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# **Change Management and Customer Relationship Management (CRM) Implementations: Planning for Success**

CAPSTONE REPORT

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## **Abstract**

**for**

### **Change Management and Customer Relationship Management (CRM) Implementations: Planning for Success**

This paper identifies change management practices that facilitate Customer Relationship Management (CRM) (Nykamp, 2001) implementations. Selected literature published between 1994 and 2004 is subjected to grounded theory and constant comparison analysis (Strauss and Corbin, 1990). Results are grouped by four change management areas from Kale (2005): training, leadership, infrastructure change, and performance metrics. The outcome is presented to CIOs and CRM steering committee members, as a decision support tool in planning a CRM implementation.



## Table of Contents

<b>Abstract .....</b>	<b>v</b>
<b>CHAPTER I – Purpose of Study.....</b>	<b>1</b>
Brief Purpose .....	1
Full Purpose.....	5
Defining CRM .....	5
The CRM Implementation .....	6
The Role of Change Management .....	7
Limitations.....	14
Problem Area & Significance.....	17
Definitions .....	20
<b>CHAPTER II – Review of References .....</b>	<b>23</b>
Literature on Research Methodology .....	23
Literature on CRM.....	27
Literature on Change Management as it Pertains to CRM Implementations.....	28
<b>CHAPTER III – Method .....</b>	<b>35</b>
Data Collection.....	36
Online Databases/Library Catalogs.....	36
Information Technology Sites.....	37
Internet Search Engines .....	38
Data Analysis .....	40
Open Coding .....	40
Axial Coding .....	42
Data Presentation .....	44
Selective Coding.....	44
<b>CHAPTER IV – Analysis Of Data .....</b>	<b>47</b>
Open Coding.....	47
Axial Coding.....	56
<b>Chapter V - Conclusions.....</b>	<b>67</b>
Discussion of the Selective Coding Process .....	67
Conclusions and Recommendations .....	70
Change Management Area #1: Leadership Practices .....	70
Change Management Area #3: Training Practices .....	74
<b>APPENDIX A – Data Set for Constant Comparison.....</b>	<b>77</b>

<b>APPENDIX B - Recommendations for Planning Successful CRM Implementations .....</b>	<b>83</b>
<b>APPENDIX C – Decision Support Tool Annotations .....</b>	<b>91</b>
<b>References.....</b>	<b>121</b>
<b>Bibliography .....</b>	<b>131</b>

## List of Tables

<b>TABLE 1: Open Coding Template: Successful Change Management Initiatives....</b>	<b>41</b>
<b>TABLE 2: Axial Coding Template: Practices that Facilitate Successful CRM.....</b>	<b>43</b>
<b>TABLE 3: Selective Coding Template: Recommendations for Planning Successful CRM Implementations .....</b>	<b>45</b>
<b>TABLE 4: 127 Successful Change Management Initiatives.....</b>	<b>49</b>
<b>TABLE 5: 127 Practices that Facilitate Successful CRM .....</b>	<b>59</b>



## CHAPTER I – PURPOSE OF STUDY

### BRIEF PURPOSE

Customer Relationship Management (CRM) is a combination of information systems and strategic management, aimed at providing better customer service (Chan, 2005). CRM facilitates collaboration among specific functional areas of the enterprise (Mack, Mayo & Khare, 2005). The areas of the enterprise most commonly affected by CRM are sales, marketing and customer service (Itkis, 2005). The ultimate goal of CRM is to align departmental capabilities - the core competencies of all departments affected by CRM (Brown, 1999) - in order to increase customer retention and loyalty, as well as revenues (Brown, 1999).

A CRM implementation consists of two primary components: the technology systems designed to support the CRM, and a strategy for business process management (Corner & Rogers, 2004). Kale (2005) suggests that change management provides the most appropriate business process management strategy to guide planning of successful CRM implementations. Kostka and Mönch (cited in Pries & Stone, 2004) define change management as the "process of continuous planning and realization of profound changes" (p. 353).

In recent years, CRM implementations have become a major financial investment for many diverse industries (Kros & Molis, 2004). Almquist, (cited in Adidam & Sindhav, 2001), posits that Gartner, an information technology (I.T.) research and analysis firm, suggests that spending on CRM implementations has experienced a 20-25 percent annual compound growth in the past five years, and is slated to surpass \$75 billion in

2005. However, research has shown that the majority of CRM implementations result in failure (Dragoon, cited in Adidam & Sindhav, 2001; Crosby & Johnson, cited in Adidam & Sindhav, 2001; Dyche, 2002), meaning that the implementation was not successful according to the conditions proposed by Brown (1999) (i.e., did not increase customer retention, loyalty and revenues) and did not achieve a predetermined return on investment (ROI) (Corner & Rogers, 2004).

Newell (2003) posits that the majority of CRM projects fail because of internal (to the enterprise) causes. He also suggests that organizational change is responsible for 29 percent of such failures, making it the main cause of failed CRM projects. As a way to better interpret this suggestion by Newell (2003), the purpose of this study is to examine specific change management initiatives that have been demonstrated to result in successful CRM implementations. In this study, a successful CRM implementation is proposed to be one that is framed within an adaptive organization that appropriately manages change (Arussy, 2004).

The primary method of study is literature review (Hewitt, 1998; Leedy & Ormrod, 2001). Selected relevant literature on CRM, primarily published between 1995 and 2005, is collected and reviewed. Literature in that time frame is considered relevant to the subject of CRM, since CRM evolved as a technology and a strategy in the late 1990's (Newell, 2003). The literature review process identifies select literature that meets specific criteria for inclusion in the annotated bibliography section, as well as inclusion in the analysis phases of this study. Selection criteria include discussion of CRM implementations, as well as change management initiatives that resulted in successful CRM implementations, in the literature.

Grounded theory approach and constant comparison method (Leedy & Ormrod, 2001, Corbin & Strauss, 1990) is utilized as the data analysis method supporting the literature review. The selected literature is analyzed in two phases. In phase one, literature is coded to identify reported successful change management initiatives. In phase two, literature is analyzed again using the constant comparison process, in which the researcher seeks to identify emergent concepts related to change management practices that are demonstrated to facilitate successful CRM implementations. Instances are noted as they emerge relative to the generalized concepts of "change management" and "successful CRM implementations". The results of the data analysis are presented in two tables, one listing identified change management initiatives, and the second describing emergent practices that facilitate successful CRM implementations. Practices are categorized in a way that shows the interrelationships among these initiatives.

The outcome of this study is presented as an annotated table of recommendations on emergent change management initiatives that facilitate CRM implementations. The resulting table is designed for use as a decision-support tool by CIOs (Johnson, 2005), and CRM steering committee members (Dyche, 2002), in the planning stages of a CRM implementation.



## FULL PURPOSE

Customer Relationship Management (CRM) is a business strategy that focuses on optimizing customer experience and maximizing service or product value (Nykamp, 2001). CRM represents the idea that as customer satisfaction is increased, customer behavior changes, customer value is added, and ultimately, profit increases (Curry & Curry, 2000). Curry and Curry (2000) also explain that by increasing customer satisfaction, customer behavior changes in the forms of added sales and increased customer loyalty and retention.

### ***Defining CRM***

Bergeron (2002) provides the following definition of CRM:

"Customer relationship management (CRM) is the dynamic process of managing a customer-company relationship such that customers elect to continue mutually beneficial commercial exchanges and are dissuaded from participating in exchanges that are unprofitable to the company" (p. 3).

According to Brown (1999), CRM is based upon two essential building blocks: A clear and precise understanding of customer needs and values, and the alignment of organizational capabilities to better meet customers' needs and to provide maximized customer value. In these ways, CRM meets the goal proposed by Bergeron (2002) to improve upon the existing dynamics of the company-customer relationship.

Strauss and Seidel (2004) claim that some see CRM only as a process driven by information technology, designed to optimize customer contact and experience. Barnes

(2001) suggests that CRM is a data and product-driven process. He also suggests that companies sell more products through the data-mining capabilities of CRM. Others see CRM as a comprehensive business strategy, with ultimate goal a long-term relationship with the customer (Strauss & Seidel, 2004). Among all of these varied perspectives, there is a general agreement that CRM is a process of building strong relationships with the external customer (Barnes, 2004, Nykamp, 2001, Strauss & Seidel, 2004, Curry & Curry, 2000). Some of the relevant reported benefits of CRM include:

- Added sales and marketing functionality, such as providing near real-time customer data and history to the sales and marketing departments (Barnes, 2004).
- Improved targeted marketing, by providing Sales with accurate customer profiles; this in turn increases up-selling and cross-selling capabilities (Barnes, 2004).
- Personalized customer service (Barnes, 2004).
- Better understanding of customer needs and segments (Thompson, 2000), as well as better grasp of customers' buying behaviors (Newell, 2003).
- Increased customer base (Bergeron, 2002).
- Creation of improved operational efficiencies (Newell, 2003).

### ***The CRM Implementation***

A CRM implementation consists of two primary components: (1) the technology systems designed to support the CRM (Newell, 2003), and (2) an enterprise-wide strategy (Brown, 1999) for business process management (Corner & Rogers, 2004). CRM facilitates collaboration among specific functional areas of the enterprise (Mack,

Mayo and Khare, 2005). For example, both CRM implementation components normally encompass all customer-centric business functions, such as sales, marketing, customer service (Pries & Stone, 2004), quality assurance and field service (Brown, 1999). Back-office systems, such as human resources, manufacturing, and accounting, are often also affected by CRM (Brown, 1999).

The technology component of a CRM implementation is often centered on a customer relational database management system (RDBMS) (Webster, 2002). A RDBMS is a method of managing data, such as customer data, by linking records via the use of indices, and by allowing structured searches or queries, to be performed on the data (PCMag.com, 2005). The RDBMS is shared among select functional areas of the enterprise, or in some cases the whole enterprise, facilitating sales force automation (Coker, Del Gaizo, Murray & Edwards, 2000) and customer relationship management (Simpkins, 2004). Such software systems are often called Contact Management Software (CMS), or can also be referred to as simply CRM (Simpkins, 2004). The CRM technology enables efficiencies that ultimately provide increased customer value, including a sales force that is more reactive to customer needs and more specialized by product line, more intuitive interaction methods (between the company and the client), as well as improved market segmentation (Zoltners, Sinha & Zoltners, 2001).

