execute telemarketing activities	▪ Storage of information regarding telemarketing activities

▪ Telemarketing window with all relevant information at your fingertips.	▪ Storage of information necessary in order to perform telemarketing
▪ Computer Telephone Integration (CTI) via TAPI	
▪ Full call logging that includes time, date, duration, caller etc	▪ Storage of information on time, date, duration, caller etc
▪ Generate call scripts	▪ Storage of call scripts
▪ Identifies calls that were not initially successful so a second attempt can be made	▪ Storage of information on calls that initially weren't successful
▪ Create call lists based on contacts in business relation and contacts table	▪ Storage information on contact data
▪ Distribute and administrate calls lists among callers	▪ Storage of call lists
▪ Integration between call list and questionnaire module	
▪ Integration between campaigns and call list	
▪ Range of telemarketing reports	▪ Storage of telemarketing reports

Sales Force Automation

Sales Process/Activity Management

▪ Organizing of sales activities	▪ Storage of planned and performed activities
▪ Calendar availability which allows planning of activities	
▪ Individual and organizational To-Do list	▪ Storage of information on To-Dos
▪ Project Function: Define projects	Storage of information on projects
▪ Easy access to information: sales orders, quotations, projects, activities, mailings and documents for the business relation/contact person	
▪ Limitation of information access: make parts of information available only to specific departments or users, and create individual interfaces	
▪ Analyze the sales process and estimate the duration of critical activities	▪ Storage of duration of critical activities
▪ Document Handling: Free-text search, tracking and logging of documents – including e-mails, SMS messages and phone calls	▪ Storage of documents
Automated Processes	
▪ Access to a central database allows a singular view of the customer	
▪ Alarm reminders	
▪ Generating Quotations	▪ Storage of quotations
▪ Integration with Internet & Intranets	

Sales & Territory Management

▪ Over View sales teams and their sales activities	▪ Access to information on sales activities
▪ Set up sales teams: link individuals to specific accounts, regions, and industries. Link specialists to specific sales teams	Store information on sales force performance
▪ Creates team profiles by storing personal data	▪ Store information on team profiles
▪ Evaluating Sales Force Performance: perform sales and cost analyses	▪ Store information on sales force performance
▪ Sales Analysis	▪ Store information on sales analyzes
Sales Results, presented graphically	Store information on sales results
▪ Create Sales Forecasts	▪ Store sales forecasts
▪ Create Sales Budgets	Store sales budgets
▪ Analysis of sales against budget	Store information on analysis of sales against budget
▪ Pipeline Management: Visualizes the current number of leads, prospects and so forth, per salesperson or the whole company	▪ Store number of leads, prospects and so forth. Store probability of closing.

▪ Managing of activities regarding bonus & commissions	▪ Store information on bonus & commissions
▪ Sales Quotation: Managing of quotation process. Tracking of quotation process by using follow-up dates, validity dates and user-defined activities. Make statistics of the quotation process	▪ Store information on follow-up dates, validity dates and user-defined activities, and information on statistics of quotation process
▪ Full range of reports within sales & marketing included. Reports available by category, region, department, team, or salesperson	▪ Store sales & marketing reports

Contact Management

▪ Organizing and managing data regarding a company's customer and prospect organization.	▪ Storage of data that covers people, contact data, information on position and organizational chart, business information, RFM (recency , frequency, monetary), profitability, satisfaction, retention, loyalty, activities & interactions, and storage documents related to the individual
▪ Integration with Microsoft Outlook, Lotus Notes or similar products.	
▪ Generate mailings based on database selections Relations Tab: Overview of contact network, where subsidiaries and head quarters easily can be defined.	Mailings Store information on headquarters, subsidiaries
▪ Send SMS messages to individuals or groups	SMS messages
▪ Storage of an e-mail as a task directly in the CRM system	
▪ Registration of contact behavioral characteristics that are associated with next contact step	▪ Storage of information regarding contact behavioral characteristics
▪ Drag and drop files, documents and e-mails from Windows Explorer and Microsoft Outlook into the CRM document system	

Lead Management

▪ Organize and manage data about leads	▪ Customer account history, Information about the lead, salesperson or sales team assigned, source of lead, the position in the sales process, potential of closing the deal, potential closing date, potential final result, product interest & preferences, discretionary budget, possible competitors and their level of threat, competitive product matrix, information on next step
▪ Tracking of customer account history	
▪ Distribution and Monitoring of leads	
▪ Generating next steps	
▪ Analysis capabilities: Analyze effectiveness of marketing activities, Analyze closing rates by tracking leads against orders, Analyze at what point in the sales process that leads are lost	

Configuration Support

▪ Automated calculation of product configuration and price	▪ Storage of information on prices and product data.

Knowledge Management

▪ Storing of company critical information	▪ Corporate policy handbooks, Sales representation slides, Company phone list, Proposal templates, Expense report forms, Regulatory standards and recent compliance reports, Historical sales and revenue reports, Partner and supplier meetings and executives briefings, Digitalized video of sales presentations or executive briefings, Industry and competitor data, News articles and press releases, Trade show and promotional event schedules, Thank you notes and other client correspondence
▪ Categorize sales and marketing materials for quick access ▪ Support of Web links, auto/video clips, presentations and graphical software ▪ Individual control and editing rights over documents	
▪ History of who has modified material, and when ▪ Search engine, allows finding documents by searching on a specific keyword ▪ Allows users to view various files and documents via a portal that unifies material that in fact exist at different places.	▪ Information on who has modified material

Mobile CRM

▪ Access to single server via Web-browser or thin client	
▪ Data Synchronization, enables working off-line ▪ Access to database from handheld devices (PDA, cell phones, web phones, tabled PCs and so forth.	
▪ The customer may interact with the suppliers systems	▪ Access to information on status on complaints, delivery date, placed orders

Reporting Capabilities

▪ Reporting tools that pull information from different sources in the data repository, depending on the purpose of the report. The reports can be presented as lists, cross tables or graphically	▪ Examples of reports: Individual or company performance, Sales Forecasting, Segment profitability, Profitability of marketing investments, Number of support calls received(stored against customer type), Purchase patterns of customers, Evaluate activities with customers against the profitability of the customer
▪ Reporting tools where you can define your own search criteria and save them for later searches	

Customer Service and Support

Managing the service process

▪ Tracking, monitoring and measuring of customer service	▪ Storage of information on service performed, on measurements of service, and on how the customer prefers to interact with the company
▪ Integration with service and warranty agreements ▪ Maintaining of optimal inventory levels	▪ Service and warranty agreements ▪ Inventory levels

Computer Telephony Integration (CTI)

▪ Combining telephone systems with computer technology	

▪ Automatically Call Distribution (ACD): Mapping of the incoming phone number to a specific customer profile, which enables prioritizing certain customers as well as proper transference of the call. Caller identification and guidance to the right operator	
▪ Interactive Voice Response (IVR): Routing based on a customer's response to a question typed on her telephone keypad.	

Call Scripting

▪ Situational scripts for guidance in the customer dialog	▪ Storage of situational scripts
▪ Different scripts available for different types of customers	

Customer Service & Support: Point-of-Sale

▪ Access to the customer database: in order to make the right judgment on when to offer what product	▪ Storage of Information needed to make the right judgment on when to offer what product
▪ Necessary information provided via a “screen pop”	▪ Storage of information provided in "Screen-pop"

Web-based Self Service

▪ Access company information	▪ Store information on company data
▪ Tracking of orders	▪ Store information on customer orders
▪ Access to electronic brochures or catalogues	Store brochures & catalogues
▪ Access to product databases	▪ Store information on products & prices
▪ On-line chat rooms	
▪ Access to complaint pages	▪ Store information on complaints from customers
▪ e-mail help-desks	
▪ Complete satisfaction questionnaires	▪ Store information from satisfaction questionnaires
▪ Personalized Web Sites with "cyber agents" who make recommendations based on the customer's preferences	▪ Store information on customer preferences

Workforce Management

▪ Staff Planning (optimizing of staff around busy periods, different communication channels, & customer profile)	▪ Store information on staff planning
▪ Employee scheduling based on skills and preferred work hours	▪ Storage of information on employee skills and preferred work hours
▪ Forecasting of contact volumes	▪ Store information on forecasts on contact volumes
▪ Performance tracking by customer value, customer satisfaction, priority level, or other factors	▪ Storage of information on performance
▪ Combine findings from different contact centers to a single report	▪ Storage of report on results from contact centers

Customer Satisfaction Measurement

▪ Questionnaires measuring customer satisfaction can be distributed via mail	
▪ Personalized questionnaires	▪ Storage of questionnaires
▪ Questionnaire responses are stored in a central database and added to the customer profile	▪ Storage of information of questionnaire responses
▪ Questionnaires provided on the company Web site	
▪ When answering a questionnaire, the respondent’s user ID is automatically logged so there is no need to login to respond	

▪ Identify dependencies between questions in questionnaire	▪ Storage of information on dependencies between questions in questionnaire
Field Service	
▪ Service engineers are assigned to each problem depending on their skills, availability, workload, and geography	▪ Storage of data that covers service engineers' skills, availability, workload, skills
▪ Fast communication between remote staff and service staff	
▪ Access to instructions for problem solving	▪ Storage of instructions for problem solving
▪ Registration of customer communication	▪ Storage of data covering communication with customers
Long-Term Rental Agreements	
▪ Managing and following up on rental activities	
▪ Handling of agreements: including financing of equipment and services in a total solution	
Service Agreements	
▪ Service agreement workflow, from establishing, to invoicing of agreements	
▪ Defining and maintaining of different types of service agreements	
▪ Processing of agreements: generating quotations, automatically invoicing agreements in advance or in areas, with periodic invoices flexibly defined in the agreement	
▪ Selection of right level of service to fulfill the commitments	
Short-Term Rental Agreements	
▪ Managing of flow of rental, loan and demo equipment. Including invoicing rental and additional charges	
▪ Monitoring of rentals, performed service and equipment availability, thereby streamlining lead times, minimizing costs and optimizing the fleet	

Appendix 7: Interview Guides

Interview Guide English Version, Company A

This interview guide was used during the first interview at Company A.

I General Questions

1. What is your name and what is your position at the company?
2. Within what industry is the company operating?
3. How would you like to describe the company and its activities?
4. What is the number of employees?
5. Could you describe the business concept?
6. Could you describe the company vision?
7. Could you describe the company goals?
8. Could you describe the company strategies?
9. Could you describe the organizational structure?
10. What target group is the company aiming at?

II. Relationship Marketing

1. What is your company view on relationship marketing?
2. Could you describe your relationships with your customers?
3. In what way is the company striving to create a “win-win situation”, where the goal is to create value for the company as well as for the customers?
4. At which functions in the company do customer interaction take place?
5. How do your customers react on price changes?
6. Do you focus on “quality of output”, what the customer receives, or on “quality of interaction”, how the customer perceives the interaction?
7. Are your customers active, do they use to initiate changes and improvements?
8. How do you measure customer satisfaction?
9. How do you gather customer data and then how do you use that information?
10. Is the marketing function totally responsible for the marketing or are other functions also involved in taking care of customers?
11. How do you perform internal marketing?

III. Need for Customer Relationship Management (CRM)

1. Why do your company need to apply CRM?
2. How do you establish close relationships with your customers?
3. Do you accumulate a lot of customer data when doing business?
4. Do you customers have differentiated or identical needs?
5. How large is your customer turnover?

IV: Business Process Analysis

1. What business processes are identified in the company?
2. Could you briefly describe the company from a process-oriented view that demonstrates the existing workflows in the organization?
3. What processes are most important to your company?
4. What processes involves a lot of customer interaction points?
5. Could you describe the steps included in the sales process?

V. CRM

1. Could you briefly describe the company's view on CRM?
2. When did you start working with CRM?
3. In what way are your business processes adapted to the CRM approach?
4. Could you briefly describe how you are working with CRM today?
5. What CRM requirements do your company have?
6. What modules in Jeeves and other systems are comprised in the CRM solution?
7. What CRM requirements do Jeeves or other systems satisfy?
    - What functionality does it imply?
8. What CRM requirements do Jeeves or other systems not satisfy?
    - What functionality should those needs require?
9. What business processes does the CRM system support?
10. What business processes does the CRM system not support?
11. What customer interaction points do Jeeves or other systems support?
12. What customer interaction points do Jeeves or other systems not support?
13. What CRM requirements are most important to support with a CRM system?
14. What analyses are made with support from Jeeves or other systems?
15. How do your customers communicate with the employees at your company?
16. What adaptations have you made of Jeeves CRM solution?
17. How many employees are using the CRM system?
18. What departments are using the CRM system?
19. What functions do the different departments use?
20. What customer information do the different users access?

One View

21. How are you working in order to create a singular view of the customer?
22. How are you working in order to present a singular view of your company to your customers?

Interview Guide, Company A, Second Interview Occasion

This interview guide was used during the second interview at Company A. It only served as a support for the interrogator, and was never demonstrated for the respondents.

Questions regarding CRM requirements & need for CRM functionality

The first part of the interview:

1. What CRM requirements does the company have?
2. What CRM functionality can meet those CRM requirements?
3. What CRM functionality would the company like to invest in?
4. What CRM functionality is considered as most important for the company?

The second part of the interview:

5. In what way could the company improve their way of working in the sales process for the marine export market, in order to better use the benefits with a CRM system?
6. What are the CRM requirements in the different steps in the sales process?
7. What CRM functionality can meet those CRM requirement?
8. What information is recorded in the different steps in the sales process?
9. What steps in the sales process would you like to automate?
10. What is the need for performing analysis?

II. CRM Functionality

The questions regarding CRM requirements and need for CRM functionality are grouped after the different categories of CRM functionality.

SALES FORCE AUTOMATION

Sales Process/Activity Management

1. What are the CRM requirements when managing sales activities?
2. What are the needs of Sales Process/Activity management functionality?
    a. What functionality is needed to organize the activities in and between the different business areas?
    b. What is the need for calendar synchronization between the CRM system and Outlook?
    c. What documents needs to be accessible during the sales process?
    d. What information should be available for different departments and people in the company?
    e. How would the different departments like to access information?
    f. What information should the customer have access to?
    g. What kinds of reports are needed when managing sales activities?