### ***The Role of Change Management***

Petersen (2002) suggests that while the CRM technology component can be viewed as one facilitator of CRM implementation success, the second component of the CRM implementations, business strategy (and business process management), is the main enabler of CRM implementation success. According to Adidam and Sindhav (2001) people, culture, and business process are key focus areas of a CRM implementation.

Price (2002) posits that CRM implementation success involves "business process and change management more than the ability to hook up the boxes" (para. 9). Kale (2005) posits that change management provides the most appropriate business process management strategy to guide planning of a successful CRM implementation. Kale (2005) also calls change management the "defining factor between success and failure in CRM projects" (p 1).

According to Kostka and Mönch (cited in Pries and Stone, 2004), "change management is the process of continuous planning and the realization of profound changes" (p. 353). Zoltners et al. (2001) posit that markets constantly change, and product lines change to meet shifting market demands. It is essential that people also change, as management shifts strategy in search of differential advantage (Zoltners et al. 2001). Managing organizational change, while concurrently continuing to achieve the highest possible service levels, is the ultimate challenge of change management (Holland, 2000).

Building on the notion from Kale (2005), that change management provides the most appropriate business process management strategy to guide planning of a successful CRM implementation, the purpose of this study is to examine specific change management initiatives that have been demonstrated to result in successful CRM implementations. The goal of this study is to aid Chief Information Officers (CIOs) (Johnson, 2004) and CRM steering committee members (Dyche, 2002) in successfully planning the change management process at the onset of the CRM project planning development.

Johnson (2004) suggests that the Chief Information Officer (CIO) is instrumental to the success of a CRM implementation. The CIO manages the actual implementation of the CRM technology, as well as the integration of the CRM technology in the various cross-functional areas of the enterprise (Johnson, 2004). CIOs are essential in ensuring that business processes remain uninterrupted during the CRM implementation, and that change management takes place without major disruption to business stability (Johnson, 2004). "The CIO works in an environment where change is a way of life. Technology changes at a breathtaking pace and every new system introduces different ways of doing business" (Johnson, 2004, p. 3). The CIO is often the business sponsor of the CRM project (Dyche, 2002). Since CRM is an I.T.-driven project (Price, 2002), CIOs are crucial in the success of the CRM project implementation.

The CRM steering committee is a group "of decision-makers familiar with the 'pain points' CRM can address, (and) should convene on a regular basis to provide new requirements, prioritize proposed improvements, and communicate key corporate initiatives" (Dyche, 2002, p. 48). The committee is comprised of managers from cross-functional areas of the enterprise (Compton, 2004, Schick, 2001), and has "the authority and budget to make a real difference" (Schick, 2001, para. 5) in CRM project success.

Early involvement of the CIO and CRM steering committee can facilitate business process reorganization (Johnson, 2004). This study is an attempt to inform the intended audience of CIOs and CRM steering committee members of change management initiatives that, when followed, result in successful CRM implementations.

The overarching method of research of this study is literature review (Hewitt, 1998). Literature review is the process of visiting (or revisiting) previous literature in similar or

identical areas of study (Leedy & Ormrod, 2001). According to Hewitt (1998), benefits of literature review include:

- Shows the depth of the material examined by the researcher.
- Aids in the analysis and interpretation of data.
- Frequently reveals additional references and citations.

Literature published between 1995 and 2005 is collected and reviewed in the following content areas, based on a set of collection criteria fully described in the Method section of the paper:

- Change management. Suresh (2001) suggests that “change management is a structured process that will cause proposed changes to be reviewed for technical and business readiness in a consistent manner that can be relaxed or tightened to adjust to business needs and experiences” (p. 4).
- CRM. CRM is the “integration of customer service quality and marketing, which has as its concern the dual focus of getting and keeping customers” (Christopher, Payne & Ballantyne, 1991, cited in Pries & Stone, 2004).
- CRM implementations. According to Schmidtmayer (2005), CRM implementations consist of the technical implementation of the CRM, the strategy behind the CRM, as well as the successful cooperation between various functional areas of the enterprise.
- Change management as it pertains to CRM implementations. According to Kale (2005) “change management is often the deciding factor between success and failure in CRM projects” (p. 1).

Over one hundred sources of literature are collected and reviewed. Sources include books, journal articles, and white papers published between 1995 and 2005. All collected literature is tested against the following criteria:

- CRM implementation relevance.
- Change management relevance.

The literature collection and selection process is presented in detail in the Method chapter of this paper.

Grounded theory approach and constant comparative method (Strauss & Corbin, 1990) is the chosen data analysis method employed in this study. Grounded theory approach is a qualitative research method that attempts to build theory based on discoveries made from within the data that are being analyzed (Strauss & Corbin, 1990). This researcher does not attempt to derive new theory, but rather to use grounded theory analysis to identify emerging themes, as well as relationships among such themes. Constant comparative method of analysis is also utilized for purposes of constantly categorizing, evaluating and comparing existing, as well as emerging data (Leedy & Ormrod, 2001).

In stage one of the constant comparative analysis process, selected literature is reviewed in order to identify change management initiatives that are reported to have resulted in successful CRM implementations. The results of this stage of the analysis are presented in the form of a table (see Table 4: Successful Change Management

Initiatives) identifying successful change management initiatives and their respective literary sources. The change management initiatives identified in this phase of the data analysis are discussed in the annotations of the outcome of the study, the decision support tool presented in Appendix B: Recommendations for Planning Successful CRM Implementations.

In stage two of the constant comparison analysis process, the same selected literature is scrutinized in order to identify emergent concepts relating to change management practices that are demonstrated to facilitate successful CRM implementations. No particular set of predetermined terms or phrases are employed, beyond searching for general references to CRM and change management. Instead, relevant concepts are allowed to emerge from the data. Relevant emergent concepts are constantly compared (Leedy & Ormrod, 2001) to new concepts discovered during the grounded theory analysis process. By constantly comparing emergent data to existing concepts, the researcher looks for common themes and categories of ideas (Strauss & Corbin, 1990, Dey, 1993, cited in Dye, Schatz, Rosenberg & Coleman, 2000). The results of the second stage of constant comparative analysis are presented as a table (see Table 5: Practices that Facilitate Successful CRM) of emergent concepts related to change management practices that are demonstrated to facilitate successful CRM implementations.

Emergent concepts are then further categorized and listed in the final outcome of this study, Appendix B: Recommendations for Planning Successful CRM Implementations. Recommendations are aligned with four specific change management criteria, selected from the work of Kale (2005). Criteria include training, leadership, infrastructure change, and performance measures (Kale, 2005). Kale (2005) suggests

that these criteria encompass four of the imperative initiatives of change management.

Area #1: training, is necessary in order to successfully implement infrastructure change (Kale, 2005). Jacobs (1994), suggests that change management efforts are often hindered as a result of inadequate training. Area #2: leadership, is necessary to sell change to internal customers (Kale, 2005). Effective leaders take necessary actions to "affect strategy, process, and change implementation" (Bishop, 2001, p. 216) in ways that increase the probability of success of the organizational change efforts. Area #3: infrastructure change, is imperative in order to select the right people to lead the organizational change, as well as for delineating the roles that they will play in the change management efforts (Kale, 2005). Area #4: performance metrics, is essential in order to assess performance in the changed environment (Kale, 2005). Because of the cross-functional reach of a CRM project, new or improved performance measures are likely to be required (Kale, 2005).

Appendix B: Recommendations for Planning Successful CRM Implementations, is designed to present a set of recommendations for specific change management practices that facilitate successful CRM initiative implementation. Recommendations are based on information presented in the results of stages one and two of the content analysis process, and framed from the perspective of four imperative criteria, from Kale (2005). They address change management practices that should be followed before and during CRM implementations, in order to achieve the highest likelihood of success. Appendix B is designed as decision-support tool for use by CIOs and CRM steering committee members when planning a CRM implementation. According to the CRA Report (2005) a decision support tool is a "process that provides a consistent and reproducible basis for making decisions" (para. 7). The outcome of the study is presented to all executives and functional area managers involved in the planning

stages of a CRM implementation, as well as CIOs and CRM steering committee members, who are key agents of change and have the ability to influence change management initiatives. The intended audience may use this study as a decision support tool, for guidance in addressing pertinent change management issues, when planning a CRM. Because of the high rate of failure of CRM implementations (Dragoon, cited in Adidam & Sindhav, 2001, Crosby and Johnson, cited in Adidam & Sindhav, 2001, Dyche, 2002), and the significance of change management initiatives in the success of CRM implementations (Kale, 2005, Adidam and Sindhav, 2001, Price, 2002), the outcome of this study is of utmost importance to the intended audience.

## LIMITATIONS

**Timeframe:** CRM evolved from the Total Quality Management and reengineering movements of the 1980's (Mack, Mayo, Khare, 2005, Scmitt, 2002), and the "customer-oriented and market-driven" movement of the 1990's (Schmitt, 2003, p. 10). Bergeron (2002) claims that CRM "was born around 1997" (p. 2). Selected relevant literature on CRM and change management, primarily published between 1995 and 2005, is collected and reviewed. Since CRM evolved as a strategy and technology in the late 1990's (Newell, 2003), literature in that time frame is considered relevant to the subject of CRM.

**CRM:** This study will not address the technology component of CRM implementations. Relevant research is readily available on the Web and in online databases, such as Business Source Premier. The study will also not address

management issues outside of change management; issues such as strategic management, or business process management unrelated to change management.

**Literature collection:** Since literature review (Hewitt, 1998) is the primary research method for this study, the data collected is the literature itself. In phase one of data collection, books, articles and white papers are selected based on the following key words:

- CRM.
- Change management.
- I.T. implementations.
- Successful CRM implementations.

An attempt is made to select literature from written works that have been cited in previous research or previous written work on the subject. Online bibliographies and citation indexes are consulted. Works are selected based on their perceived relevance to the subjects of information technology (I.T.) implementations, CRM implementations, organizational change management and change management as it pertains to I.T. and CRM implementations.

**CRM success:** This study focuses on identification of specific change management initiatives (Gordon, 1998) that have resulted in successful I.T (including CRM project) implementations. According to Brown (1999), CRM success "lies in its ability to establish and effectively use enterprise customer care information systems" (p. 138). CRM implementations are considered successful when they have achieved a

predetermined level of return on investment (ROI) (Corner & Rogers, 2004). CRM implementations are considered failed when a certain percentage of end users boycotted or ignored the CRM, thus making ROI impossible to achieve (Wu & Wu, 2005).

**Method:** Leedy and Ormrod (2001) posit that qualitative research is used to describe and interpret phenomena in an open-ended approach. According to Leedy and Ormrod (2001) qualitative research is also known as "interpretive, constructivist, or positivist" (p. 101). Quantitative research on the other hand is typically used to measure data, and to attempt to predict or explain concrete phenomena (Leedy & Ormrod, 2001). A quantitative study tends to confirm or disconfirm the tested hypotheses (Leedy & Ormrod, 2001). Both research method approaches enjoy similarities such as literature review and data collection.

This study uses a qualitative research approach, known as Grounded Theory (Strauss & Corbin, 1990). Pertinent data are collected, analyzed and presented mostly in a narrative way, in hopes of examining existing theory, rather than testing existing theory. The ultimate goal of this study is to provide CIOs and CRM project managers with an annotated table of recommendations of how select change management practices, reported in the literature, have facilitated successful CRM implementations.

Grounded theory and constant comparative method (Leedy & Ormrod, 2001, Strauss & Corbin, 1990) is utilized as the data analysis method of choice, since this study is not based on a specific theoretical framework. Rather, this study is an attempt to analyze collected data in order to identify common emergent themes that can be useful to practitioners, when presented as a set of recommendations. This researcher intends

that CIOs and CRM steering committee members may subsequently use these recommendations as a decision-support tool, when planning CRM implementations. According to the CRA report (2004), a decision support tool is a “process that is sensitive to stakeholders' concerns and provides a means for prioritizing risk reduction activities, making risk reduction decisions, and measuring risk reduction progress” (para. 7), thus facilitating the success of an I.T. project.

Kale is the author of numerous studies on how sound change management practices facilitate CRM implementations, and an Internet search reveals that his work is frequently cited in relevant literature. Kale's (2005) categories of change management initiatives are utilized in the Data Analysis section of this study, because of Kale's stature on the subject. The specific initiatives: training, leadership, infrastructure change, and performance measures, are selected because of their frequency of appearance in the larger collection of literature that provides data for the Data Analysis phase of this study.

## **PROBLEM AREA & SIGNIFICANCE**

A CRM implementation consists of the actual design and implementation of the CRM technologies (hardware and software), as well as the business strategy and organizational change management that supports the CRM (Newell, 2003). In recent years, CRM implementations have become a major financial investment for many diverse industries (Kros & Molis, 2004). Almquist (cited in Adidam & Sindhav, 2001) states that the Gartner Group, and information technology research and analysis firm,

reports that spending on CRM implementations has experienced a 20-25 percent annual compound growth in the past five years, and is slated to surpass \$75 billion in 2005.

The financial risks involved in CRM implementation are worth noting. The average CRM implementation costs roughly \$500,000 for a mid-size company, while a large company can expect to pay upwards of \$3 million (Bergeron, 2002). While CRM technologies have approached maturity in the past few years (Chan, 2005), the Meta Group (Johnson, 2004) has reported that CRM implementations have failed at alarmingly high rates, in the 55 to 75 percent range. Again, the Gartner Group predicted a 55 percent failure rate for CRM projects in 2002 (Dragoon, cited in Adidam & Sindhav, 2001), while Crosby and Johnson (cited in Adidam & Sindhav, 2001) put that figure at 69 percent, and Dyche (2002) estimated the failure rate at 70 percent.

By 2004, AMR Research (cited in Swartz, 2004) claimed that "12 percent of all CRM implementations are complete failures. That means the systems never even go live" (paragraph 3). After significant resource investment in CRM, some organizations never reap any return on investment (ROI) (Corner & Rogers, 2004).

However, this high rate of failure may not be a given, when success criteria are further defined. According to Compton (2004), early management of organizational change stimulates a successful CRM implementation. Successful CRM initiatives have yielded ROI between 16 and 1000 percent of the original investment (Stores Magazine, 2004). Mary Committee, president of Marketing Mastery (cited in Coker et al., 2000) states that technology ROI (ROTI) is also measured by the degree to which the success of the CRM increases each salesperson's effectiveness by 5 percent, through the power of technology-enabled sales (Coker, et al., 2000).

User acceptance and use of the CRM technologies is also a success criterion, and according to Wu and Wu (2005), is instrumental in achieving positive ROI (Wu & Wu, 2005). Zoltners et al. (2001) continue in this vein when they posit:

"the success of a CRM depends on its value to the users, which comes from its usage and its integration into the work progress. A focused change management effort is essential when the system entails a significant change in work processes or necessary skills" (p. 412).

Cultural issues and resistance to use of the CRM technology by the end users has been identified as a major hurdle to CRM implementation success (Coker, et al., 2000). Atkinson (cited in Pries & Stone, 2004) claims that "a culture is a set of values, behaviors and norms which tell people what to do, how to do it and what is acceptable" (p. 351). In his study of I.T. projects, Zahrnt (cited in Pries & Stone, 2004) suggests that change management issues are one of two major reasons for I.T. project failure – the other being technical reasons, such as the size, scope and complexity of the project itself. This study attempts to identify change management approaches that resulted in successful CRM implementations, in order to specifically address this problem.

## DEFINITIONS

**Back-office** – "Refers to systems that do not deal directly with the customer, such as inventory management and accounts payable" (PCMag.com, 2005, para. 1).

**Business process management** – "Business process management (BPM) is the ability to have end-to-end visibility and control over all parts of a long-lived, multi-step information request or transaction that spans multiple applications and people in one or more companies. Business process management means harnessing and enhancing the value of business processes however large or small, wherever they reside within the extended enterprise, and whomever they involve" (Bitpipe, 2005, para. 1).

**Change management** – ". . . the making of changes in a *planned and managed or systematic fashion*. The aim is to more effectively implement new methods and systems in an ongoing organization. The changes to be managed lie within and are controlled by the organization" (Nichols, 2004, para. 5).

**Contact Management Software (CMS)** – "Contact management software is the key software offered directly to an agent or advisor. It can help you conduct marketing campaigns and provide support to prospects and clients. It coordinates personal, financial and agency data" (Kite, 2000, para. 9).

**Core competencies** – "Core Competencies (CC) are the set of the most strategically significant and value-creating skills within a discipline, a service, or an organization" (CAPC Manual, 2005, para. 1).

**Cross-selling** – "A consumer sales promotion technique in which the manufacturer attempts to sell the consumer products related to a product the consumer already uses or which the marketer has available" (Marketing Power, 2005, para. 1).

**Customer Relationship Management (CRM)** – "A business strategy that focuses on optimizing the value an organization delivers to customers, and, as a result, the value an organization receives from customers. This strategy requires redirecting business focus, organizational structure, business metrics, customer interaction, business practices, and technology capabilities, to optimize the customer experience" (Nykamp, 2001, p. 200).

**Data mining** – "Extracting hidden predictive information from large databases and automatically detecting trends and associations hidden in data" (Coker, et al., 2000, p. 208).

**Functional areas** – "Most businesses consist of a number of different departments, each of which has a specific job or task to do - these are called functions" (BizEd, 2005, para. 1).

**Sales Force Automation** – "The process of using technology to automate certain functions of sales to better meet the demands of customers and to build revenue" (BitPipe, 2005, para. 1).

**Up-selling** - "Proactively increasing the size of a customer's purchase by encouraging the purchase of a more expensive item or the purchase of an accessory. In service industries, up-sell usually translates to an increase in the rate of usage...over a defined period of time" (Nykamp, 2001, p. 206).

**Vendor** - "The seller of software products. Vendors are typically value-added resellers of products that may be bundled with other products and services, such as training. In some cases, the vendor and developer are one company" (Bergeron, 2002, p. 215).

## CHAPTER II – REVIEW OF REFERENCES

The Review of References section of this study provides an annotated listing of selected key references cited in the study. Key references are defined as references that are instrumental in framing the research subject of how successful change management practices facilitate CRM implementations, provide relevant data for analysis, or assist in the larger research method used in this study.

Selected references are presented in the categories of:

- Research methodology
- CRM
- Change Management as it pertains to CRM implementations

Criteria for selection include significance of the literature to the content of the study, frequency of citation in the study, as well as the stature of the author/source of the literature.

### ***Literature on Research Methodology***

**Hewitt, M.** (1998). Carrying Out a Literature Review. Retrieved September 8, 2000, from  
<http://www.trentfocus.org.uk/Resources/Literature%20Review.pdf>

In this article, the author provides a definition of literature review as a research method in itself, rather than as part of a larger research method. Hewitt describes

literature as "all published work on a subject" (p. 1). In this work, he discusses the process of conducting a literature review, as well as the possible advantages of the literature review method. According to Hewitt (1998), "a literature review will:

- provide an up-to-date picture of the research area of interest and shows which areas have been investigated and the results obtained.
- identify methods of investigation that could be used in further research
- give indications of problems that might be encountered and possible solutions
- reveal common findings among studies
- identify factors not previously considered
- provide suggestions for further research" (p. 3).

This study is conducted as a literature review, and the structure of the study follows Hewitt's (1998) stages of literature review (p. 2). Numerous Internet and database searches fail to provide a more complete definition of literature review as a self-contained research methodology.

**Leedy, P. D., Ormrod, J. E.** (2001). *Practical research planning and design*. New Jersey: Merrill Prentice Hall.

In this reference, the authors discuss research and its methodology. In chapter 4, the authors provide a discussion of literature review as a section of a larger research report. They provide guidelines for using available resources, such as libraries, government publications, and the Internet, as tools, used to conduct a comprehensive

literature search. The discussion on literature review is relevant to this study, since this paper is based on selected literature, collected through targeted search, as described by the authors.

The discussion of grounded theory analysis (pp. 154-157, 158), and constant comparative method (p. 154), provides the foundation of the data analysis section of this study. The authors describe grounded theory as beginning "with the data and (using) them to develop a theory" (p. 154). The author of this study does not attempt to develop new theory, but rather uses the grounded theory method discussed by the authors to categorize data and to discover connections between the data. The coding processes discussed by the authors (with the exception of development of theory, p. 155), are used in the Method and Data Analysis sections of this study.