Sales & Territory Management

1. What are the CRM requirements for sales and territory management?
2. What are the needs of Sales & Territory Management functionality?
    a. What information and functionality is needed by management when organizing and over viewing the sales force?
    b. What information is needed when analyzing sales force performance?
    c. What functionality is needed when managing bonus and commissions?
    d. What functionality is needed for managing the quotation process?
    e. What analysis of the quotation process is needed?
    f. What types of forecasts are performed by the company?
    g. What are the needs of graphical tools to visualize sales results?
    h. When is there a need for information on sales statistics?
    i. What sales & marketing reports are needed?

Pipeline Management

1. What are the CRM requirements when managing the sales pipeline?
2. What are the needs of Pipeline Management functionality?
    a. In what way would the company like to split up the sales pipeline?
    b. What terms are used for giving the potential customer a status in the sales process?

c. How would the company like to visualize the sales pipeline?
d. When is there a need to overview the sales pipeline?

Field Service
1. What are the CRM requirements for managing Field Service?
2. What are the needs of Field Service functionality?
   a. What information is needed for assigning service engineers?
   b. What is the need of field service functionality for providing field service engineers with instructions for problem solving?

Contact Management
During the previous interview we discussed the need of storing details about the customer, the business and information about contacts made.

1. Are there any additional needs of contact management functionality?
   a. What are the need of integration between Microsoft Outlook and the CRM system?
   b. What database selections would the company like to base their mailings on?
   c. What kinds of reports are needed when managing contact data?

Configuration Support
1. What is the need for automated calculation of product configuration and price?

MARKETING MANAGMENET
Campaign Management
1. What is the CRM requirement for managing campaigns?
2. What is the need for campaign management functionality?
   a. What variables would the company like to base the campaigns on?
   b. Is there a need for functionality used to specify costs and expected returns of campaigns?
   c. What are the need for campaign analyses and reports?

Telemarketing
1. What is the need of performing telemarketing?
2. What Telemarketing functionality is needed to perform telemarketing?
   a. What is the need for CTI when performing telemarketing activities?
   b. What information does the sales representative need to register when calling someone?
   c. What are the needs for call scripts?
   d. What are the needs of creating a call list based on contact information?
   e. What are the needs of integration between campaigns and call list?

III. Sales Process, Marine Export Market

This section includes examples on CRM functionality that could be useful at the different steps in the sales process. The purpose is that it will serve as a guide for the interrogator when discussing the company need for CRM functionality.

Step: Build Prospect Profile
CRM Functionality: Target Marketing

1. What are the needs of Target Marketing functionality when building a prospect profile?

CRM Functionality: Sales Management

1. *What information regarding sales is needed by management in order to build the prospect profile?*

Step: Build Prospect List

CRM Functionality: Lead Management

1. *In what way does the company like to build prospect lists?*
2. *At what point is the lead recorded in the CRM system?*
3. *What is the need for recording the source of the lead in order to measure the result of marketing activities?*
4. *What situation, activity, can automatically generate a next step in the sales process?*
5. When is there a need to analyze the potential of closing the deal?

Step: Planning of the first contact with the prospect

CRM Functionality: Contact Management

Step: Gaining access to prospect

CRM Functionality: Contact Management

1. Is there a need for automatic generation of next steps, depending on the prospect response?

Step: Need Specification

CRM Functionality: Sales & Process Management: Document Handling

1. What is the need for attaching the CIB (Customer Information Base) document to the customer profile in Jeeves by using Document Handling?

Step: Preparation of Presentation

CRM Functionality: Knowledge Management

1. What are the needs for Knowledge Management functionality?
   a. In what way could this marketing and sales material be categorized?
   b. Who has the right to edit marketing & sales material

Step: Prospect Visit

CRM Functionality: Contact Management

1. Does the export manager need a report with contact data and information about earlier communication with the prospect when visiting the distributor?

CRM Functionality: Mobile CRM

1. What are the needs of Mobile CRM?

Step: Evaluation of Prospect

CRM Functionality: Document Handling

1. What information, documents & reports, are needed when evaluation the customer?

CRM Functionality: Sales Management
1. What are need for information regarding sales when evaluating a prospect?

CRM Functionality: Reporting Capabilities
1. What are the needs of writing a report from the prospect evaluation meeting?

Step: Closing
CRM Functionality: Contact Management
1. What is the need for recording information about the decision?

Step: Approval from customer
CRM Functionality: Document Handling
1. Is there a need for access to the contract established with the customer?

Step: Preparation of the Marketing Kit
CRM Functionality: Knowledge Management
1. What are the needs for Knowledge Management when preparing the marketing kit?

Step: Customer Training
CRM Functionality: Contact Management
1. What are the needs of storing information concerning the training with customers?

CRM Functionality: Mobile CRM
1. What is the need for accessibility to the CRM system when performing trainings of customers?

Step: Meeting with Dealers
CRM Functionality: Contact Management
1. What are the needs of storing information concerning the meeting with dealers?

CRM Functionality: Mobile CRM
1. Is there a need for accessibility to the CRM system when performing trainings of customers?

Step: Follow-Up
CRM Functionality: Customer Satisfaction Measurement
1. What are the needs for measuring of customer satisfaction?
2. How can the measurement of customer satisfaction be managed?
3. What are the needs of making a report based on the result from the measurement of customer satisfaction?

CRM Functionality: Cross-selling & Up-selling
1. How do you identify customers that might respond positively to promotions concerning cross-selling or up-selling?

CRM Functionality: Analysis of Customer Data
1. What are the need to perform analyses of customer data?

Sub Step to Follow-up: Customer Service & Support

CRM Functionality: Computer Telephony Integration

1. What is the need to use CTI when handling customer service and support?

CRM Functionality: Contact Management

1. Does the customer service representatives need to register information about complaints in the customer profile in the CRM system?

CRM Functionality: Web-based Self Service

1. What are the needs of using the Web site for managing customer complaints?
2. What are the needs for having functionality that enables the customer to track orders on the Web site?

CRM Functionality: Contact Center Sales Support – Point-of-Sale

1. Would you like the Customer service and support to function more like a point of sale?
2. What information does the customer service representative need to access in order to be able to offer new products?

CRM Functionality: Service Order Processing

1. What are the needs for managing and following up on service on products?
2. What are the needs when handling service calls?
3. What are the needs for easy access to service agreements when processing service orders?
4. What kind of reports, based on the results from the statistical analyses of errors, are needed?

CRM Functionality: Service Agreements Management

1. What are the needs of functionality for managing service agreements, from establishing to invoicing of agreements?
2. *What are the needs of functionality for defining and maintaining different types of service agreements?*

Interview Guide, Company A, Respondent D

This interview guide was used during the telephone interview with respondent D at Company A.

I. Säljprocessen

1. Vad heter ni och vilken är er befattning/titel på företaget?
2. Vilka steg ingår i säljprocessen för exportmarknaden marin?
3. Hur vill ni beskriva de aktiviteter som ingår i respektive steg i säljprocessen?

II. CRM

4. Vad har ert företag för CRM behov i de olika stegen i säljprocessen?’
5. Hur skulle användandet av CRM funktionalitet kunna tillfredsställa dessa behov?

Interview Guide, Company A, Respondent E

This interview guide was used during the telephone interview with respondent E at Company A.

I. Service Activities

1. Vad heter ni och vilken är er befattning/titel på företaget?
2. Hur vill ni beskriva de aktiviteter som utförs på serviceavdelningen?

II. CRM

3. Vad har ert företag för CRM behov vid dessa aktiviteter?
4. Hur skulle användandet av CRM funktionalitet kunna tillfredsställa dessa behov?

Interview Guide Swedish Version, Company B

This interview guide was used during the first interview at Company B.

I. Generella Frågor

1. Vad heter ni och vilken är er befattning/titel på företaget?
2. Vilken bransch tillhör företaget?
3. Hur vill du beskriva företagets verksamhet?
4. Hur många anställda har företaget?
5. Hur vill du beskriva företagets affärsidé?
6. Hur vill du beskriva företagets vision?
7. Hur vill du beskriva företagets mål?
8. Hur vill du beskriva företagets strategi?
9. Hur vill du beskriva företagets organisationsstruktur?
10. Vilka kunder riktar ni er mot?

II. Relationsmarkandsföring

1. Vad är ert företags syn på relationsmarknadsföring?
2. Kan ni beskriva era relationer med era kunder?
3. Strävar ni efter att skapa en ”win-win” situation med era kunder, där ni skapar värde för båda parter?
4. Inom vilka delar av företaget sker betydelsefull kundkontakt?
5. Hur reagerar era kunder på prisförändringar?
6. Fokuserar ni på “quality of output”, vad kunden får, eller på “quality of interactions”, hur kunden uppfattar interaktionen med företaget?
7. Är era kunder aktiva, brukar de initiera förändringar och förbättringar?
8. Hur mäter ni hur nöjda era kunder är?
9. Hur lagrar ni kunddata?
    a) Hur tar ni sedan till vara på den informationen?
10. Sköts marknadsföringen endast av marknadsavdelningen eller är hela företaget involverat i att ge en enhetlig bild av företaget till kunden?
11. Hur bedriver ni intern marknadsföring på företaget?

III. Behov av Customer Relationship Management (CRM)

1. Varför har ni behov av att bedriva CRM?
2. Hur skapar ni nära relationer med era kunder?
3. Vilken information om kunden får ni tillgång till vid en affär?

4. Har era kunder differentierade eller likartade behov?
5. Hur stor är er omsättning av kunder?

IV. Processanalys

1. Vilka processer har ni i företagets verksamhet?
2. Kan ni beskriva er verksamhet på ett processorienterat sätt?
3. Vilka är företagets viktigaste processer?
4. Vilka processer innehåller många kontaktpunkter med kund?
5. Kan ni beskriva vilka steg som ingår i er säljprocess?
6. Hur vill ni beskriva de aktiviteter som ingår i respektive steg i säljprocessen?

V. CRM

1. Hur vill du beskriva vad CRM innebär?
2. När började ni arbeta med CRM?
3. Hur är företagets processer och arbetssätt anpassat till ett CRM tänk?
4. Hur arbetar ni med CRM idag?
5. Vilka CRM behov har företaget?
6. Vilka moduler i Jeeves och andra system omfattas av CRM lösningen?
7. Vilka av företagets CRM behov tillfredsställs med Jeeves CRM system?
    a. Vilken CRM funktionalitet innebär detta?
8. Vilka av företagets CRM behov tillfredsställs inte med Jeeves CRM system?
    a. Vilken CRM funktionalitet skulle dessa behov kräva?
9. Vilka av företagets processer och tillhörande aktiviteter stöds av CRM systemet?
10. Vilka av företagets processer och tillhörande aktiviteter stöds inte av CRM systemet?
11. Vilka av företagets kontaktpunkter med kund stöds av CRM systemet?
12. Vilka av företagets kontaktpunkter med kund stöds inte av CRM systemet?
13. Vilka CRM behov är det viktigast att CRM systemet tillfredsställer?
14. Vilka analyser görs med hjälp av CRM systemet?
15. Hur kommunicerar kunden med företaget?
16. Vilka egna anpassningar har ni gjort av Jeeves CRM lösning?
17. Hur många användare har CRM systemet?
18. Vilka avdelningar på företaget använder CRM systemet?
19. Vilka funktioner i CRM systemet använder respektive avdelning?
20. Vilken information om kunden har de olika användarna tillgång till?

One View

21. Hur arbetar ni för att skapa en enhetlig bild, ”one view”, av kunden?
22. Hur arbetar ni för att ge kunden en enhetlig bild av ert företag?

Interview Guide, Company B, Second Interview Occasion

This interview guide was used during the second interview at Company B. It only served as a support for the interrogator, and was never demonstrated for the respondents.

I. Frågor om CRM behov och CRM funktionalitet

1. Hur skulle företagets arbetssätt kunna utvecklas för att bättre nyttja fördelarna med ett CRM system?

2. Vad har ert företag för CRM behov i de olika stegen i säljprocessen?'
3. Hur skulle användandet av CRM funktionalitet kunna tillfredsställa dessa behov?
4. Vilken CRM funktionalitet skulle ni vara beredd att investera i?
5. Vilken CRM funktionalitet anser ni att företaget har störst behov av?
6. Vilken information registreras i de olika processtegen?
7. Vilka steg i säljprocessen skulle du vilja automatisera?
8. Vilka analyser gör, samt skulle företaget vilja göra?

II. CRM funktionalitet

Här presenteras förslag på CRM funktionalitet som kan vara lämplig att använda i de olika processtegen. Detta skall fungera som en vägledning för att diskutera företagets behov av CRM funktionalitet.

CRM funktionalitet som behövs vid många olika aktiviteter i säljprocessen

- CRM Functionality: Sales Process/Activity Management
    - Organizing activities
      Vilka aktiviteter vill ni rapportera tid på?
      Vilka aktiviteter vill ni automatisera?
    - To-do list
    - Calendar Synchronization
    - Analyze sales process
    - Alarm reminders
    - Integration with Internet & Intranets
    - Document Handling
      Vilka dokument vill ni ha tillgång till?

CRM funktionalitet som behövs i säljprocessen

<u>Step: Build Prospect Profile</u>

- CRM Functionality: Target Marketing
    - Market Segmentation: Divide the market into specific groups of customers, which by the company then can be treated in different ways.
      Vilka variabler vill företaget segmentera efter?
      Efter vilka faktorer vill företaget kunna göra grupperingar, utsökningar?
- CRM Functionality: Sales Management
    - Sales Forecasts
      Vilka typer av prognoser gör företaget?
    - Sales Budgets
    - Sales Statistics
    - Visualize sales statistics graphically
      Har ni några önskemål på grafiska verktyg för att demonstrera säljstatistik?
      I vilka stadier görs analyser av säljstatistik?