This work by the authors is chosen for inclusion in this study because the authors are cited numerous times in the work of others, as discovered in an Internet search.

**Strauss, A., Corbin, J. (1990). *Basics of qualitative research: Grounded theory procedures and techniques*.** Newbury Park, CA: Sage Publications.

The authors provide a comprehensive discussion on the (qualitative) grounded theory method of analyzing data. In Chapter 1, the authors discuss how the grounded theory approach differs from other qualitative research methods. Chapters 5 and 7 provide a detailed discussion on the open and axial coding procedures, which are discussed in the Method section of this study, and are utilized in the Data Analysis section.

In Chapter 5, the authors explain the process known as Open Coding, or placing labels on discrete concepts that are discovered during the review of the data. The authors describe this process as "the naming and categorizing of phenomena through close examination of data" (p. 6). Open Coding is discussed in the Method section of this study, and is utilized as the analysis method in phase one of data analysis. In this phase, the authors comment, data is first broken down and conceptualized, then categorized. Categories emerge from the data. In this study, change management initiatives, as they pertain to CRM implementations, emerge during the Open Coding phase of the analysis.

In Chapter 7 the authors discuss the Axial Coding phase of data analysis. According to the authors, during this phase of the research study, the categorized data are now put back together by the specific emergent context discovered during the Open Coding phase of the study. In this phase, subcategories are linked to main categories, in an action/interaction process, one based on consequences or outcomes. In the Axial Coding phase of data analysis of this study, based on the Chapter 7 discussion of the authors' work, the emergent change management initiatives, identified in the Open Coding phase, are now categorized by four specific change management areas (as suggested by Kale, 2005), training, leadership, infrastructure change and performance metrics.

This work provides the foundation of the Method and Data Analysis sections of this study. The authors of this study are cited numerous times in works of others, and have co-authored numerous works on qualitative research methods and grounded theory analysis.

### **Literature on CRM**

**Bergeron, B.** (2002). *Essentials of CRM: A guide to customer service relationship management*. New York: Wiley.

In his book, Bergeron provides an overview of CRM, including a history of CRM, as well as a set of limitations of what CRM is not. According to Bergeron (2002), CRM is a concept that evolved in the late 1990s, when the need arose to "proactively provide the best customer service possible, while creating a database of customer preferences that can be reviewed by sales, marketing, and management" (p. 2).

Bergeron discusses the increasing importance of the customer and the significance of the company-customer relationship, to the sustainability and profitability of the enterprise, as well as how a CRM implementation can facilitate such a relationship. Bergeron also discusses the dynamics between the company and its customers, and how a positive experience (by the customers) increases profitability.

In the later chapters of his book, the author discusses the technology behind CRM, including vendor and product evaluation and selection, and implementation. Possible implementation caveats are also discussed. This reference is used in the larger discussion of CRM, in the Brief and Full Purpose sections of the study. Bergeron's work provides necessary historical background on CRM.

Bergeron is currently a Harvard and M.I.T. professor, as well as editor of *e.MD*, and technical editor of *Postgraduate Medicine*. He is the author of several other works, and an Internet search reveals that his work is cited numerous times in other literature.

### ***Literature on Change Management as it pertains to CRM implementations***

**Kale, S.** (2005). Appreciating the role of change management in CRM. Retrieved September 9, 2005, from

<http://crm.ittoolbox.com/browse.asp?c=CRMPeerPublishing&r=http%3A%2F%2Fhosteddocs%2Eittoolbox%2Ecom%2FSK050605%2Epdf>

**Kale, S.** (2005). Change management: antecedents and consequences in casino CRM. *UNLV Gaming Research and Review Journal*, 9, 55-67. Retrieved October 18, 2005, from Business Source Premier database.

Kale's work provides a holistic view of how change management issues affect CRM implementations. In his work "Appreciating the role of change management in CRM", Kale (2005) suggests that CRM implementation failure is attributed to several factors, including "inappropriate change management" (p. 1). He also posits that in a 2002 CRM-forum survey of 700 CRM practitioners, consultants and vendors, 29 percent of respondents selected change management issues as the leading cause of CRM implementation failure. This section of Kale's work was instrumental in the framing of this study, including the Purpose and Problem Area/Limitations section, as well as in Data Analysis section.

Kale suggests that change management is comprised at least four initiatives: training, leadership (selling change internally), actually implementing the infrastructure, and implementing performance measures. He suggests that these change management issues are universal to any large I.T. implementation, including CRM. Breaking down the four major change management initiatives, Kale offers the following advice:

- **Leadership** - If a CRM implementation is to succeed, the end-users will have to be sold on it. End-users of a large-scale I.T. implementation, such as CRM, are found in various departments and corporate levels. End-users typically do not look forward to change. In fact, if users shy away from using the CRM, the implementation may fail to achieve its stated goals. Senior management needs to sell change internally, through a top-down adoption scheme, by first communicating the importance of the CRM implementation to the end-users. Empowerment is also used as a means of successfully managing change.
- **Training** - A new CRM implementation will fail, unless there is a formal training program in place. Training does not only provide the end-users with the fundamental operational capacity to correctly use the CRM, but also with the mind-set change needed to alleviate fears of the new system.
- **Infrastructure change** - Cross-departmental collaboration is necessary in order to achieve the larger infrastructure change that a CRM implementation requires. Individuals from various departments need to be recruited to play the roles of

change agents and team leaders. Consideration needs to be given to the qualities of such individuals.

- **Performance measures** - Continuous monitoring and assessment of the change process is essential for the success of the change management process.

In his work "Change management: antecedents and consequences in casino CRM", Kale (2005) reiterates his change management initiatives, and provides further examples of how each initiative can successfully aid in the success of a CRM implementation. Kale (2005) provides real-world examples of CRM successes from the casino business. This paper is used in the data analysis section of the study.

Kale is the author of several works on change management and CRM implementations, and an Internet search reveals that his work has been cited in numerous other studies on CRM implementations.

**Markstrom, K.** (2002). Secrets of CRM success: Strategies for achieving the vision through end user adoption. Retrieved October 5, 2005, from  
<http://crm.ittoolbox.com/documents/Peer-Publishing/2591>

The author of this reference posits that end-user acceptance is the key to successful CRM implementation. She suggests that managing organizational change early in a CRM project facilitates implementation success. In this article, the author addresses a plethora of change management issues that are known to enhance success rates in CRM implementations, including issues of end-user training, executive sponsorship, and performance measures. According to the author, the majority of CRM

implementations fail because of inadequate end-user acceptance, as a result of poorly managed organizational change.

This reference provides key data in the Data Analysis section of this study. The author has managed on numerous I.T. implementations since 1996 and at the time of publication was the Director of Client Services for Tech Resource Group (TRG), a provider of CRM implementation solutions.

**Neville, K., Mohally, D.** (2004). A case to examine organizational change. *International Journal of Information Technology and Management*, 3, 173-188. Retrieved October 5, 2005, from

[http://www.inderscience.com/search/index.php?action=record&rec\\_id=5031&prevQuery=&ps=10&m=or](http://www.inderscience.com/search/index.php?action=record&rec_id=5031&prevQuery=&ps=10&m=or)

This article investigates the success of a CRM implementation across a multi-national corporation. The authors argue that successful change management is the reason behind the success of such large-scale project. The authors cite Clark and Garside's (1997) matrix of best practices in change management as: commitment, social and cultural issues, communication, tools/methodology, and interactions. They apply these practices to the study of Johnson and Johnson's two CRM implementations, the CRM and Dendrite projects. Johnson and Johnson is a multinational manufacturer of healthcare products.

The authors present a table of change management practices based on Clark and Garside's (1997) matrix, rated by how well they affected each of Johnson and

Johnson's CRM implementations. Change is closely managed during the CRM project implementation, while the Dendrite project is managed without much regard to organizational change. The authors argue that the CRM project is more successful, because of the attention to change management issues.

This study is prominent in the Data Analysis phase of this study, providing relevant data for analysis and interpretation. Neville is a doctoral candidate at the University of Bath, UK, and is the author of numerous articles on CRM initiatives, published in information systems conferences and journals.

**Pries, C., Stone, M.** (2004). Managing CRM implementation with consultants - CRM or change management? *Journal of Change Management*, 4, 351-370. Retrieved September 9, 2005, from Business Source Premier database.

The work of Pries and Stone provides an overview of CRM and the reasons behind the adoption of CRM. The authors discuss the high failure rates of CRM implementations, as well as the critical reasons for such failures. The two main reasons behind CRM failure, according to the authors, are technical failures, such as project or technology failures, and change management failures.

The authors examine how specific change management practices facilitate or hinder CRM implementations, by interviewing CRM consultants that participated in CRM implementations in the financial sector. They elaborate on leadership and infrastructure change issues affecting CRM implementations. The work of the authors is used to frame

the topic of this study. It is instrumental in developing the Full Purpose of this study, and provides essential data in the Data Analysis section.

Professor Merlin Stone is a Business Research Leader at IBM and is the author of many articles and nearly thirty books on customer service and marketing.

**Siebel White Paper** (2004). Applied change management: A key ingredient for CRM success. Retrieved October 4, 2005, from

[http://www.siebel.com/common/includes/pdf\\_frame.shtm?pdfUrl=/downloads/white\\_papers/applied\\_change\\_mgmt\\_whitepaper.pdf](http://www.siebel.com/common/includes/pdf_frame.shtm?pdfUrl=/downloads/white_papers/applied_change_mgmt_whitepaper.pdf)

This white paper examines the importance of change management initiatives in the success of CRM implementations. This article explains the connection between organizational change and CRM initiatives. According to this paper, internal and external business drivers - such as finances, competition, customers, and business partners - create the imperative of a CRM implementation. Besides an investment in technology, internal change is also an imperative in a CRM implementation. Since a CRM implementation necessitates massive organizational change, it follows that effective change management creates a higher likelihood for CRM success.

This article claims that change management needs to happen at both a strategic and tactical level. They provide a list of key process steps of applied change management that can facilitate success of a CRM implementation. The steps include change management initiatives in the areas of training, organizational and culture

change, leadership, and performance measures. The article also suggests that creating a need for organizational change is the first step in managing said change.

This white paper provides vital data in the Data Analysis chapter of this study. Siebel is regarded as a leading firm in CRM and other enterprise-wide implementations.

## CHAPTER III – METHOD

According to Leedy and Ormrod (2001), qualitative research is "used to answer questions about the complex nature of phenomena" (p. 101). This study employs a qualitative research method, because the researcher does not seek answers to predetermined questions, based on measured variables (Leedy & Ormrod, 2001). This researcher attempts to examine and interpret change management initiatives that result in successful CRM implementations, without any notions or biases (at the onset of the research study) as to what these initiatives might be. Qualitative research often works with unknown variables, and builds theory based on inductive analysis (Leedy & Ormrod, 2001).

The overarching qualitative research method used in this study is literature review (Hewitt, 1998). "A literature review is a self-contained piece of written work that gives a concise summary of previous findings in an area of the research literature (Hewitt, 1998, p. 1). In literature review, the researcher formulates a research question and attempts to identify solutions based on the collection, review and interpretation of existing literature (Hewitt, 1998). Leedy and Ormrod (1999) claim that a literature review can also identify data sources that may have otherwise been overlooked, as well as provide new insights in various research methods.

The purpose of this study is to collect and analyze existing literature on the subject of change management, as it pertains to CRM implementations, and to extract relevant relationships among concepts examined during the analysis phase of the study. Grounded theory approach and constant comparative method (Strauss & Corbin, 1990) is the chosen data analysis method employed in this study, since this study seeks to

discover new theory grounded in the literature written on the subject at hand. According to Strauss and Corbin (1990), the "grounded theory approach is a qualitative research method that uses a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon" (p. 24). While the researcher utilizes grounded theory analysis methods, it is not the purpose of this study to derive new theory, but to examine existing theory. To that end, focus in this study is on use of the constant comparative method as a way to generate new ways of viewing the selected materials.

## **Data Collection**

Literature for this study is collected by searching online databases, library catalogs, Internet search engines, and information technology sites. Bibliographies and citation indexes are also searched (Leedy & Ormrod, 2001).

### ***Online databases/Library catalogs***

The University of Oregon Library's Janus Online Information system, Portland State University Library's Online Database system, and the Orbis Cascade Alliance, a library consortium of Pacific Northwest college and University libraries, provide the researcher access to multiple online databases. Relevant literature is obtained from the following online databases:

- Business Source Premier
- Lexis-Nexis Academic
- Lexis-Nexis Statistical

- Tablebase
- Inspec
- ArticleFirst
- Google Scholar (Beta)

Business Source Premier database is the primary source of references for this study.

It produces the majority of references relevant to change management, as it relates to CRM implementations. Lexis-Nexis Academic and Inspec databases also provide relevant sources, but many of the sources are duplicates of sources recovered from Business Source Premier.

Literature is also collected from the Multnomah and Washington County (OR) library shelves. Much of the literature obtained at these libraries pertains to the general subjects of change management, customer relationship management and various subsets. This literature provides the researcher with definitions and a broad understanding of the respective subjects.

### ***Information technology sites***

- Bitpipe - <http://www.bitpipe.com/>
- eWeek - <http://www.eweek.com/>
- CIO Online - <http://www.cio.com/>
- ITtoolbox – <http://www.ittoolbox.com>

These information technology sites provide the researcher with relevant articles on CRM implementations, as well as change management initiatives, as they pertain to CRM implementations.

### ***Internet search engines***

- Google - <http://www.google.com/>
- Metacrawler - <http://www.metacrawler.com/>

Internet search engines provide the researcher with information technology literature sources, such as Bitpipe and iTtoolbox. These search engines are crucial in the data collection phase of this study.

Data is collected where full text of the literature is available based on searches for combinations of the following keywords:

- Change management
- Organizational change
- CRM
- CRM implementation
- CRM project
- IT project
- IT implementation
- Customer relationship management
- Customer relationship management implementation
- Customer relationship management project
- Software implementation
- Success
- Successful

- Best practices
- Case study
- Criteria

Relevant Boolean operators, such as 'AND', 'OR' and 'NOT' are used, where applicable.

Relevance sampling (Krippendorff, 2004) is utilized when applicable. Krippendorff (2004) suggests that relevance sampling is the process of commencing searches with specific keywords and continually adjusting the keywords used, until a sample of literature of manageable size has been collected.

A body of literature including over one hundred full-text articles and books is recovered during the first phase of the literature collection. All full-text online articles are downloaded or printed. In phase two of the literature collection process, all full-text articles and books are further scrutinized to ensure that they meet the criteria set forth by the researcher, for admission to the data analysis stage, as well as the literature review section of the paper. The testing criteria to which all collected literature is subjected, to determine admissibility to the literature review and data analysis, are:

- Is the literature relevant to CRM implementations?
- Is the literature relevant to change management, as it pertains to CRM implementations?

All literature meeting both criteria relevant to this study are included, resulting in over 20 of the original one hundred collected references.

## Data Analysis

During the literature selection process, 30 references are deemed relevant to the research subject at hand. Grounded theory approach and constant comparison (comparative) (Strauss & Corbin, 1990, Leedy & Ormrod, 2001) method is used to analyze the material, as a way to identify: (1) reported successful change management initiatives (see Table 1: Open coding template: Successful Change Management Initiatives) and (2) emergent concepts related to change management practices that are demonstrated to facilitate successful CRM implementations (see Table 2: Axial coding template: Practices that Facilitate Successful CRM).

Grounded theory analysis uses three coding procedures (Strauss & Corbin, 1990) in order to build on the original question at hand and identify related emergent information, in this order:

### ***Open coding***

During the open coding phase of the grounded theory analysis, the 30 articles of literature are examined, compared to each other, and analyzed, in order to produce a list of emerging phenomena pertinent to the research problem (Strauss & Corbin, 1990). Strauss and Corbin (1990) suggest that there are two analytic procedures that are essential for the open coding phase: the asking of questions and the making of comparisons.

In phase one of the constant comparative analysis process, selected literature is reviewed in order to identify change management initiatives that are reported to have resulted in successful CRM implementations. In this phase, the researcher examines

each selected piece of literature and first asks the question: "is this article relevant to change management as an agent of successful CRM implementations"? If the answer is affirmative, then the entire document is scanned (Strauss & Corbin, 1990) for reports of specific change management initiatives that reportedly resulted in successful CRM implementations. This is stage one of the content analysis plan in this study. If such reports are found, they are added to the Open Coding table of reported successful change management initiatives (see Table 1: Open Coding Template: Successful Change Management Initiatives).

**Table 1: Open coding template: Successful Change Management Initiatives**

CHANGE MANAGEMENT INITIATIVE	LITERATURE SOURCES

At the end of the open coding process, instances of reported change management initiatives are grouped by similar themes or phenomena and categorized by their respective characteristics. According to the Merriam Webster Online Dictionary (2005), a characteristic is defined as "a distinguishing trait, quality, or property" (para. 1). Then, categories are presented in Table 4: Successful Change Management Initiatives, including citations for each instance, from the original literature.

### **Axial coding**

Strauss and Corbin (1990) call the axial coding phase of the grounded theory analysis "utilizing a coding paradigm involving conditions, context, action/interactional strategies and consequences (to)...put (data) back together in new ways...by making connections between categories" (p. 96). The original set of 30 references is scanned a second time via constant comparison (Strauss & Corbin, 1990) in order to identify emergent concepts related to change management practices that are demonstrated to facilitate successful CRM implementations (see Table 2: Practices that Facilitate Successful CRM). This is the second stage of the content analysis plan in this study.

According to Strauss & Corbin, (1990) subcategories are related to respective categories via the following paradigm model:

"(A) Causal conditions --> (B) Phenomenon -->  
(C) Context --> (D) Intervening conditions -->  
(E) Action/interaction strategies -->  
(F) Consequences" (p. 99).

While examining the data in the axial coding process, the researcher looks for causal conditions (events) that lead to the occurrence of the phenomena at hand (change management initiatives), in the specific context - or the set of properties specific to a phenomenon (Strauss & Corbin, 1990). Intervening conditions are broader context pertaining to the phenomenon (Strauss & Corbin, 1990). Action/interaction strategies are tactics to observe these phenomena, through the selected literature, under changing conditions, when applicable. Consequences are the observed outcome of the

phenomena. In this study, the desired consequence is the success of the CRM implementation, as measured by the predefined criteria for "success".

The result of the axial coding phase is a list of emergent concepts related to change management practices that are demonstrated to facilitate successful CRM implementations. Emergent concepts are presented in a table (see Table 2: Practices that Facilitate Successful CRM).

Table 2: Axial coding template: Practices that Facilitate Successful CRM documents the categories selected for the final presentation of emergent practices. Emergent practices are categorized according to four major categories of change management initiatives provided by Kale (2005): training, leadership, infrastructure change, and performance measures (Kale, 2005). These categories are noted in Tables 2 and 3 according to the following categories:

- Training
- Leadership (Selling change)
- Infrastructure change
- Performance measures

**Table 2: Axial coding template: Practices that Facilitate Successful CRM**

CHANGE MANAGEMENT PRACTICES	CHANGE MANAGEMENT CATEGORIES FROM KALE (2005)
	Training
	Infrastructure change

## Data presentation

The results of the data analysis process are described above, relative to each coding phase. The final outcome of the study is generated through the third coding phase of the grounded theory approach: selective coding process.

### ***Selective coding***

Selective coding is the process of integrating all categories coded in the first two phases, for purposes of forming grounded theory (Strauss & Corbin, 1990). This study is not an attempt at forming new theory, but selective coding is employed as a method of relating all major concepts identified during the axial coding phase of this study (i.e., emergent concepts related to change management practices that are demonstrated to facilitate successful CRM implementations), to the issue at hand, change management initiatives that facilitate successful CRM implementations.

As the final outcome of the study (see Appendix B: Recommendations for Planning Successful CRM Implementations), the researcher attempts to merge the information presented in Table 4: Practices that Facilitate Successful CRM, and Table 5: Practices that Facilitate Successful CRM into an annotated table of recommendations. Recommendations address change management practices that should be followed before and during CRM implementations, framed by the work of Kale (2005), in order to achieve the highest likelihood of success.