<u>Step: Decide Base of Campaign?</u>

- CRM Functionality: Contact Management
    - Organizing of data about leads, prospects, customers and so forth.
- CRM Functionality: Campaign Management
    - Create a list with selected prospect names & contact information

  - Define schedule for the campaign (specifying of costs and returns, testing of various scenarios depending on selected segment and campaign schedule)
  - Analyze Campaign Results
  - Use the campaign result to develop new campaign
- CRM Functionality: Sales Management
  - Sales Forecasts
  - Sales Budgets
  - Sales Statistics
  - Visualize sales statistics graphically
    Vilken data avgör huruvida en kampanj skall genomföras eller inte?
- CRM Functionality: Reporting Capabilities
  - Access to reports about sales results
    Vilka rapporter behöver ni tillgång till för att avgöra om en kampanj skall genomföras eller ej?
- CRM Functionality: Analyses of customer data
  What analyses can influence decisions regarding the campaign?
- CRM Functionality: Pipeline Management
  - Visualizes the current number of leads, prospects and so forth, per sales person or whole company.

<u>Step: Build Prospect List & Qualifying Prospects</u>

- CRM Functionality: Lead Management
  - Generate list of prospects
    Vilka källor till ”leads” har företaget?
  - Store ”Source of Lead”
  - Store information about leads
  - Analyze potential of closing the deal
    När analyseras sannolikheten till avslut?
  - Generation of next step
    Vilka situationer kan automatiskt generera ett nästa steg? (exempelvis kampanjutskick)

Hur benämner företaget statusen på sina kunder? Vilka termer använder ni och när? Vilka kriterier kvalificerar ni era ”prospects” efter?

- CRM Functionality: Pipeline Management
  - Visualizes the current number of leads, prospects and so forth, per sales person or whole company.
    När vill ni kunna analysera säljprocessen?

<u>Step: Assign Project Seller</u>

- CRM Functionality: Sales & Territory Management
  - Oversee sales teams and their sales activities
  - Link sales people to prospect
    Vilken data avgör vilken projektsäljare som väljs?
  - Access to information about the sales people is required (skills, workload…)
  - Sales Force evaluation: tracking of activities and sales results
  - Sales Statistics

- Focus of resources on the right things

Step: Pre-call Planning

- CRM Functionality: Contact Management
  - Specify contact data
  - Specify goals, information needed from prospect & what you would like to say to the prospect
  - Store information about contacts made
  - Store information about contact behavior characteristics associated with next contact step
  - Outlook Integration
  - Save e-mail as a task
    När vill Roxx Media spara ett e-mail som en händelse, på en kontaktperson osv?

Step: Call Prospect

- CRM Functionality: Telemarketing
  - CTI
  - Logging of time, date, duration, caller and so forth
  - Call Scripts
  - Identifies call that were not initially successful
  - Create call list based on contact information
  - Integration between campaign and call list

Step: Prospect Visit

- CRM Functionality: Contact Management
  Vilket behov har projektsäljaren av att skriva ut en rapport med kontaktuppgifter samt information över tidigare kontakter?
- CRM Functionality: Knowledge Management
  - Common repository for all marketing and sales material
  - Categorize sales & marketing material for fast access
  - Individual control and editing rights over documents
  - History of who has modified material, and when
  - Track competitor information and trends by launching competitor websites
- CRM Functionality: Mobile CRM
  - Data Synchronization
  - Access to the database form any location with a telephone connection
  - PDA Synchronization

Step: Contact Report

- CRM Functionality: Sales Process/Activity Management
  - Document Handling
  - Generation of offers
- CRM Functionality: Reporting Capabilities

Step: Call Supplier

- CRM Functionality: CTI (Computer Telephone Integration) & ACD (Automatic Call Distribution)
  - Combining of telephone systems with computer technology

  - Automatic Call Routing to the first available operator
  - Caller identification and guidance to the right seller
  - Mapping of incoming number to a specific customer profile
- CRM Functionality: Contact Management
  - Store data about the supplier
- CRM Functionality: Sales Management
  - Sales Statistics

Step: Quotation
- CRM Functionality: Sales Management
  - Managing of Quotation Process: Follow-up dates and user-defined activities
- CRM Functionality: Pipeline Management
  - Overview of the number of offers made

CRM funktionalitet som behövs i produktionsprocessen
Step: Follow-Up
- CRM Functionality: Customer Satisfaction Measurement
  - Generation of questionnaires
  - Distribution of questionnaires
  - Questionnaires provided on Web site
  - Storing of questionnaires responses
    Hur skulle företaget vilja nyttja informationen som fås av uppföljningen?
- CRM Functionality: Reporting Capabilities
- CRM Functionality: Sales Management
  - Bonus & Commissions
- CRM Functionality: Analysis of Customer Data
  - Analyses made bases on collected customer data

Interview Guide, Retailer Case

This interview guide was used during the personal interview with retailer Jan Stenberg.

I. Generella Frågor

1. Vad heter ni?
2. Vilken är er erfarenhet av CRM system?

II. Zone Systems

1. Vilken bransch tillhör företaget?
2. Hur vill du beskriva företagets verksamhet?
3. Hur många anställda har företaget?
4. Hur vill du beskriva företagets affärsidé?
5. Hur vill du beskriva företagets vision?
6. Hur vill du beskriva företagets mål?
7. Hur vill du beskriva företagets strategi?
8. Hur vill du beskriva företagets organisationsstruktur?
9. Vilka kunder riktar ni er mot?
10. Kan ni beskriva era relationer med era kunder?

II. CRM vid Zone Systems

1. När började Zone Systems arbeta med CRM?
2. Hur är företagets processer och arbetssätt anpassat till ett CRM tänk?
3. Hur arbetar Zone Systems med CRM idag?
4. Vilka CRM behov har företaget?
5. Vilka moduler i Jeeves och andra system omfattas av CRM lösningen?
6. Vilka av företagets CRM behov tillfredsställs med Jeeves CRM system?
    a. Vilken CRM funktionalitet innebär detta?
7. Vilka av företagets CRM behov tillfredsställs inte med Jeeves CRM system?
    a. Vilken CRM funktionalitet skulle dessa behov kräva?
8. Vilka av företagets processer och tillhörande aktiviteter stöds av CRM systemet?
9. Vilka av företagets processer och tillhörande aktiviteter stöds inte av CRM systemet?
10. Vilka av företagets kontaktpunkter med kund stöds av CRM systemet?
11. Vilka av företagets kontaktpunkter med kund stöds inte av CRM systemet?
12. Vilka CRM behov är det viktigast att CRM systemet tillfredsställer?
13. Vilka analyser görs med hjälp av CRM systemet?
14. Hur kommunicerar kunden med företaget?
15. Vilka egna anpassningar har Zone Systems gjort av Jeeves CRM lösning?
16. Hur många användare har CRM systemet?
17. Vilka avdelningar på företaget använder CRM systemet?
18. Vilka funktioner i CRM systemet använder respektive avdelning?
19. Vilken information om kunden har de olika användarna tillgång till?

One View

20. Hur arbetar företaget för att skapa en enhetlig bild, ”one view”, av kunden?
21. Hur arbetar Zone Systems för att ge kunden en enhetlig bild av företaget?

III. Generellt om CRM funktionalitet

1. Vilka funktioner bör finnas i ett CRM system?
2. Vilka av dessa funktioner är viktigast?
3. Vilken funktionalitet saknas i Jeeves CRM lösning?
4. Vilka förbättringar av Jeeves CRM lösning bör genomföras?

Interview Guide, Retailer Case

This interview guide was used for the interview with the retailer Pär Heed, performed by using e-mail.

I. Frågor

1. Vad heter ni?
2. Vilken är er erfarenhet av CRM system?

II. CRM funktionalitet

1. Vilken funktioner bör finnas i ett CRM system?
2. Vilka av dessa funktioner är viktigast?
3. Vilken funktionalitet saknas i Jeeves CRM lösning?
4. Vilka förbättringar av Jeeves CRM lösning bör genomföras?

Structure of Interview Guides

Interview Guide 1: First interview at Company A and Company B

General Questions
The first interviews with Company A and Company B were opened with general questions about the companies. The advantage with starting the interview with a neutral and light topic is that the respondent feel comfortable about the situation, which increases the chances that the interrogator can maintain the respondents cooperation throughout the interview. The questions are related to research question number two, since the data is necessary in order to understand their CRM requirements. The data collected about the company is also necessary in order to appraise whether the companies are suitable as study objects.

Relationship Marketing
The questions regarding the companies marketing approach are related to research questions number two and three, since the data is necessary to understand the CRM requirements and need for CRM functionality. In addition its used to ensure that the companies are suitable study objects.

Need for CRM
The questions regarding the companies need for CRM are used to ensure that the companies are suitable as study objects.

Business Process Analysis
The questions regarding the companies' process-oriented view is related to research question number one, " How can CRM be described?". The questions regarding business processes are needed to identifies the CRM requirements and are consequently related to research question number two and four.

CRM and CRM systems
The questions regarding the CRM approach are related to research question number one. The first interview also included questions regarding CRM requirements and CRM functionality. This in order to get a general picture about theses issues and use that information to develop the right questions for the next interview, where more detailed data was collected. Consequently, the questions regarding the use of a CRM system are related to research questions number two, three and four.

Interview Guide 2: Second interview at Company A and Company B

CRM requirements and need for CRM functionality

The questions asked during the second interview are related to research question number two, three, and four, since they involve CRM requirements and CRM functionality. However, the interview guides differ between the two companies. The prime reason is that at Company B the identification of CRM requirements and need for CRM functionality is related to the sales process, while at Company A the respondent preferred not to perform the discussion on the basis of the sales process. Consequently, at Company A the interview was opened by discussing requirements and functionality and then it ended with questions regarding the needs in the sales process. Another reason to why the questions differ is the time limitations for this

study. It was impossible to ask questions regarding every function included in the theoretical frame work. Thereby, the questions developed are based on my understanding of what might be needed by the companies.

Interview Guide 4: Interview at Company A, respondent D

Sales Process
The questions regarding the sales process are related to research question number two and four, since the data is needed when identifying the CRM requirements and when analyzing the design of a CRM system.

CRM
The questions regarding CRM requirements and CRM functionality is related to research question number two, three, and four.

Interview Guide 5: Interview at Company A, respondent E

Service Activities
The questions asked are needed to identify the sales process, and consequently they are related to research question number two and four.

CRM
The questions regarding CRM requirements and CRM functionality is related to research question number two, three, and four.

Interview Guide 6: Interview with Retailer Jan Stenberg

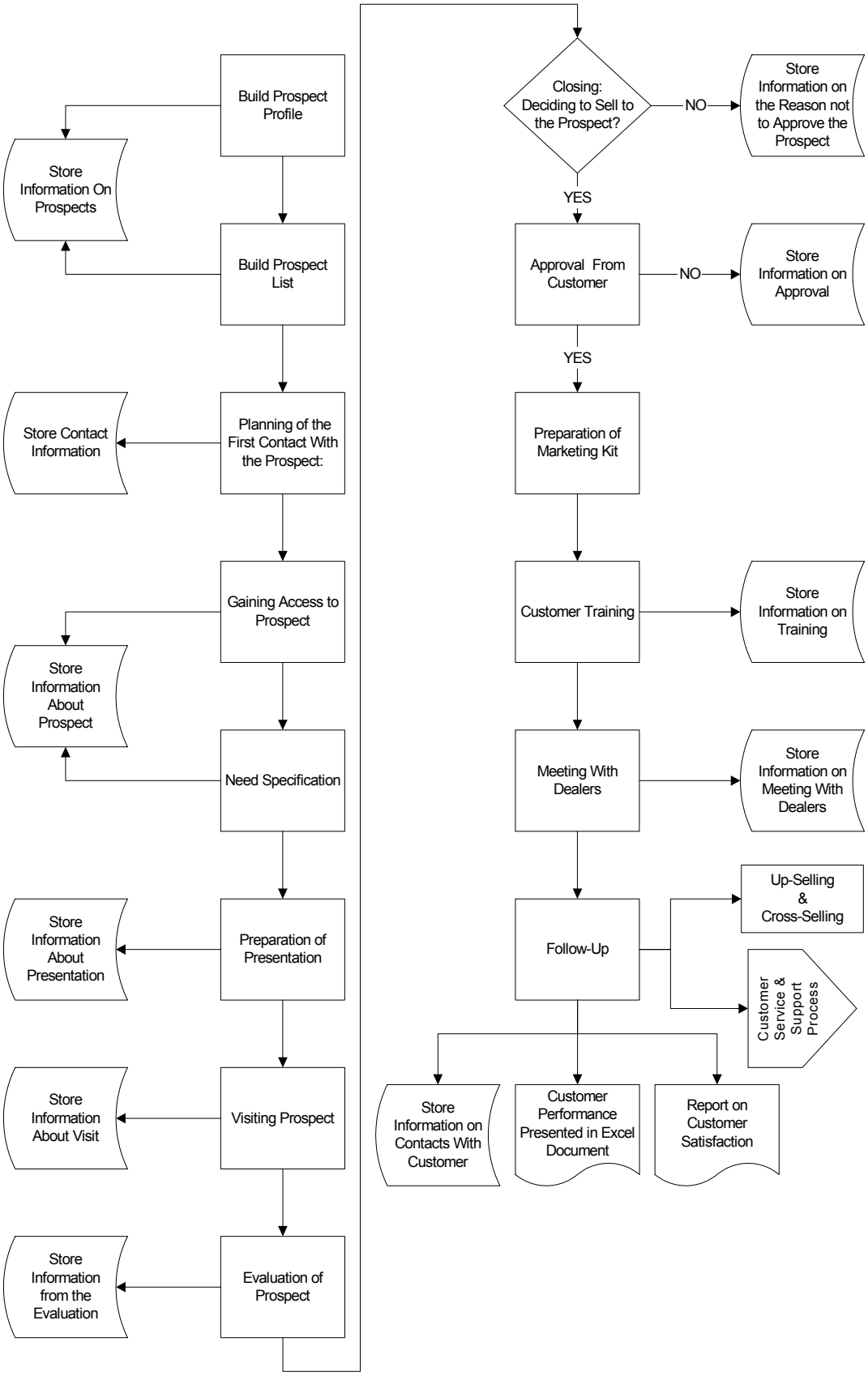
Zone Systems
The interview was opened with general questions about the company, which are related to research question number two and three. This since the data collected is needed in order to understand the company's CRM requirements and need for CRM functionality.

CRM at Zone Systems and general questions regarding CRM functionality
The questions are related to research question number two, three and four, since they include collection of data regarding CRM requirements and CRM functionality.