The table is designed to be used as a decision-support tool, by all executives and functional area managers involved in the planning stages of a CRM implementation, as

well as CIOs and CRM steering committee members, who are key agents of change and have the ability to influence change management initiatives. Each recommendation pertains to a distinct decision that must be made. Decisions are mapped to the results of phase one of the data analysis, the change management practices that facilitate CRM success, and the results of phase two of the data analysis, the change management practices identified in phase one, categorized by Kale's (2005) four criteria of successful change management. In Appendix B: Recommendations for Planning Successful CRM Implementations, each successful change management initiative identified in phase one of the data analysis, is discussed in terms of any of Kale's (2005) relevant four criteria of change management that pertain to it. The outcome of this study and the relevant discussion in the Conclusions section, are expected to provide the specific audience of this study with a list of all emergent change management initiatives and their relationship to Kale's four criteria of change management, as a decision support tool to be used in the planning stages of a CRM implementation, for purposes of establishing lists of change management imperatives to be addressed.

**Table 3: Selective coding template: Recommendations for Planning Successful CRM Implementations**

<b>A Decision-support to for planning successful CRM implementations</b>	
<b>Four Imperative Criteria, from Kale, 2005</b>	<b>CRM Planning Recommendation</b>
#1: Training	<p>Rec #1: Discussion of how this change management initiative pertains to training issues and why it is essential to CRM implementation success.</p> <p>Rec #2:</p> <p>Rec #3:</p>

#2: Leadership	Rec #1: Discussion of how this change management initiative pertains to leadership issues and why it is essential to CRM implementation success.  Rec #2:  Rec #3:
Et cetera	

## CHAPTER IV – ANALYSIS OF DATA

This chapter presents the details of the grounded theory and constant comparative analysis plan (Strauss & Corbin, 1990) described in the Method chapter. Grounded theory analysis and constant comparison are employed in three distinct phases: open coding, axial coding, and selective coding (Strauss & Corbin, 1990). The detailed procedures and results of the open and axial coding phases of this study are presented in the Analysis of Data chapter, while the results of the selective coding phase are presented in the Conclusions.

### ***Open Coding***

During the literature selection process, 30 references are deemed relevant to the constant comparative process. The selected references comprise the data set utilized in each reported phase of the Analysis of Data section of this study. The entire data set can be found in Appendix A: Data Set for Constant Comparison.

During the Open Coding phase of this study, the selected articles of literature are examined, compared to each other, and analyzed, in order to produce a list of emerging phenomena pertinent to the research problem (Strauss & Corbin, 1990). In specific, during the Open Coding phase of the constant comparative analysis process, selected literature is reviewed in order to identify change management initiatives that are reported to have resulted in successful CRM implementations. The literature is deemed relevant to change management practices as they pertain to successful CRM implementations. The researcher scans the literature, looking for phrases such as “best practices”, “recommendations”, “success factors” and “prerequisites”. The researcher also looks for

terms such as “failure”, “unsuccessful” or “misstep”. If any of these terms are associated with a CRM implementation, the researcher then looks for reported change management initiatives that contributed to the success (or failure) of such implementation. Constant comparison is employed (Strauss & Corbin, 1990) in order to identify phenomena that may be related to one another (Strauss & Corbin, 1990).

During Open Coding, each identified change management initiative is compared to already identified initiatives, and is either added to an ongoing list of change management initiatives, discarded, or added to the list under an existing initiative listing. By employing constant comparison (Strauss & Corbin, 1990), the researcher is able to catalog similar ideas under the same listing. For example, Kale's (2005) view that “a well-thought out communications plan clearly demonstrating the benefits of CRM to the organization and employees alike, will...encourage (user) adoption” (p. 4) and the view from Meltzer (2004) that the “inability to clearly articulate the strategic importance of implementing CRM within an organization is what caused many of the early failures that we have read about...” (p. 5) are interpreted to have the same meaning and are listed only once in Table 4: Successful Change Management Initiatives. Table 4: Successful Change Management Initiatives presents a list of 127 change management initiatives identified in the literature, through the open coding process, as enabling successful CRM implementations.

**Table 4: 127 Successful Change Management Initiatives**

CHANGE MANAGEMENT INITIATIVE	LITERATURE SOURCES
Key players in CRM project are identified	Foreman, 2004, Kale, 2005, Pries and Stone, 2004, Siebel White Paper, 2004
Key players' roles are defined	Atum White Paper, 2003, Chen and Popovich, 2003, Kale, 2005, Meltzer, 2004, Neville and Mohally, 2004
Buy-in from top management is achieved	Adidam and Sindhay, 2001, Barnes, 2001, Corner and Rogers, 2004, Dyche, 2002 Kale, 2004, Kale, 2005, Kros and Molis, 2004, Neville and Mohally, 2004, Pries and Stone, 2004, Riseley, 2004, Siebel White Paper, 2004
Top management takes lead in organizational change	Chen and Popovich, 2003, Corner and Rogers, 2004, Dyche, 2002, Kale, 2005, Neville and Mohally, 2004, Pries and Stone, 2004, Siebel White Paper, 2004
Internal marketing program is in place	Kale, 2005, Siebel White Paper, 2004
All individuals affected by the CRM are informed of how their work will change, how the CRM will help them	Adidam and Sindhay, 2001, Atum White Paper, 2003, Chen and Popovich, 2003, Kale, 2005, Kros and Molis, 2004, Markstrom, 2002, Neville and Mohally, 2004
Well thought-out communication plan is in place	Adidam and Sindhay, 2001, Brown, 1999, Chen and Popovich, 2003, Corner and Rogers, 2004, Foreman, 2004, Gordon, 1998, Meltzer, 2004, Neville and Mohally, 2004, Siebel White Paper, 2004, Strauss and Seidel, 2004, Thompson, 2000, Zoltners, Sinha and Zoltners, 2001
End-user buy-in is gained	Adidam and Sindhay, 2001, Corner and Rogers, 2004, Kale, 2004, Kale, 2005, Markstrom, 2002, Meltzer, 2004, Neville and Mohally, 2004, Pries and Stone, 2004, Siebel White Paper, 2004, Thompson, 2000, Zoltners, Sinha and Zoltners, 2001
User input is requested	Atum White Paper, 2003, Corner and Rogers, 2004, Kale, 2004, Kale, 2005, Mack, Mayo and Khare, 2005, Neville and Mohally, 2004
Sponsor group is developed	Dyche, 2002, Gordon, 1998, Kale, 2005, Mack, Markstrom, 2002, Mayo and Khare, 2005, Neville and Mohally, 2004, Siebel White Paper, 2004

Sponsor group defines approaches and tools for driving change	Kale, 2005
Customer-centric culture is created	Adidam and Sindhay, 2001, Atum White Paper, 2003, Brown, 1999, Chen and Popovich, 2003, Dyche, 2002, Foreman, 2004, Kale, 2004, Kale, 2005, Mack, Mayo and Khare, 2005, Markstrom, 2002, Pries and Stone, 2004, Siebel White Paper, 2004, Strauss and Seidel2004, Thompson, 2000, Zoltners, Sinha and Zoltners, 2001
CRM project ownership is transferred to every level of the organization	Adidam and Sindhay, 2001, Atum White Paper, 2003, Kale, 2005, Koslowski, 2004, Neville and Mohally, 2004, Siebel White Paper, 2004
Roles of change agents are identified	Kale, 2005, Markstrom, 2002, Siebel White Paper, 2004
Change agents are identified	Brown, 1999, Gordon, 1998, Kale, 2005
Team leader role is defined	Kale, 2005, Siebel White Paper, 2004
Content experts are identified	Kale, 2005
Steering committee is identified	Bergeron, 2002, Brown, 1999, Dyche, 2002, Kale, 2005, Siebel White Paper, 2004
Project managers are identified	Kale, 2005
Human Resources is involved in training	Kale, 2005
Formal training program is in place	Compton, 2004, Kale, 2005, Siebel White Paper, 2004
Training objectives are defined	Compton, 2004, Kale, 2005, Markstrom, 2002, Pries and Stone, 2004, Siebel White Paper, 2004
Training is designed with the customer in mind	Compton, 2004, Kale, 2005, Mack, Mayo and Khare, 2005
Investment in training is substantial	Chen and Popovich, 2003, Kale, 2005, Mack, Mayo and Khare, 2005, Markstrom, 2002, Zoltners, Sinha and Zoltners, 2001
All affected users attend training	Kale, 2005, Kros and Molis, 2004
Training incentives are provided	Kale, 2005, Zoltners, Sinha and Zoltners, 2001

Training commences before launch of CRM project	Compton, 2004, Kale, 2005, Neville and Mohally, 2004, Siebel White Paper, 2004
Existing departmental and geographic structures are evaluated	Kale, 2005
Mind-set training is part of curriculum	Chen and Popovich, 2003, Compton, 2004, Kale, 2005, Kros and Molis, 2004, McGovern and Panaro, 2004, Meltzer, 2004, Siebel White Paper, 2004
Organizational structure is realigned to foster communication	Chen and Popovich, 2003, Kale, 2005, Siebel White Paper, 2004
Horizontal linking mechanisms are put in place to improve organizational coordination	Kale, 2005
Incentive systems (including evaluation, compensation, rewards) are changed to align to CRM culture	Bygstad, 2003, Chen and Popovich, 2003, Kale, 2005, Mack, Mayo and Khare, 2005, McGovern and Panaro, 2004, Siebel White Paper, 2004, Strauss and Seidel2004
Shift from individual to team-based awards	Kale, 2005
CRM vision is shared in formal document	Corner and Rogers, 2004, Kale, 2005
All functional areas within the enterprise are involved in change process	Adidam and Sindhay, 2001, Dyche, 2002, Foreman, 2004, Kale, 2005, Koslowski, 2004, Markstrom, 2002, Neville and Mohally, 2004, Siebel White Paper, 2004
Shared cross-functional goals are established	Corner and Rogers, 2004, Foreman, 2004, Kale, 2005, Neville and Mohally, 2004, Siebel White Paper, 2004
Training is ongoing	Bergeron, 2002, Brown, 1999, Compton, 2004, Kale, 2005, Markstrom, 2002, Meltzer, 2004, Neville and Mohally, 2004, Pries and Stone, 2004, Siebel White Paper, 2004, Strauss and Seidel2004
Users learn not only how system is used, but why it is used	Compton, 2004, Corner and Rogers, 2004, Foreman, 2004, Kale, 2005, Kros and Molis, 2004, Markstrom, 2002, Meltzer, 2004, Neville and Mohally, 2004, Siebel White Paper, 2004
An executive is responsible for each major change process	Kale, 2005, Siebel White Paper, 2004
Departure from departmental silos takes place	Adidam and Sindhay, 2001, Kale, 2005
Organizational changes to take place are defined	Atum White Paper, 2003, Bygstad, 2003, McGovern and Panaro, 2004, Neville and Mohally, 2004, Pries and Stone, 2004, Siebel White Paper, 2004