Interview Guide 7: Interview with Retailer Pär Heed

CRM functionality
The questions are related to research question number three and four, since they involve collection of data regarding CRM functionality.

Appendix 8: Sales Process Company A: Marine Export Market



Appendix 9: Company B, Customer Information Base

Representation

National Distributor for Territory	▪ State Company A's Product Groups
Organization Chart	▪ Position, Name
Total Employees	▪ Name on Important Contact, Position, Contact Data, Age, Specials
Sales Organization	
Type of Premises	
Total Company Turnover	
Financial Year Starting From	▪ Date
Member of Organization	▪ Personally or with the Company
Information about Premises	▪ Opening Hours, Dress Practice at Office
Information about Location	▪ Position Lat/Lon, Connection Possibilities, Hotels, Restaurants
History of the Company	▪ Owner, Founded Year, Company A Distributor Since
Future Plans	
Sales	▪ Sales vs. Budget Sales Budget

Product Assortment

Product Brand	▪ Percentage of Company Turnover
Product Manuals	▪ Translated to Which Languages
Market Situation	▪ Current and Future Needs

Price & Conditions

▪ Date of New Price List, Type of Price List, Discount Structure, Payment Conditions, Delivery Methods to Customers, Minimum Order Quantity

Competition

Name	▪ Brand, Turnover, Market Share, Discount Structure
Evaluation	▪ Price Comparison

Market Activities/Plan

Activities	▪ Type of Activity, Town, Date
Advertising	▪ Media Name, Type of Media, Insert Date, Number of Inserts
Catalogues	▪ Date of Release, Quantity Printed, Prices Indicated in Catalogue
Web-Site	▪ How is Company A Presented, Link to Company A
Company B Advertising Material	▪ Which Material is Used, Do They Need Anything Else
Sponsoring	▪ Companies, Persons
Mailings	▪ Receiver, Content, Frequency
Press Release	▪ List of Magazines To Send Press Releases To

Service

Who Perform Service	▪ Education Level
Service Training	▪ Date on Last Training
Service Manuals	▪ Placement
Filing of Warranty Cards	
Company A Return Form	▪ Do they mark the fault

Other Information

Distributor	▪ Match with Company A's Strategic Plan
Company Organization	▪ Good or Bad Order, Company Atmosphere
Private	▪ Family, Hobbies, Other Interests
Swot Analysis	▪ Strength, Weakness, Opportunity, Threat

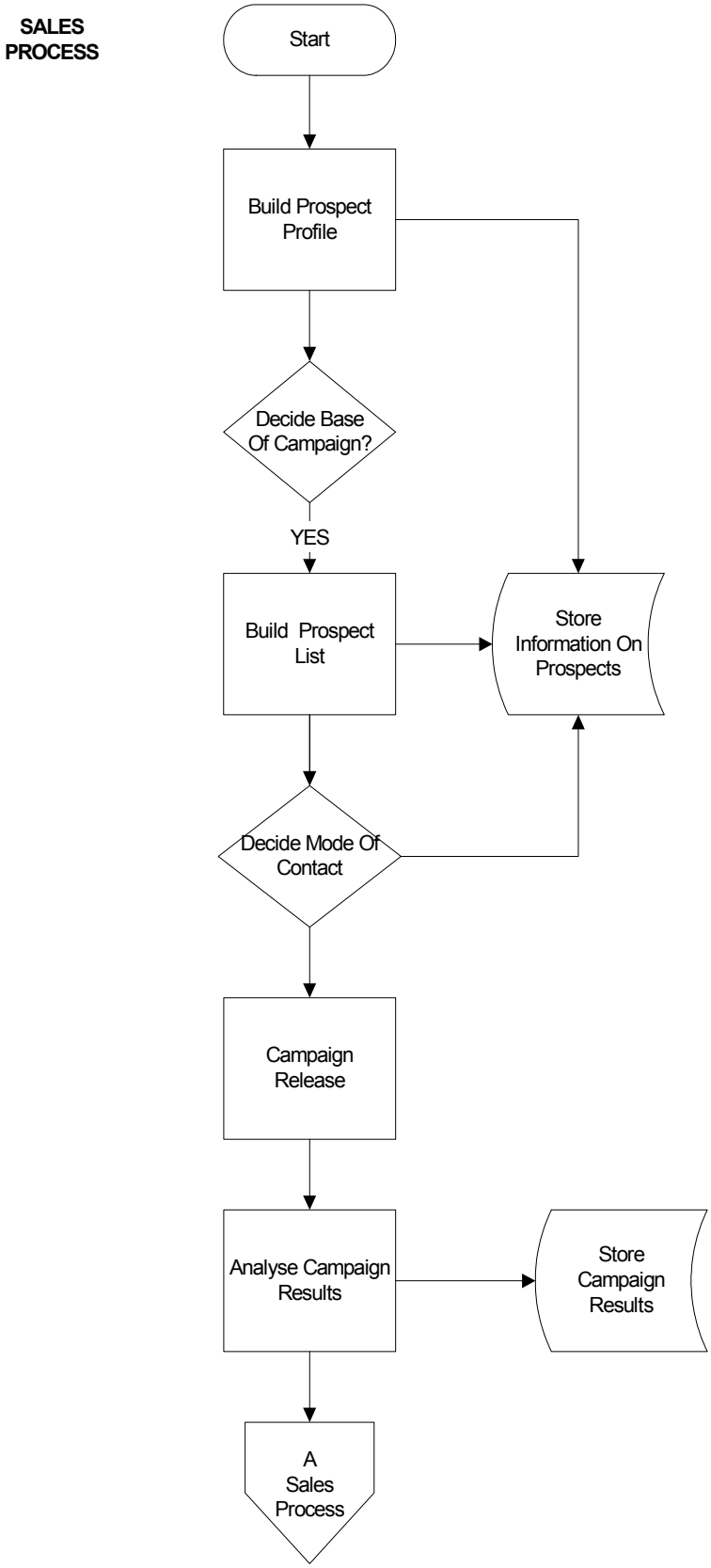
Distributor's Customers

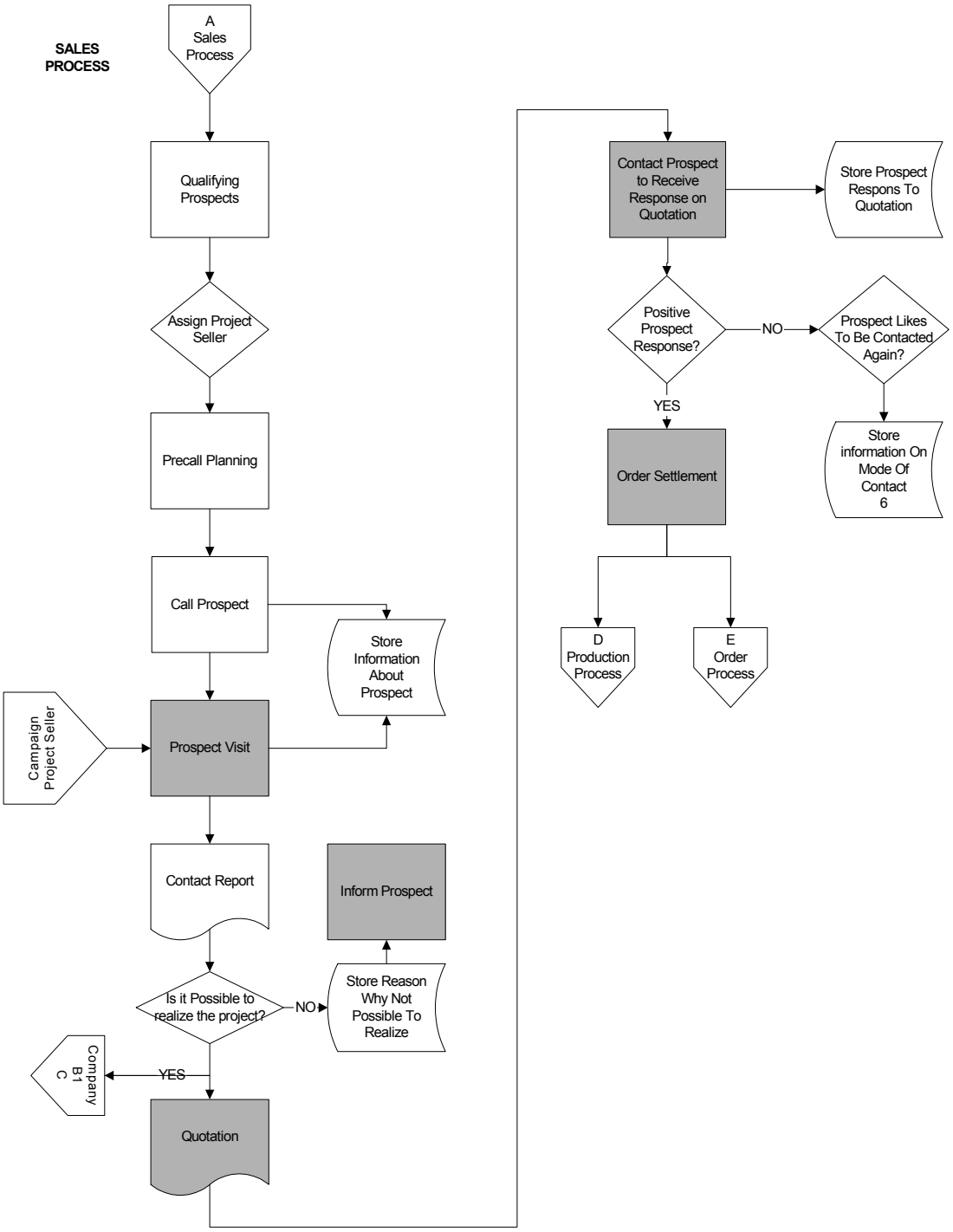
Target Group	
Customer Database	▪ Number of Customers, Mailing List
Number of Customers	▪ Total Amount, Amount By Target Group, Company A's Customers
Customer Visits	▪ Frequency of Visits
Training	▪ Frequency, Mode of training
Most Important Customers	
Required Criteria on Dealers	▪ Minimum Stock, Live Display, Catalogues, Market Material, Training, Minimum Visits/Year, Area Protection

Market

Country Facts	▪ Population, Inflation, Unemployment, GNP/Person, VAT, Currency/Exchange Rate
Number of Boats	▪ Total Amount, Amount Divided by Type of Boat
Marine Market	▪ Amount of Berths & Harbors, Boat Ownership/Capita, Km of Coastline, Islands, Lakes, Boating Season, Restrictions
Market Outlook	▪ According to IBI Month, Year

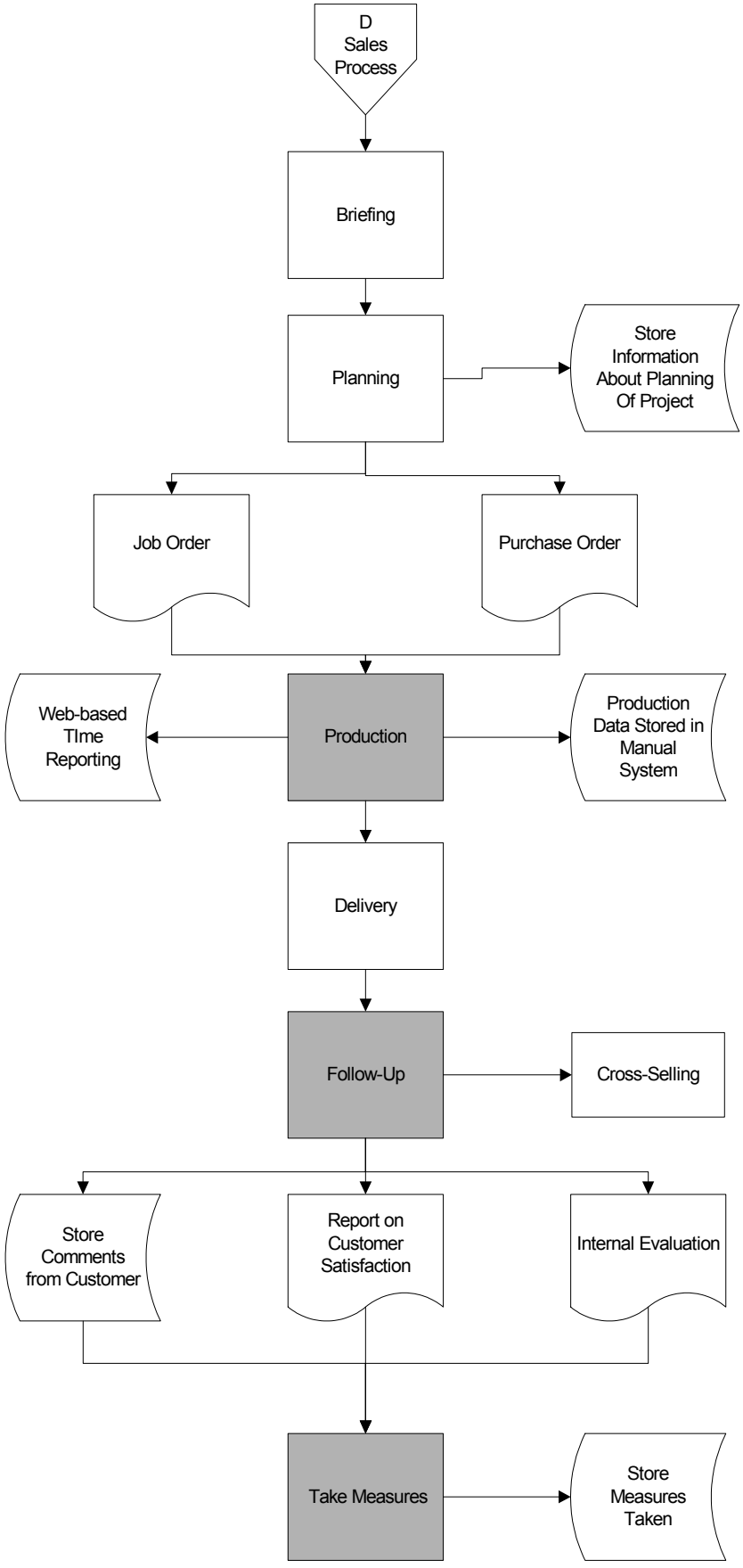
Appendix 10: Sales & Production Process Company B





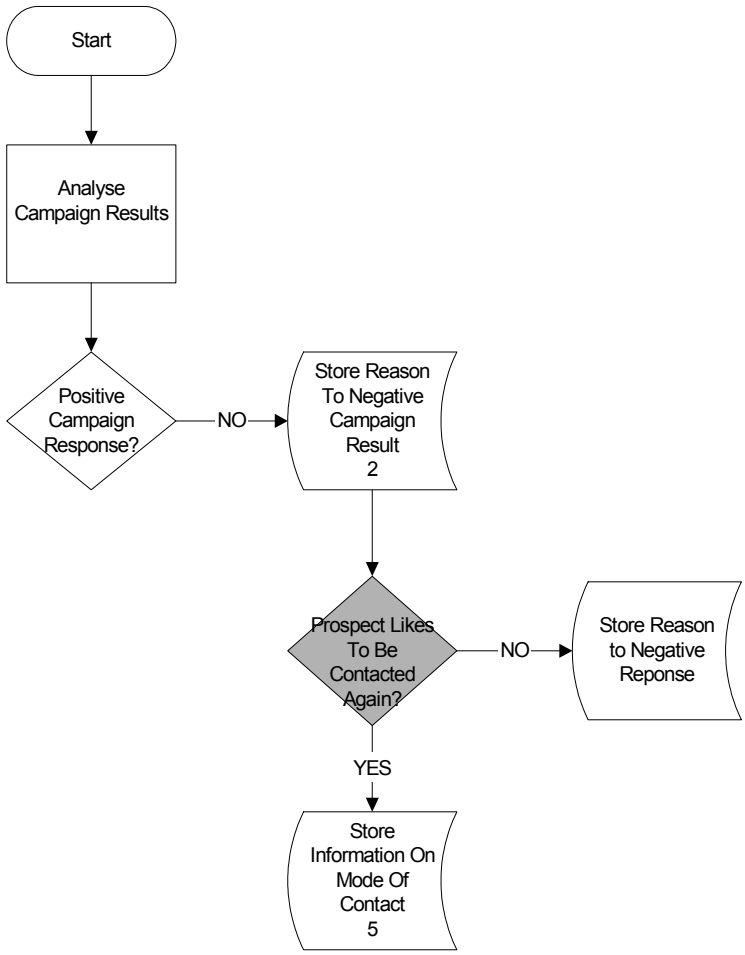
The tinted steps in the sales process demonstrates that the activity involves customer interaction.

PRODUCTION PROCESS



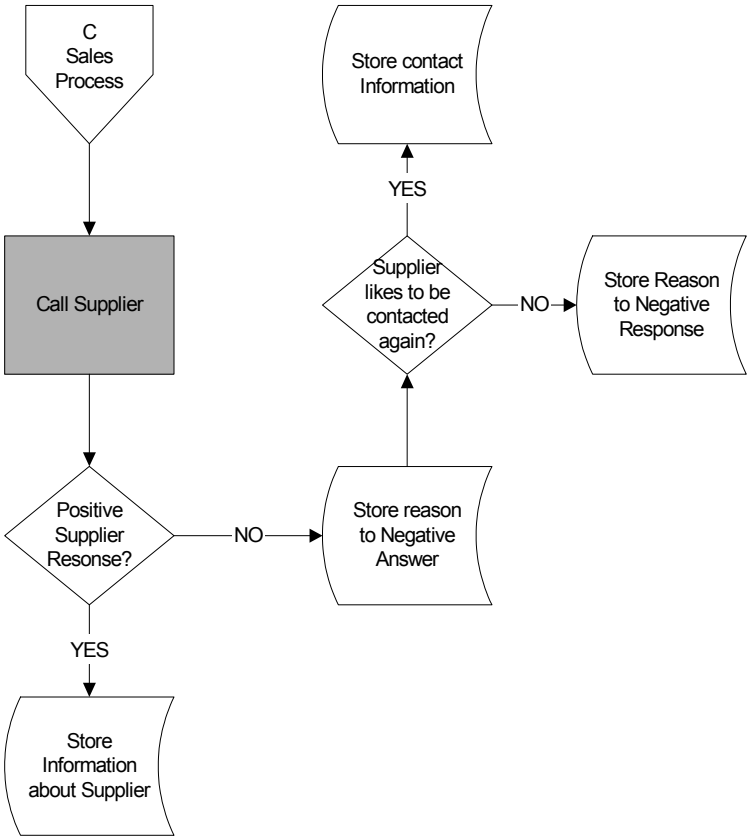
The tinted steps in the sales process demonstrates that the activity involves customer interaction.

NEGATIVE CAMPAIGN RESULTS



The tinted steps in the sales process demonstrates that the activity involves customer interaction.

Company B1



The tinted steps in the sales process demonstrates that the activity involves customer interaction.

Appendix 11: Sales Analysis & Evaluation of Sales Force Performance

Organizational Unit	Company A	Company B	Retailer
Whole Firm	■	■	■
Division	■	■	
Zones			
Regions			
Districts	■	■	
Terrirories	■	■	
Accounts	■	■	■

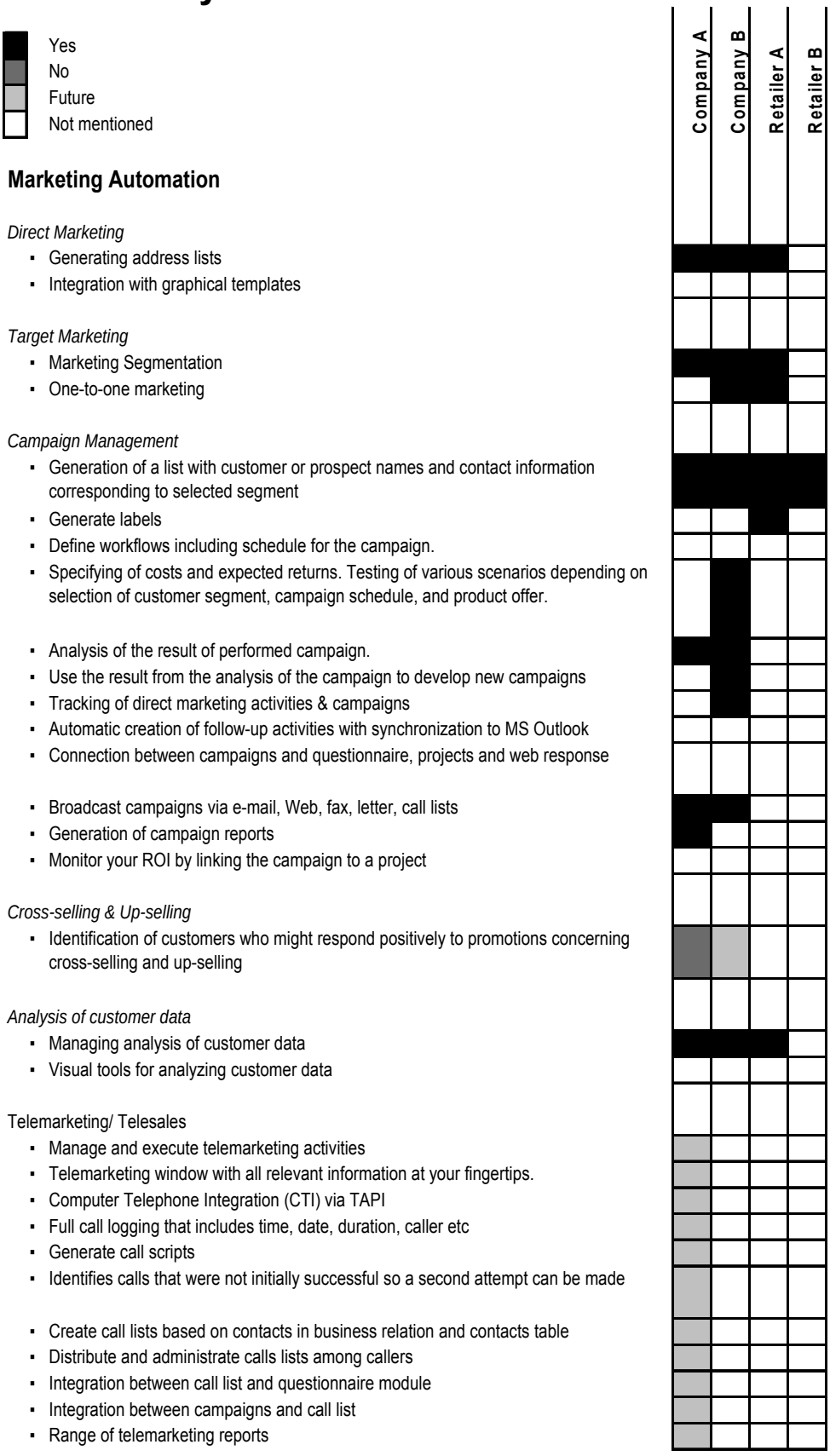
Classification Variables	Company A	Company B	Retailer
Total Volume	■	■	■
Order Size	■	■	■
Product Class	■	■	
Distribution Channel			
Size of Account			

Control Factors	Company A	Company B	Retailer
Sales Volume	■	■	■
Sales Growth			
New Accounts			
Profits			■
Margains	■	■	
Unit sales	■	■	
Market Share	■	■	
ROAM			

Performance Measures	Company A	Company B	Retailer
Sales			
Sales Volume per Call			
Account			
Number of Account Lost			■
Proportion Account Buying Full Line			
Orders			
Strike rate	■		■
Number of Orders Taken	■	■	
Order per Call Ratio			

Behaviors	Company A	Company B	Retailer
Calls	■	■	
Reports			
Complaints	■		
Demonstrations	■		
Dealer Meetings			
Displays set up			

Appendix 12: Comparison of the empirical findings and the frame of reference regarding CRM functionality



Marketing Automation

Direct Marketing
- Generating address lists
- Integration with graphical templates

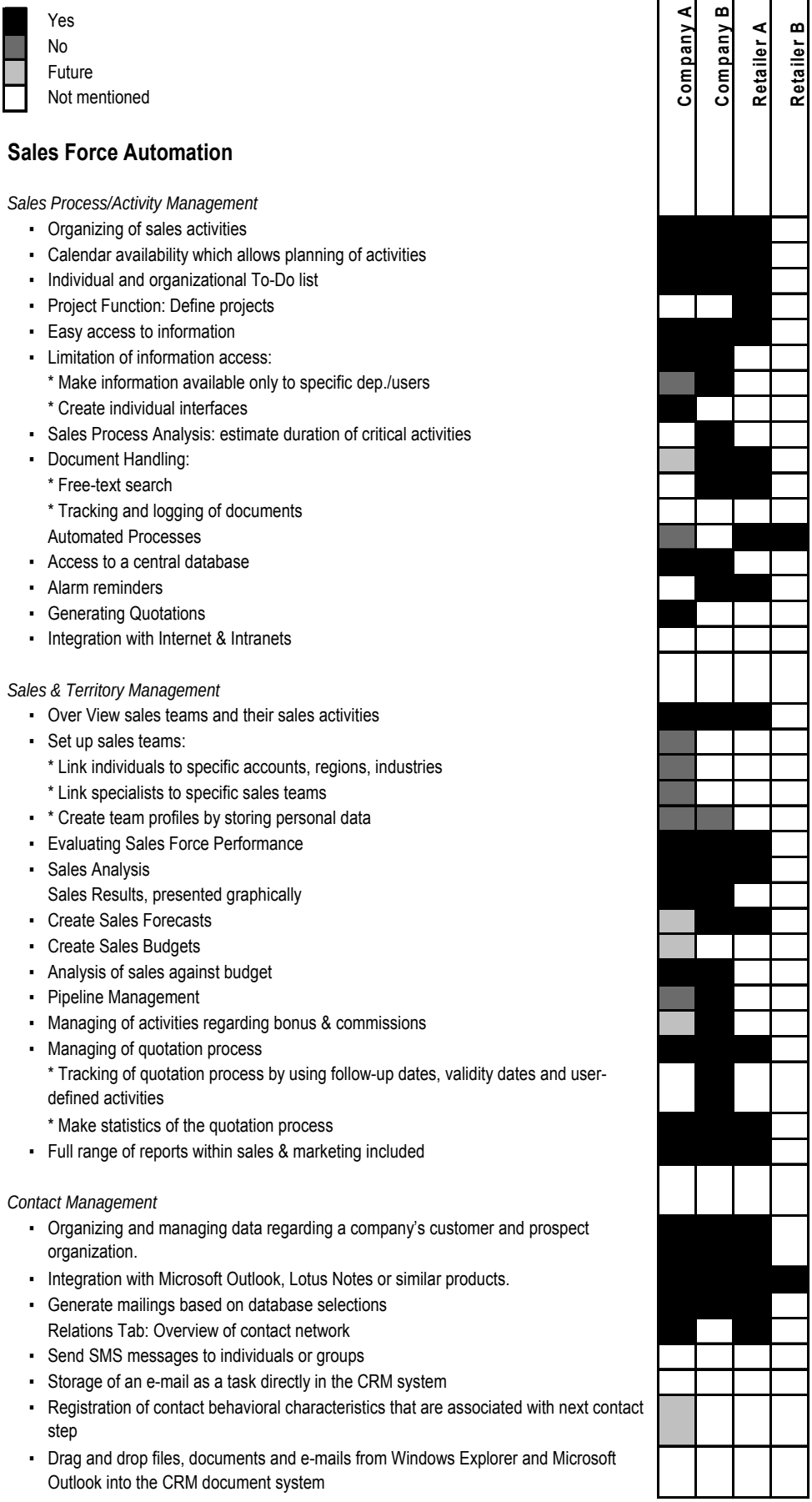
Target Marketing
- Marketing Segmentation
- One-to-one marketing

Campaign Management
- Generation of a list with customer or prospect names and contact information corresponding to selected segment
- Generate labels
- Define workflows including schedule for the campaign.
- Specifying of costs and expected returns. Testing of various scenarios depending on selection of customer segment, campaign schedule, and product offer.
- Analysis of the result of performed campaign.
- Use the result from the analysis of the campaign to develop new campaigns
- Tracking of direct marketing activities & campaigns
- Automatic creation of follow-up activities with synchronization to MS Outlook
- Connection between campaigns and questionnaire, projects and web response
- Broadcast campaigns via e-mail, Web, fax, letter, call lists
- Generation of campaign reports
- Monitor your ROI by linking the campaign to a project