Success criteria for individual positions are modified	McGovern and Panaro, 2004
Performance metrics for affected positions are modified	McGovern and Panaro, 2004, Siebel White Paper, 2004
360-degree multiple-rater process is implemented	McGovern and Panaro, 2004
Two-way communication between teams takes place	Neville and Mohally, 2004, Siebel White Paper, 2004
Compelling case for change is built and presented	Foreman, 2004, Heil, Parker and Stephens, 1999
CRM is extended to business partners	Koslowski, 2004
Current organizational culture is studied and understood	Adidam and Sindhay, 2001, Bygstad, 2003, Pries and Stone, 2004
Future culture is defined	Adidam and Sindhay, 2001, Pries and Stone, 2004
Cultural differences between geographical areas are considered	Adidam and Sindhay, 2001
Culture is changed to adapt to CRM	Adidam and Sindhay, 2001, Chen and Popovich, 2003, Kale, 2004, Pries and Stone, 2004, Riseley, 2004
Communication between departments is facilitated	Adidam and Sindhay, 2001, Chen and Popovich, 2003, Neville and Mohally, 2004, Siebel White Paper, 2004
Current processes are evaluated	Adidam and Sindhay, 2001, Atum White Paper, 2003
Process change takes place before technology change	Adidam and Sindhay, 2001, Compton, 2004, Riseley, 2004
Strategy and outcome are defined at the beginning of the project	Adidam and Sindhay, 2001, Pries and Stone, 2004, Riseley, 2004, Siebel White Paper, 2004
CRM processes and culture are reevaluated after implementation	Adidam and Sindhay, 2001
CRM workflow is designed around the users' workflow	Atum White Paper, 2003
C-level (CEO, CIO, CFO) sponsorship is gained	Atum White Paper, 2003, Brown, 1999, Chen and Popovich, 2003, Kale, 2004, Siebel White Paper, 2004
"What's in it for me" question is addressed	Atum White Paper, 2003, Corner and Rogers, 2004, Markstrom, 2002, Meltzer, 2004, Siebel White Paper, 2004

User fears are addressed	Atum White Paper, 2003, Bergeron, 2002, Corner and Rogers, 2004, Markstrom, 2002, Pries and Stone, 2004, Zoltners, Sinha and Zoltners, 2001
Modest, low-profile changes are attempted	Bygstad, 2003, Corner and Rogers, 2004, Dyche, 2002, Riseley, 2004, Siebel White Paper, 2004
Current structure's propensity for change is investigated	Brown, 1999, Bygstad, 2003
Processes are redesigned to facilitate change	Bygstad, 2003
CRM system is designed to be useful to the end-user	Bygstad, 2003, Corner and Rogers, 2004, Siebel White Paper, 2004
Users are convinced that CRM system makes sense	Bygstad, 2003, Chen and Popovich, 2003, Neville and Mohally, 2004, Siebel White Paper, 2004
User influence on the system is self-evident	Corner and Rogers, 2004
CRM champion is identified	Atum White Paper, 2003, Bergeron, 2002, Brown, 1999, Chen and Popovich, 2003, Corner and Rogers, 2004, Gordon, 1998, Markstrom, 2002, Neville and Mohally, 2004, Siebel White Paper, 2004
Strategic importance of CRM to the enterprise is articulated	Markstrom, 2002, Meltzer, 2004, Neville and Mohally, 2004, Siebel White Paper, 2004
Management is trained in CRM knowledge management	Curry and Curry, 2000, Meltzer, 2004
Experienced professional trainers are employed	Compton, 2004, Meltzer, 2004
Performance metrics are aligned with CRM goals	Siebel White Paper, 2004
Customer-satisfaction metrics are added to performance reviews	Siebel White Paper, 2004
Quantifiable metrics in CRM areas (such as Sales, Service, marketing) are put in place	Siebel White Paper, 2004
Metrics are established at the outset of CRM project	Siebel White Paper, 2004
Management's behavior influences perceptions, adds credibility to project	Markstrom, 2002, Neville and Mohally, 2004, Siebel White Paper, 2004
Management actions are consistent with promoted change – “Walk the talk”	Barnes, 2001, Curry and Curry, 2000, Markstrom, 2002, Siebel White Paper, 2004

Policies and processes are changed – aligned with CRM	Siebel White Paper, 2004
Employees' skills are redefined	Siebel White Paper, 2004
Mentor programs are put in place	Siebel White Paper, 2004
Formal training is put in place, with documented training collateral	Siebel White Paper, 2004
Variety of communication methods are employed at all times (email, portals, voice mail broadcasts, memos, etc)	Siebel White Paper, 2004, Zoltners, Sinha and Zoltners, 2001
Attention is paid to non-verbal communication	Siebel White Paper, 2004
Structure is visibly changed to promote change	Siebel White Paper, 2004
Need for change is created – negative consequences of not changing are articulated	Neville and Mohally, 2004, Siebel White Paper, 2004, Thompson, 2000
Change goals are clear – are used as guidelines by employees and other stakeholders	Pries and Stone, 2004, Siebel White Paper, 2004
Change is marketed like a commodity	Siebel White Paper, 2004
Customer-interaction metrics are promoted	Siebel White Paper, 2004
Owner is assigned to each performance metric	Siebel White Paper, 2004
Action plans are developed for each performance metric (to declare successes, address performance gaps)	Siebel White Paper, 2004
Momentum and pace of change are measured during all stages of change	Siebel White Paper, 2004
Check points (of change) are established	Siebel White Paper, 2004
Baseline is established, against which to compare results	Siebel White Paper, 2004
Stakeholders are managed, especially those that are resisting change the most	Siebel White Paper, 2004
Users have input into the type of training that is delivered	Compton, 2004
Training style/method may vary based on each user community	Compton, 2004

New hires are continually brought up to speed	Compton, 2004
Training schedules and CRM implementation are loosely linked	Compton, 2004
e-Learning and Computer Based Training (CBT) are utilized for flexibility	Bergeron, 2002, Compton, 2004
Power users do not replace, but rather supplement training	Compton, 2004
User performance on CRM system is constantly monitored	Compton, 2004
CRM usage patterns are closely monitored	Compton, 2004, Dyche, 2002
e-Learning and CBT are blended with instructor-based training	Compton, 2004
Training plan looks years into the future	Compton, 2004
End-user (peer) level sponsorship is gained	Markstrom, 2002
CRM implementation is made to be a fun project	Markstrom, 2002
Training is focused on business processes	Markstrom, 2002
Users are shown how to use CRM within their regular business processes	Markstrom, 2002
Training logistics are calculated at the beginning of the project	Markstrom, 2002
Training is kept simple	Markstrom, 2002
Help-desk Service Level Agreements (SLAs) are set	Markstrom, 2002
Adequate staff is employed during implementation	Markstrom, 2002
Additional staffing bandwidth is gained via contracted positions	Markstrom, 2002
Post-training knowledge is evaluated	Markstrom, 2002
CRM help-desk calls are categorized and trended	Markstrom, 2002

Change becomes part of the business plan	Neville and Mohally, 2004
Training of project team takes place in advance	Neville and Mohally, 2004
Competence center is implemented early in the project	Neville and Mohally, 2004
End-users are involved in the CRM project from the start	Neville and Mohally, 2004
Personnel changes during implementation are promptly dealt with	Pries and Stone, 2004, Zoltners, Sinha and Zoltners, 2001
Resistance efforts are identified and taken into consideration	Brown, 1999, Heil, Parker and Stephens, 1999, Pries and Stone, 2004
Change plans are allowed to change, if needed	Pries and Stone, 2004
Third party consultants may be hired to manage change	Bergeron, 2002
Decision support tools are used in change management process	Bergeron, 2002
Upper management visibly supports middle management through change	Curry and Curry, 2000
Management personally communicates change to end-users	Brown, 1999, Strauss and Seidel2004
Management empowers end-users in decision-making	Barnes, 2001, Brown, 1999, Dyche, 2002, Heil, Parker and Stephens, 1999, Zoltners, Sinha and Zoltners, 2001
Workshops are instituted to foster change	Brown, 1999

### **Axial Coding**

During the axial coding phase of the study, the same data set of 30 references (see Appendix A) is scanned a second time via constant comparison (Strauss & Corbin, 1990) in order to identify emergent concepts related to change management practices that are demonstrated to facilitate successful CRM implementations. Emergent practices

are categorized according to four major categories of change management initiatives provided by Kale (2005): training, leadership, infrastructure change, and performance measures (Kale, 2005). In this phase, all concepts from the open coding phase are retained, creating a one-to-one relationship between the initiatives identified in the open coding phase, to the practices reported in the axial coding phase of the study. The results of the axial coding process are presented in Table 5: 127 Practices that Facilitate Successful CRM according to the following categories:

- **Training** – Training is the process of teaching employees new skills, and then reinforcing those skills (Siebel White Paper, 2004). Employees more readily accept change when they feel comfortable with their level of mastery of their new skills (Siebel White Paper, 2004).
- **Leadership (selling change)** – Leadership is the process of managing and championing the change efforts, overseeing change activities, and providing “strong sponsorship and commitment to enforce change in the face of criticisms and organizational discomfort...” (Siebel White Paper, 2004, p. 13).
- **Infrastructure change** – The massive infrastructure change needed in order to support large implementations, such as CRM, necessitates technological, as well as organizational change (Kale, 2005). The change must include organizational change roles and teams that can support and spearhead all levels of change, while paying special attention to “knowledge of existing culture, the propensity of culture-change within the organization, and an appreciation of the political considerations involving change” (Kale, 2005, p. 5).
- **Performance measures** – The imperative organizational and behavioral changes that take place during a CRM implementation “directly impact the roles of all the key stakeholders” (McGovern and Panaro, 2004, p. 31). Performance

measures are the constant reevaluation of new roles and competencies created as a result of the change (McGovern and Panaro, 2004).