Cross-selling & Up-selling
- Identification of customers who might respond positively to promotions concerning cross-selling and up-selling

Analysis of customer data
- Managing analysis of customer data
- Visual tools for analyzing customer data

Telemarketing/ Telesales
- Manage and execute telemarketing activities
- Telemarketing window with all relevant information at your fingertips.
- Computer Telephone Integration (CTI) via TAPI
- Full call logging that includes time, date, duration, caller etc
- Generate call scripts
- Identifies calls that were not initially successful so a second attempt can be made
- Create call lists based on contacts in business relation and contacts table
- Distribute and administrate calls lists among callers
- Integration between call list and questionnaire module
- Integration between campaigns and call list
- Range of telemarketing reports



Sales Force Automation

Sales Process/Activity Management

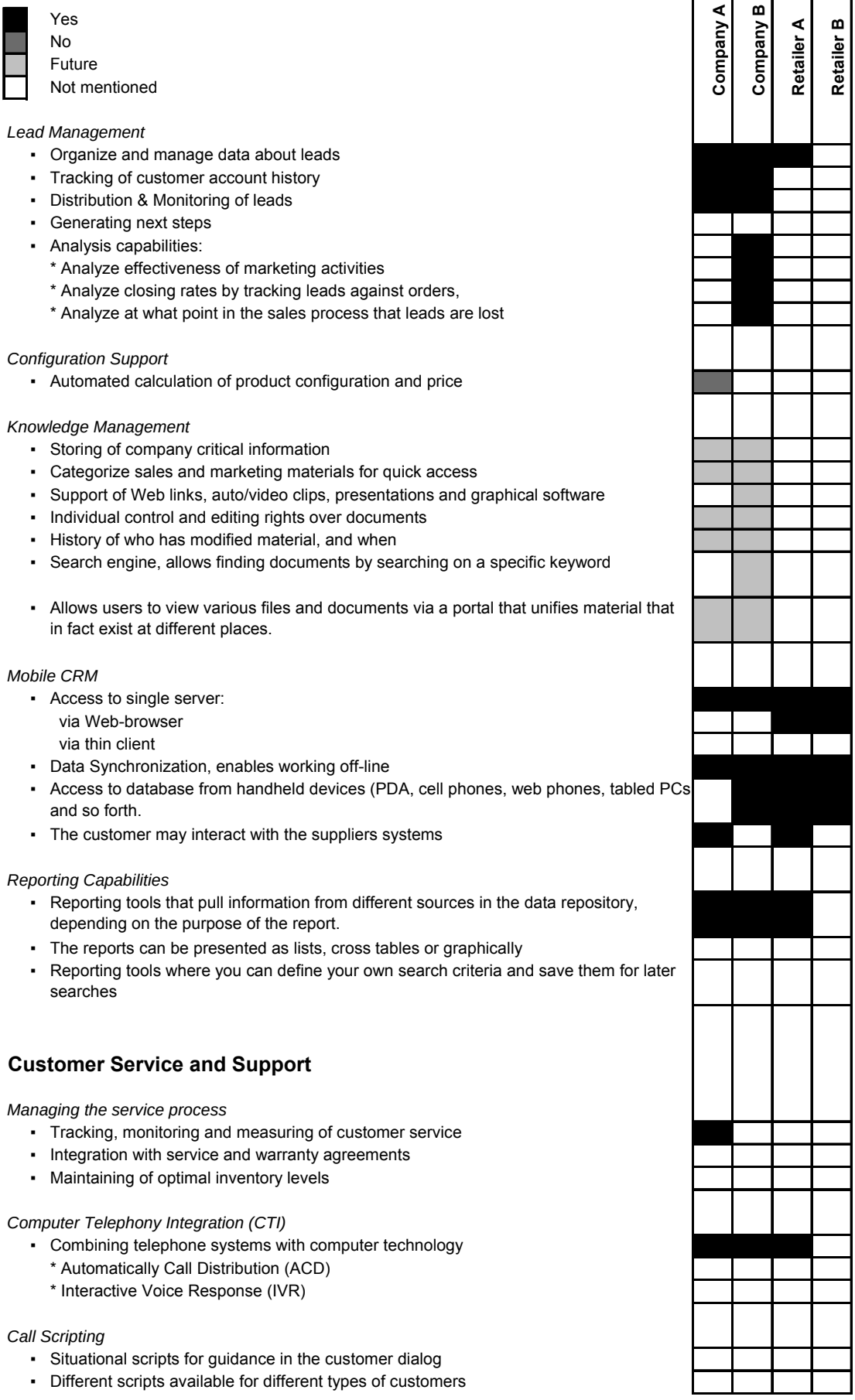
- Organizing of sales activities
- Calendar availability which allows planning of activities
- Individual and organizational To-Do list
- Project Function: Define projects
- Easy access to information
- Limitation of information access:
  * Make information available only to specific dep./users
  * Create individual interfaces
- Sales Process Analysis: estimate duration of critical activities
- Document Handling:
  * Free-text search
  * Tracking and logging of documents
  Automated Processes
- Access to a central database
- Alarm reminders
- Generating Quotations
- Integration with Internet & Intranets

Sales & Territory Management

- Over View sales teams and their sales activities
- Set up sales teams:
  * Link individuals to specific accounts, regions, industries
  * Link specialists to specific sales teams
- * Create team profiles by storing personal data
- Evaluating Sales Force Performance
- Sales Analysis
  Sales Results, presented graphically
- Create Sales Forecasts
- Create Sales Budgets
- Analysis of sales against budget
- Pipeline Management
- Managing of activities regarding bonus & commissions
- Managing of quotation process
  * Tracking of quotation process by using follow-up dates, validity dates and user-defined activities
  * Make statistics of the quotation process
- Full range of reports within sales & marketing included

Contact Management

- Organizing and managing data regarding a company's customer and prospect organization.
- Integration with Microsoft Outlook, Lotus Notes or similar products.
- Generate mailings based on database selections
  Relations Tab: Overview of contact network
- Send SMS messages to individuals or groups
- Storage of an e-mail as a task directly in the CRM system
- Registration of contact behavioral characteristics that are associated with next contact step
- Drag and drop files, documents and e-mails from Windows Explorer and Microsoft Outlook into the CRM document system



Customer Service and Support

	Company A	Company B	Retailer A	Retailer B
Customer Service & Support-Point-of-Sale				
▪ Access to the customer database: in order to make the right judgment on when to offer what product.	■			
▪ Necessary information provided via a "screen pop"	■			
Web-based Self Service				
▪ Access company information	■		■	
▪ Tracking of orders	■		■	
▪ Access to electronic brochures or catalogues	■			
▪ Access to product databases	■		■	
▪ On-line chat rooms				
▪ Access to complaint pages	■			
▪ e-mail help-desks	■			
▪ Complete satisfaction questionnaires		■		
▪ Personalized Web Sites with "cyber agents" who make recommendations based on the customer's preferences				
Workforce Management				
▪ Staff Planning (optimizing of staff around busy periods, different communication channels, & customer profile)				
▪ Employee scheduling based on skills and preferred work hours				
▪ Forecasting of contact volumes				
▪ Performance tracking by customer value, customer satisfaction, priority level, or other factors				
▪ Combine findings from different contact centers to a single report				
Customer Satisfaction Measurement				
▪ Questionnaires measuring customer satisfaction can be distributed via mail	■	■		
▪ Personalized questionnaires				
▪ Questionnaire responses are stored in a central database and added to the customer profile	■	■		
▪ Questionnaires provided on the company Web site		■		
▪ When answering a questionnaire, the respondent's user ID is automatically logged so there is no need to login to respond				
▪ Identify dependencies between questions in questionnaire				
Field Service Automation				
▪ Service engineers are assigned to each problem depending on their skills, availability, workload, and geography	■			
▪ Fast communication between remote staff and service staff	■			
▪ Access to instructions for problem solving	■			
▪ Registration of customer communication				
Long-Term Rental Agreements				
▪ Managing and following up on rental activities				
▪ Handling of agreements: including financing of equipment and services in a total solution				
Service Agreements				
▪ Service agreement workflow, from establishing, to invoicing of agreements	■			
▪ Defining and maintaining of different types of service agreements	■			
▪ Processing of agreements: generating quotations, automatically invoicing agreements in advance or in areas, with periodic invoices flexibly defined in the agreement	■			
▪ Selection of right level of service to fulfill the commitments	■			

Yes
No
Future
Not mentioned

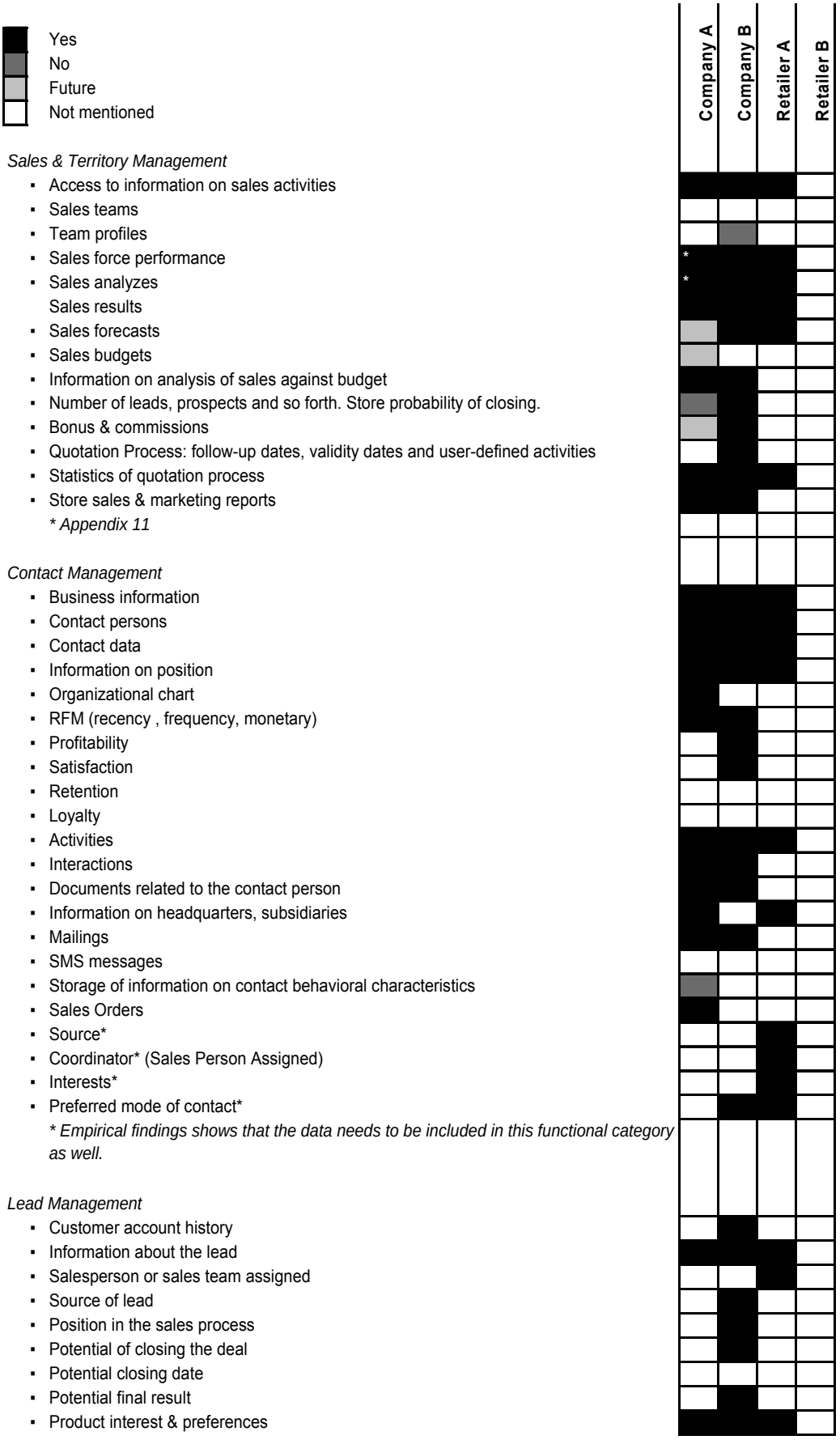
Company A	Company B	Retailer A	Retailer B

Short-Term Rental Agreements

- Managing of flow of rental, loan and demo equipment. Including invoicing rental and additional charges
- Monitoring of rentals, performed service and equipment availability, thereby streamlining lead times, minimizing costs and optimizing the fleet

Appendix 13: Comparison of the empirical findings and the frame of reference regarding information need

	Company A	Company B	Retailer A	Retailer B
■ Yes				
■ No				
■ Future				
□ Not mentioned				
Marketing Automation				
Direct Marketing				
▪ Storage of addresses	■	■	■	□
▪ Storage of graphical templates	□	□	□	□
Target Marketing				
▪ Segmentation variables	■	■	■	□
▪ Customer needs	□	■	□	□
▪ Interaction preferences	□	■	□	□
Campaign Management				
▪ Base of campaign (name and contact data)	■	■	■	■
▪ Mode of contact	□	■	□	□
▪ Information regarding schedule of campaign.	□	□	□	□
▪ Campaign costs and expected returns	□	■	□	□
▪ Results of performed campaign	■	■	□	□
▪ Storage of campaign reports	■	□	□	□
Cross-selling & Up-selling				
▪ Information necessary in order to be able to offer the right products	■	■	□	□
Analysis of customer data				
▪ Profitability analysis	■	■	□	□
▪ Propensity- to- buy analysis	■	□	□	□
▪ Next sequential purchase	□	□	□	□
▪ Product affinity analysis	□	□	□	□
▪ Price elasticity modeling & dynamic pricing	□	□	□	□
Telemarketing/ Telesales				
▪ Storage of information regarding telemarketing activities	■	□	□	□
▪ Storage of information necessary in order to perform telemarketing	■	□	□	□
▪ Storage of information on time, date, duration, caller etc	■	□	□	□
▪ Storage of call scripts	■	□	□	□
▪ Storage of information on calls that initially w eren't successful	■	■	□	□
▪ Storage information on contact data	■	□	□	□
▪ Storage of call lists	■	□	□	□
▪ Storage of telemarketing reports	■	□	□	□
Sales Force Automation				
Sales Process/Activity Management				
▪ Planned and performed activities	■	■	■	□
▪ To-Dos	■	□	■	□
▪ Projects	□	□	■	□
▪ Sales orders	■	■	■	□
▪ Quotations	■	□	■	□
▪ Mailings	■	■	□	□
▪ Documents	■	■	■	□
▪ Duration of critical activities	□	■	□	□
▪ Information on headquarters and subsidiaries*	□	□	■	□
**Empirical findings shows that the data need to be included in this functional category as well.*				

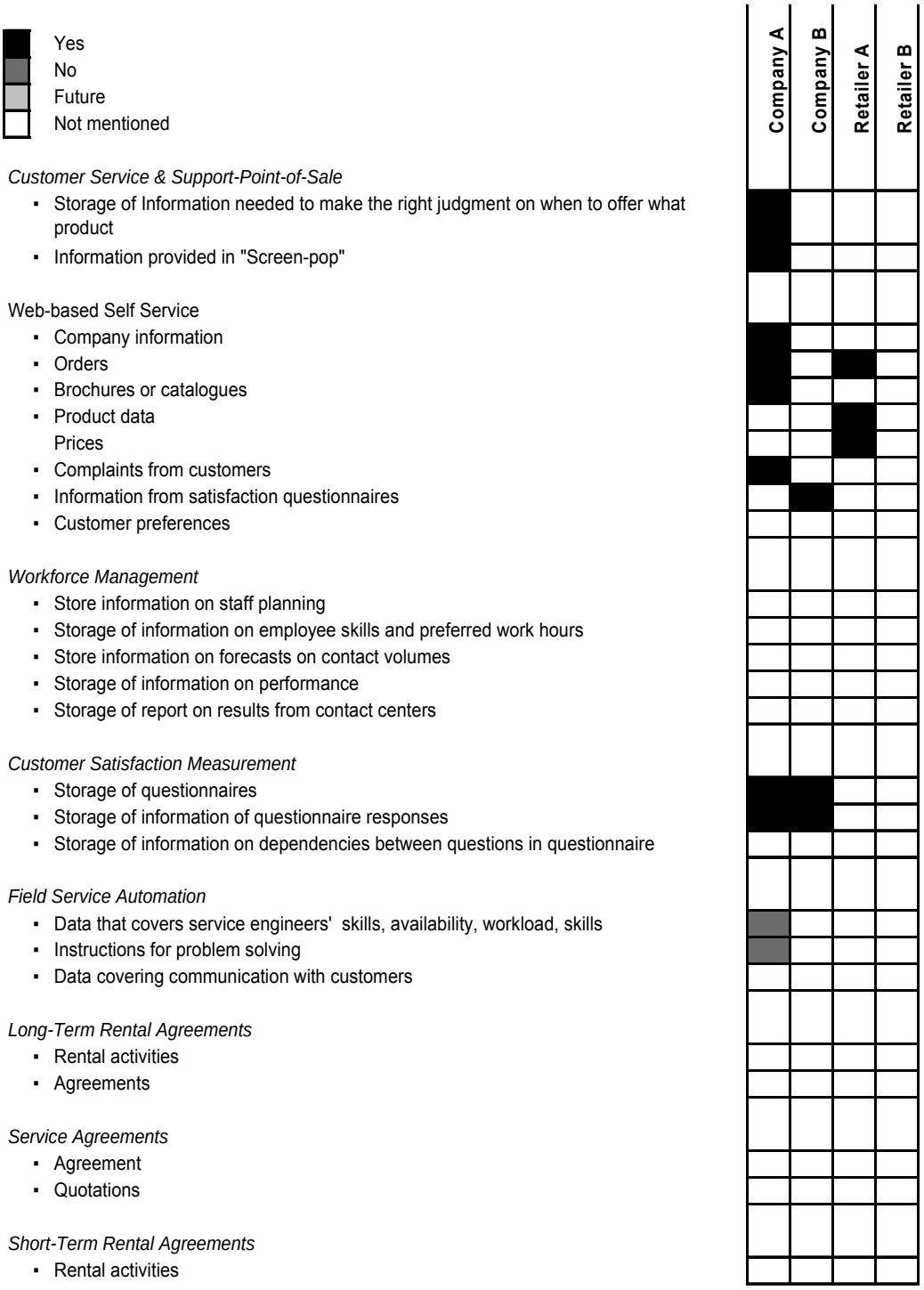

Yes
No
Future
Not mentioned
Company A
Company B
Retailer A
Retailer B
Sales & Territory Management
Access to information on sales activities
Sales teams
Team profiles
Sales force performance
Sales analyzes
Sales results
Sales forecasts
Sales budgets
Information on analysis of sales against budget
Number of leads, prospects and so forth. Store probability of closing.
Bonus & commissions
Quotation Process: follow-up dates, validity dates and user-defined activities
Statistics of quotation process
Store sales & marketing reports
* Appendix 11
Contact Management
Business information
Contact persons
Contact data
Information on position
Organizational chart
RFM (recency , frequency, monetary)
Profitability
Satisfaction
Retention
Loyalty
Activities
Interactions
Documents related to the contact person
Information on headquarters, subsidiaries
Mailings
SMS messages
Storage of information on contact behavioral characteristics
Sales Orders
Source*
Coordinator* (Sales Person Assigned)
Interests*
Preferred mode of contact*
* Empirical findings shows that the data needs to be included in this functional category as well.
Lead Management
Customer account history
Information about the lead
Salesperson or sales team assigned
Source of lead
Position in the sales process
Potential of closing the deal
Potential closing date
Potential final result
Product interest & preferences

Yes
No
Future
Not mentioned

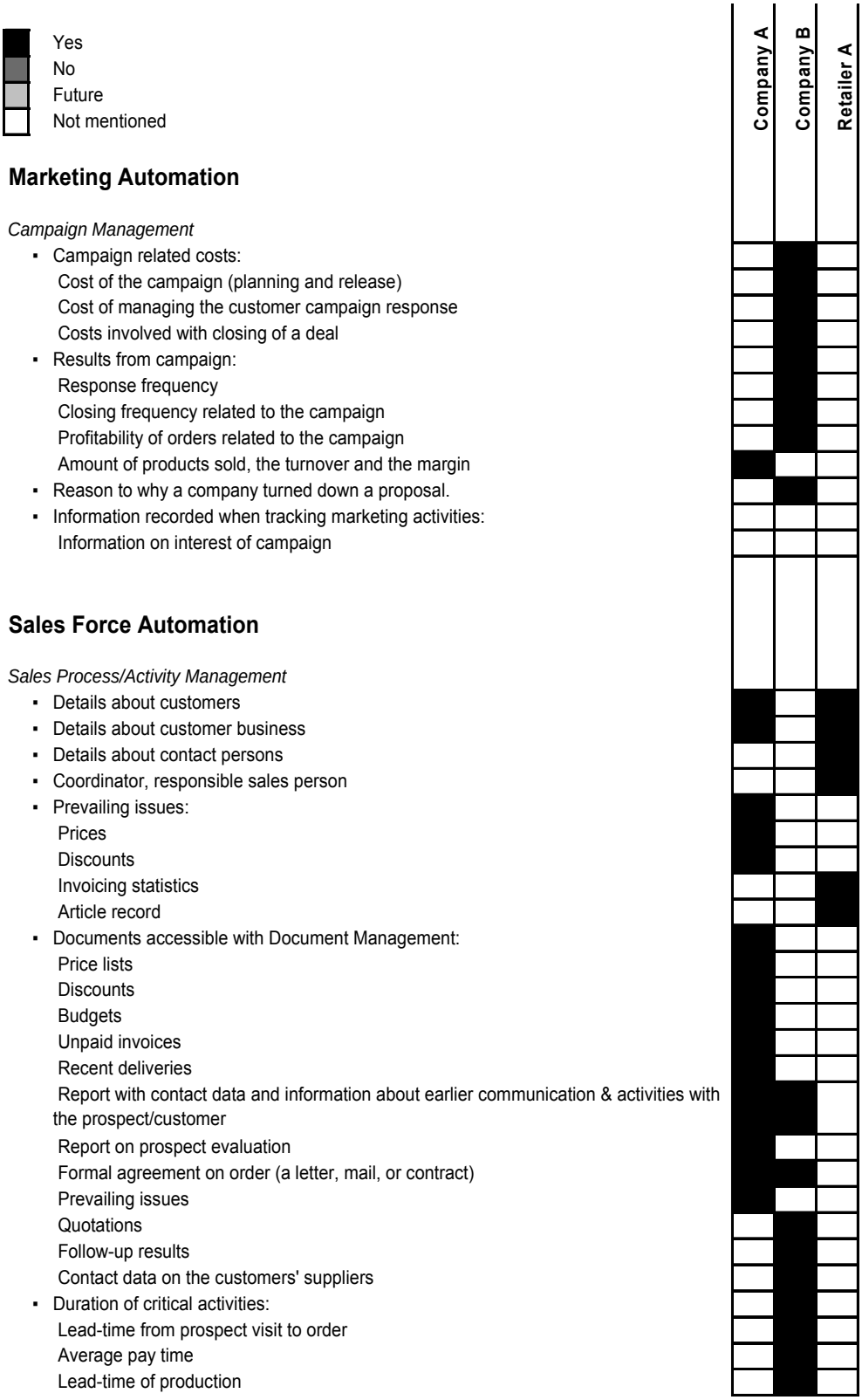
	Company A	Company B	Retailer A	Retailer B
▪ Discretionary budget				
▪ Possible competitors and their level of threat				
▪ Competitive product matrix				
▪ Information on next step				
▪ The point in the sales process where leads are lost				
▪ Information on headquarters, subsidiaries*				
** Empirical findings shows that the data needs to be included in this functional category as well.*				
Configuration Support				
▪ Storage of information on prices and product data.				
Knowledge Management				
▪ Storing of company critical information:				
▪ Corporate policy handbooks, Sales representation slides, Company phone list, Proposal templates, Contract boilerplate, Expense report forms, Regulatory standards and recent compliance reports, Historical sales and revenue reports, Partner and supplier meetings and executives briefings, Digitalized video of sales presentations or executive briefings, Industry and competitor data, News articles and press releases, Trade show and promotional event schedules, Thank you notes and other client correspondence				
▪ Information on categories of sales & marketing material				
▪ Information on who has modified material				
Mobile CRM				
▪ The customer may interact with the suppliers systems:				
▪ Access to information on status on complaints, delivery date, placed orders				
Reporting Capabilities				
▪ Sales & Marketing Reports:				
▪ Individual or company performance				
▪ Sales Forecasting				
▪ Segment profitability				
▪ Profitability of marketing investments				
▪ Purchase patterns of customers				
▪ Evaluate activities with customers against the profitability of the customer				
▪ Number of support calls received (against customer type)				

Customer Service and Support

Managing the service process				
▪ Information on service performed				
▪ Measurements of performed service				
▪ Interaction preferences				
▪ Service and warranty agreements				
▪ Inventory levels				
Call Scripting				
▪ Situational scripts				


Yes
No
Future
Not mentioned
Company A
Company B
Retailer A
Retailer B
Customer Service & Support-Point-of-Sale
Storage of Information needed to make the right judgment on when to offer what product
Information provided in "Screen-pop"
Web-based Self Service
Company information
Orders
Brochures or catalogues
Product data
Prices
Complaints from customers
Information from satisfaction questionnaires
Customer preferences
Workforce Management
Store information on staff planning
Storage of information on employee skills and preferred work hours
Store information on forecasts on contact volumes
Storage of information on performance
Storage of report on results from contact centers
Customer Satisfaction Measurement
Storage of questionnaires
Storage of information of questionnaire responses
Storage of information on dependencies between questions in questionnaire
Field Service Automation
Data that covers service engineers' skills, availability, workload, skills
Instructions for problem solving
Data covering communication with customers
Long-Term Rental Agreements
Rental activities
Agreements
Service Agreements
Agreement
Quotations
Short-Term Rental Agreements
Rental activities

Appendix 14: Information identified in the empirical findings, without correspondence with the frame of reference.



Marketing Automation

Campaign Management

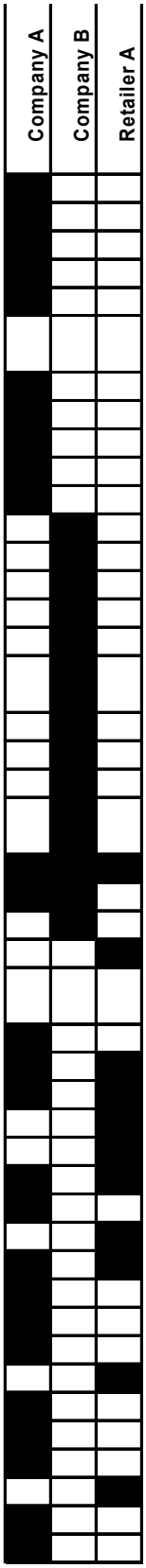
- Campaign related costs:
  - Cost of the campaign (planning and release)
  - Cost of managing the customer campaign response
  - Costs involved with closing of a deal
- Results from campaign:
  - Response frequency
  - Closing frequency related to the campaign
  - Profitability of orders related to the campaign
  - Amount of products sold, the turnover and the margin
- Reason to why a company turned down a proposal.
- Information recorded when tracking marketing activities:
  - Information on interest of campaign

Sales Force Automation

Sales Process/Activity Management

- Details about customers
- Details about customer business
- Details about contact persons
- Coordinator, responsible sales person
- Prevailing issues:
  - Prices
  - Discounts
  - Invoicing statistics
  - Article record
- Documents accessible with Document Management:
  - Price lists
  - Discounts
  - Budgets
  - Unpaid invoices
  - Recent deliveries
  - Report with contact data and information about earlier communication & activities with the prospect/customer
  - Report on prospect evaluation
  - Formal agreement on order (a letter, mail, or contract)
  - Prevailing issues
  - Quotations
  - Follow-up results
  - Contact data on the customers' suppliers
- Duration of critical activities:
  - Lead-time from prospect visit to order
  - Average pay time
  - Lead-time of production

Yes
No
Future
Not mentioned



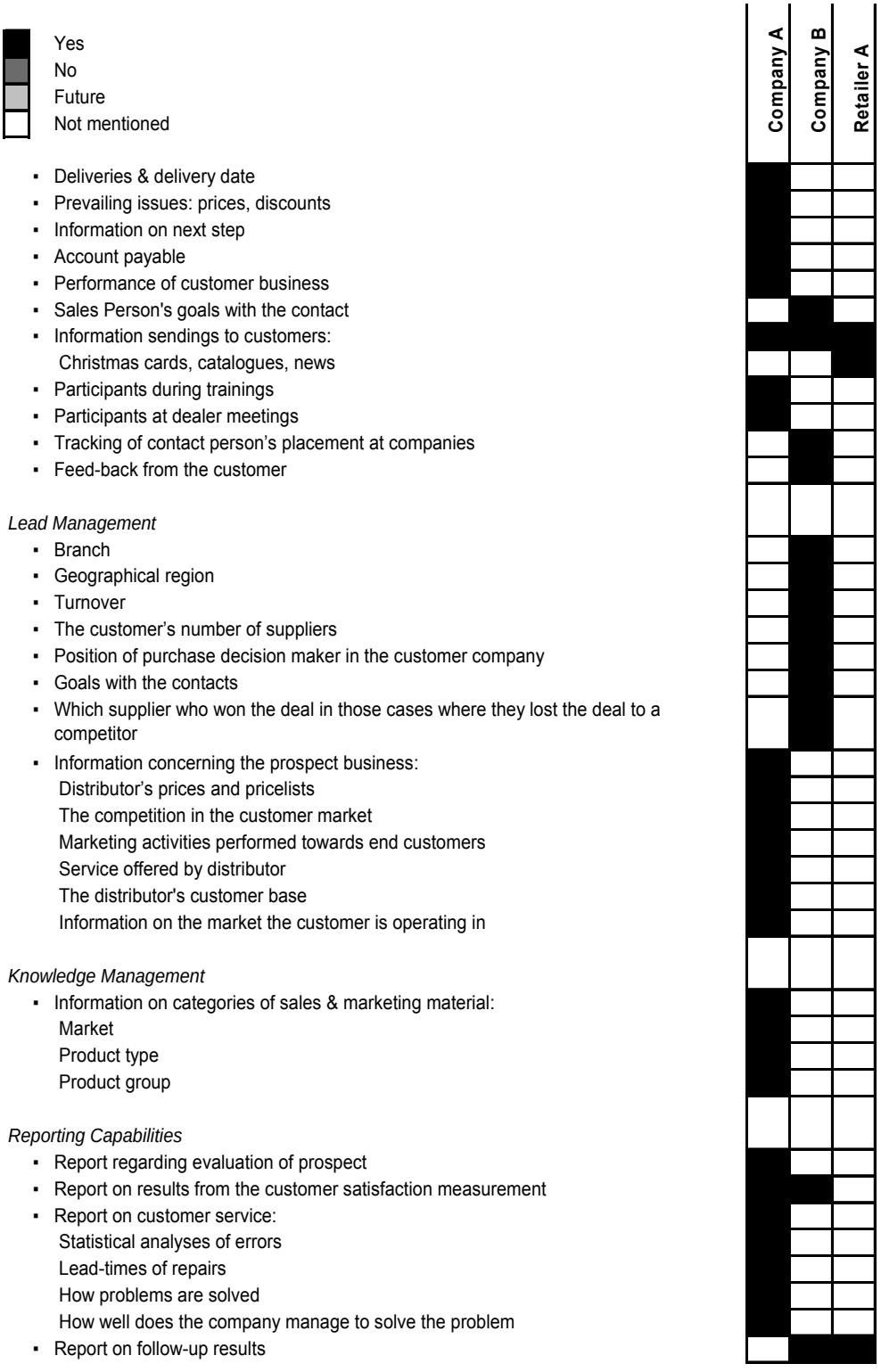
- Information needed when making quotations:
  - Costs
  - Prices
  - Prevailing discounts
  - Lead-times

Sales & Territory Management

- Sales Analysis:
  - Latest deliveries
  - Money due
  - Customers sales performance
  - Sales results from the end customers
- Storage of types of forecasts:
  - Forecasting of profits
  - Liquidity forecasts
  - Forecasting of results with short- and long-term perspective
  - Forecasting on what projects are going to be invoiced
- Estimating changes that will affect the forecasts: compare each salesperson's activity level with their rate of invoicing
- Analyzes of sales person's judgment:
  - Comparison of the potential of closing and the final result
- Information on quotation process:
  - Reason why a company turns down an offer, and when and how the company likes to be contacted next time
- Statistics of quotation process:
  - Strike rate
  - Reason to why prospects respond negatively to quotations
- Quotation stock

Contact Management

- Basic customer details:
  - Name address, delivery address
  - Phone, fax, Mail
  - Homepage
  - Region
  - Size and type of business
  - Hours of opening
- Referral status
  - Organizational Number
- Characteristics of contact persons:
  - Personal details (wife, kids, birthday etc)
  - Level of authority of the contacts
  - Responsibilities
  - Referrals
  - Work circles
  - Decision routes
- Customer Class
- Delivery method
- Complaints


Yes
No
Future
Not mentioned
Company A
Company B
Retailer A
Deliveries & delivery date
Prevailing issues: prices, discounts
Information on next step
Account payable
Performance of customer business
Sales Person's goals with the contact
Information sendings to customers:
Christmas cards, catalogues, news
Participants during trainings
Participants at dealer meetings
Tracking of contact person's placement at companies
Feed-back from the customer
Lead Management
Branch
Geographical region
Turnover
The customer's number of suppliers
Position of purchase decision maker in the customer company
Goals with the contacts
Which supplier who won the deal in those cases where they lost the deal to a competitor
Information concerning the prospect business:
Distributor's prices and pricelists
The competition in the customer market
Marketing activities performed towards end customers
Service offered by distributor
The distributor's customer base
Information on the market the customer is operating in
Knowledge Management
Information on categories of sales & marketing material:
Market
Product type
Product group
Reporting Capabilities
Report regarding evaluation of prospect
Report on results from the customer satisfaction measurement
Report on customer service:
Statistical analyses of errors
Lead-times of repairs
How problems are solved
How well does the company manage to solve the problem
Report on follow-up results

Yes
No
Future
Not mentioned

	Company A	Company B	Retailer A
Customer Service and Support			
Managing the service process			
▪ The information needed to be recorded when registering a service order is the following:			
Errors reported by the customer			
Confirmation of the described errors or own view of the problem			
Measures taken by the service engineer			
Spare parts used			
Time used to repair the product			
▪ Measurement of service performed:			
Statistical analyses of errors			
Lead-times of repairs			
How problems are solved			
How well does the company manage to solve the problem			

Appendix 15: Segmentation variables, included in the empirical findings

Variables	Characteristics/Segments
Demographics:	
Size of Company:	Turnover, number of suppliers
Type of industry and business	
Geographical location	
Sales Territory	
Psychographics:	Interests, opinions, and preferences.
Operating and situation related:	
Benefits:	Quality
Perceived risk:	Branch performance
Profitability	Profitability per customer/Branch
Purchasing policy and approach:	
Status and relationship:	Customers wanted
Position of purchase decision maker	(not included in theory)

Appendix 16: Information needed based on the empirical findings

Marketing Automation

Direct Marketing

- Storage of addresses

Target Marketing

- Segmentation variables*
- Customer needs
- Interaction preferences

  ** the segmentation variables are specified in appendix 15*

Campaign Management

- Base of campaign (name and contact data)
- Mode of contact
- Campaign costs and expected returns
- Storage of campaign reports
- Reason to why a company turned down a proposal.
- Campaign related costs:
  Cost of the campaign (planning and release)
  Cost of managing the customer campaign response
  Costs involved with closing of a deal
- Results of performed campaign:
  Response frequency
  Closing frequency related to the campaign
  Profitability of orders related to the campaign
  Amount of products sold, the turnover and the margin
- Information recorded when tracking marketing activities:
  Information on interest of campaign

Cross-selling & Up-selling

- Information necessary in order to be able to offer the right products

Analysis of customer data

- Profitability analysis
- Propensity- to- buy analysis

Telemarketing/ Telesales

- Storage of information regarding telemarketing activities
- Storage of information necessary in order to perform telemarketing
- Storage of information on time, date, duration, caller etc
- Storage of call scripts
- Storage of information on calls that initially weren't successful
- Storage information on contact data
- Storage of call lists
- Storage of telemarketing reports

Sales Force Automation

Sales Process/Activity Management

- Information accessible:
  Activities:
  Planned and performed activities
  To-Dos
  Projects
- Communication:
  Mailings

- Details about customer business:
  Information on headquarters, subsidiaries
- Details about contact persons
- Details about customer relationship:
  Quotations
  Orders
  Invoice statistics
  Coordinator, responsible sales person
- Prevailing issues:
  Prices
  Discounts
  Article record
- Documents accessible with Document Handling:
  Price lists
  Discounts
  Budgets
  Unpaid invoices
  Recent deliveries
  Report with contact data and information about earlier communication & activities with the prospect/customer
  Report on prospect evaluation
  Formal agreement on order (a letter, mail, or contract)
  Prevailing issues
  Quotations
  Follow-up results
  Contact data on the customers' suppliers
- Duration of critical activities:
  Lead-time from prospect visit to order
  Average pay time
  Lead-time of production
- Information needed when making quotations:
  Costs
  Prices
  Prevailing discounts
  Lead-times

Sales & Territory Management

- Access to information on sales activities
- Sales force performance*
- Sales Analysis:*
  Latest deliveries
  Money due
  Customers sales performance
  Sales results from the end customers
- Sales results
- Sales budgets
- Information on analysis of sales against budget
- Number of leads, prospects and so forth. Store probability of closing.
- Bonus & commissions
- Store sales & marketing reports
- Storage of types of forecasts:
  Forecasting of profits
  Liquidity forecasts
  Forecasting of results with short- and long-term perspective
  Forecasting on what projects are going to be invoiced
- Estimating changes that will affect the forecasts: compare each salesperson's activity level with their rate of invoicing
- Analyzes of sales person's judgment of potentials
  Comparison of the potential of closing and the final result
- Information on quotation process:
  Follow-up dates, validity dates and user-defined activities

Reason why a company turns down an offer, and when and how the company likes to be contacted next time

- Statistics of quotation process:
- Statistics of quotation process:
  Strike rate
  Reason to why prospects respond negatively to quotations
  Quotation stock

** the sales force performance measures and the sales analysis measures is specified in appendix 12*

Contact Management

- Basic customer details:
  Name address, delivery address
  Phone, fax, Mail
  Homepage
  Region
  Size and type of business
  Hours of opening
  Information on headquarters, subsidiaries
  Organizational Number
  Interests
  Organizational chart
- Characteristics of contact persons:
  Personal details (wife, kids, birthday etc)
  Level of authority of the contacts, position
  Decision routes
  Responsibilities
  Referrals
  Work circles
- Details regarding the customer relationship:
  Activities
  Interactions
  Next Step
  Mailings
  Documents related to the contact person
  Referral status
  RFM (recency , frequency, monetary)
  Profitability
  Satisfaction
  Customer Class
  Sales Orders
  Delivery method
  Deliveries & delivery date
  Complaints
  Account payable
  Performance of customer business
  Participants during trainings
  Participants at dealer meetings
  Tracking of contact person's placement at companies
  Feed-back from the customer
- Details that will facilitate the interaction:
  Source of customer
  Coordinator (Sales Person Assigned)
  Preferred mode of contact
  Prevailing issues: prices, discounts
  Sales Person's goals with the contact
- Information sendings to customers:
  Christmas cards, catalogues, news

Lead Management

- Customer account history
- Information about the lead:

  - Branch
  - Geographical region
  - Turnover
  - The customer's number of suppliers
  - Position of purchase decision maker in the customer company
  - Information on headquarters, subsidiaries
  - Product interest & preferences
- Salesperson or sales team assigned
- Goals with the contacts
- Source of lead
- Position in the sales process
- Potential of closing the deal
- Potential final result
- Discretionary budget
- Possible competitors and their level of threat
- The point in the sales process where leads are lost
- Which supplier who won the deal in those cases where they lost the deal to a competitor
- Information concerning the prospect business:
  - Distributor's prices and pricelists
  - The competition in the customer market
  - Marketing activities performed towards end customers
  - Service offered by distributor
  - The distributor's customer base
  - Information on the market the customer is operating in

Knowledge Management

- Storing of company critical information:
- Information on categories of sales & marketing material: Market, product type, product group
- Information on who has modified material

Mobile CRM

- The customer may interact with the suppliers systems:
- Access to information on status on complaints, delivery date, placed orders

Reporting Capabilities

- Sales & Marketing Reports:
  - Individual or company performance
  - Sales Forecasting
  - Segment profitability
  - Profitability of marketing investments
- Report regarding evaluation of prospect
- Report on results from the customer satisfaction measurement
- Report on follow-up results
- Report on customer service:
  - Statistical analyses of errors
  - Lead-times of repairs
  - How problems are solved
  - How well does the company manage to solve the problem

Customer Service and Support

Managing the service process

- The information needed to be recorded when registering a service order is the following:
  - Errors reported by the customer
  - Confirmation of the described errors or own view of the problem
  - Measures taken by the service engineer
  - Spare parts used
  - Time used to repair the product
- Measurement of service performed:
  - Statistical analyses of errors
  - Lead-times of repairs

How problems are solved
How well does the company manage to solve the problem

Contact Center Sales Support-Point-of-Sale

- Storage of Information needed to make the right judgment on when to offer what product
- Information provided in "Screen-pop"

Web-based Self Service

- Company information
- Orders
- Brochures or catalogues
- Product data
- Prices
- Complaints from customers
- Information from satisfaction questionnaires

Customer Satisfaction Measurement

- Storage of questionnaires
- Storage of information of questionnaire responses