**Table 5: 127 Practices that Facilitate Successful CRM**

<b>CHANGE MANAGEMENT PRACTICES</b>	<b>CHANGE MANAGEMENT CATEGORIES FROM KALE (2005)</b>
Key players in CRM project are identified	Leadership (selling change) Infrastructure change
Key players' roles are defined	Leadership (selling change) Infrastructure change
Buy-in from top management is achieved	Leadership (selling change)
Top management takes lead in organizational change	Leadership (selling change)
Internal marketing program is in place	Leadership (selling change)
All individuals affected by the CRM are informed of how their work will change, how the CRM will help them	Leadership (selling change)
Well thought-out communication plan is in place	Leadership (selling change)
End-user buy-in is gained	Leadership (selling change)
User input is requested	Leadership (selling change)
Sponsor group is developed	Infrastructure change Leadership (selling change)
Sponsor group defines approaches and tools for driving change	Infrastructure change Leadership (selling change)
Customer-centric culture is created	Leadership (selling change)
CRM project ownership is transferred to every level of the organization	Leadership (selling change)
Roles of change agents are identified	Infrastructure change Leadership (selling change)
Change agents are identified	Infrastructure change Leadership (selling change)
Team leader role is defined	Infrastructure change Leadership (selling change)
Content experts are identified	Infrastructure change Leadership (selling change)

Steering committee is identified	Infrastructure change Leadership (selling change)
Project managers are identified	Infrastructure change Leadership (selling change)
Human Resources is involved in training	Training
Formal training program is in place	Training
Training objectives are defined	Training
Training is designed with the customer in mind	Training
Investment in training is substantial	Training
All affected users attend training	Training
Training incentives are provided	Training
Training commences before launch of CRM project	Training
Existing departmental and geographic structures are evaluated	Infrastructure change
Mind-set training is part of curriculum	Training
Organizational structure is realigned to foster communication	Infrastructure change
Horizontal linking mechanisms are put in place to improve organizational coordination	Infrastructure change
Incentive systems (including evaluation, compensation, rewards) are changed to align to CRM culture	Performance measures
Shift from individual to team-based awards	Performance measures
CRM vision is shared in formal document	Leadership (selling change)
All functional areas within the enterprise are involved in change process	Infrastructure change Leadership (selling change)
Shared cross-functional goals are established	Infrastructure change Leadership (selling change)

Training is ongoing	Training
Users learn not only how system is used, but why it is used	Leadership (selling change) Training
An executive is responsible for each major change process	Leadership (selling change) Performance measures
Departure from departmental silos takes place	Infrastructure change
Organizational changes to take place are defined	Infrastructure change Leadership (selling change)
Success criteria for individual positions are modified	Performance measures
Performance metrics for affected positions are modified	Performance measures
360-degree multiple-rater process is implemented	Performance measures
Two-way communication between teams takes place	Infrastructure change Leadership (selling change)
Compelling case for change is built and presented	Leadership (selling change)
CRM is extended to business partners	Leadership (selling change)
Current organizational culture is studied and understood	Leadership (selling change)
Future culture is defined	Leadership (selling change)
Cultural differences between geographical areas are considered	Infrastructure change Leadership (selling change)
Culture is changed to adapt to CRM	Infrastructure change Leadership (selling change)
Communication between departments is facilitated	Leadership (selling change)
Current processes are evaluated	Infrastructure change Leadership (selling change)
Process change takes place before technology change	Infrastructure change Leadership (selling change)
Strategy and outcome are defined at the beginning of the project	Leadership (selling change)

CRM processes and culture are reevaluated after implementation	Performance measures
CRM workflow is designed around the users' workflow	Infrastructure change
C-level (CEO, CIO, CFO) sponsorship is gained	Leadership (selling change)
"What's in it for me" question is addressed	Infrastructure change Leadership (selling change)
User fears are addressed	Infrastructure change
Modest, low-profile changes are attempted	Infrastructure change Leadership (selling change)
Current structure's propensity for change is investigated	Leadership (selling change)
Processes are redesigned to facilitate change	Leadership (selling change)
CRM system is designed to be useful to the end-user	Leadership (selling change)
Users are convinced that CRM system makes sense	Leadership (selling change)
User influence on the system is self-evident at the end of the implementation	Infrastructure change Leadership (selling change)
CRM champion is identified	Leadership (selling change)
Strategic importance of CRM to the enterprise is articulated	Leadership (selling change)
Management is trained in CRM knowledge management	Training
Experienced professional trainers are employed	Training
Performance metrics are aligned with CRM	Performance measures
Customer-satisfaction metrics are added to performance reviews	Performance measures
Quantifiable metrics in CRM areas (such as Sales, Service, marketing) are put in place	Performance measures
Metrics are established at the outset of CRM project	Performance measures

Management's behavior influences perceptions, adds credibility to project	Leadership (selling change)
Management actions are consistent with promoted change – “Walk the talk”	Leadership (selling change)
Policies and processes are changed – aligned with CRM	Infrastructure change Leadership (selling change)
Employees' skills are redefined	Training
Mentor programs are put in place	Training
Formal training is put in place, with documented training collateral	Training
Variety of communication methods are employed at all times (email, portals, voice mail broadcasts, memos, etc)	Leadership (selling change)
Attention is paid to non-verbal communication	Leadership (selling change)
Structure is visibly changed to promote change	Leadership (selling change)
Need for change is created – negative consequences of not changing are articulated	Leadership (selling change)
Change goals are clear – are used as guidelines by employees and other stakeholders	Infrastructure change Leadership (selling change)
Change is marketed like a commodity	Leadership (selling change)
Customer-interaction metrics are promoted	Performance measures
Owner is assigned to each performance metric	Performance measures
Action plans are developed for each performance metric (to declare successes, address performance gaps)	Performance measures
Momentum and pace of change are measured during all stages of change	Performance measures
Check points (of change) are established	Performance measures
Baseline is established, against which to compare results	Performance measures
Stakeholders are managed, especially those that are resisting change the most	Leadership (selling change)

Users have input into the type of training that is delivered	Training
Training style/method may vary based on each user community	Training
New hires are continually brought up to speed	Training
Training schedules and CRM implementation are loosely linked	Training
e-Learning and Computer Based Training (CBT) are utilized for flexibility	Training
Power users do not replace, but rather supplement training	Training
User performance on CRM system is constantly monitored	Performance measures
CRM usage patterns are closely monitored	Performance measures
e-Learning and CBT are blended with instructor-based training	Training
Training plan looks years into the future	Leadership (selling change) Training
End-user (peer) level sponsorship is gained	Infrastructure change Leadership (selling change)
CRM implementation is made to be a fun project	Leadership (selling change)
Training is focused on business processes	Training
Users are shown how to use CRM within their regular business processes	Training
Training logistics are calculated at the beginning of the project	Training
Training is kept simple	Training
Help-desk Service Level Agreements (SLAs) are set	Performance measures
Adequate staff is employed during implementation	Infrastructure change Leadership (selling change)
Additional staffing bandwidth is gained via contracted positions	Infrastructure change

Post-training knowledge is evaluated	Performance measures Training
CRM help-desk calls are categorized and trended	Performance measures
Change becomes part of the business plan	Leadership (selling change)
Training of project team takes place in advance	Training
Competence center is implemented early in the project	Leadership (selling change)
End-users are involved in the CRM project from the start	Infrastructure change Leadership (selling change)
Personnel changes during implementation are promptly dealt with	Infrastructure change Leadership (selling change)
Resistance efforts are identified and taken into consideration	Infrastructure change Leadership (selling change)
Change plans are allowed to change, if needed	Infrastructure change Leadership (selling change)
Third party consultants may be hired to manage change	Infrastructure change
Decision support tools are used in change management process	Leadership (selling change)
Upper management visibly supports middle management through change	Leadership (selling change)
Management personally communicates change to end-users	Leadership (selling change)
Management empowers end-users in decision-making	Leadership (selling change)
Workshops are instituted to foster change	Training



## CHAPTER V - CONCLUSIONS

The purpose of this study is to review a selected set of literature published between 1995 and 2005, focusing on CRM implementations. The reviewed literature discusses change management approaches to CRM implementations that resulted in success, as measured by a predetermined return on investment. The researcher utilizes grounded theory coding and constant comparative analysis (Strauss and Corbin, 1990) to present a table of recommendations (Appendix B) on how specific change management practices can facilitate a successful CRM implementation.

In the open coding section (Strauss and Corbin, 1990) of the Data Analysis chapter, the researcher analyzes selected literature, searching for specific change management initiatives that facilitate successful CRM implementations. In the axial coding section (Strauss and Corbin, 1990), the researcher constantly compares the findings from the open coding section, to each other, and categorizes the findings according to Kale's (2005) four major categories of change management: training, performance measures, leadership and infrastructure change. The final result of the data analysis section is presented in Table 5: 127 Practices that Facilitate Successful CRM, a list of change management practices that facilitate successful CRM implementations, coded by the representative change management categories from Kale (2005).

### Discussion of the Selective Coding Process

According to Strauss and Corbin (1990), during the selective coding phase of a research study, the researcher integrates the emergent categories from axial coding, to

form a grounded theory. The open and axial coding sections form the bases for selective coding (Strauss and Corbin, 1990). In this study, the researcher does not attempt to derive new theory, but rather to synthesize a set of recommendations for successful CRM implementations, from the change management perspective, grounded in existing theory.

Strauss and Corbin (1990) suggest that during the selective coding phase, the researcher relates "subsidiary categories around the core category...relating categories at the dimensional level...(and) validating those relationships against data" (p. 117). In the open and axial coding sections, the researcher uncovers a set of one hundred twenty seven change management practices that facilitate CRM implementations, and categorizes them by Kale's four change management areas: training, leadership, infrastructure change, and performance metrics. By applying the selective coding approach of grounded theory (Strauss and Corbin, 1990), the researcher discovers a set of sub-categories to the four main change management areas. The seven subcategories include:

- Organizational culture
- Internal marketing
- Buy-in
- Communication
- Burning questions
- Key players
- Organizational structure change

The researcher also discovers that from the change management perspective it is best to structure the CRM implementation timeline in three stages:

- Prior to implementation - This is the time frame from the inception of the CRM project, a time when the project is still an idea, until the beginning of the actual implementation of the technology aspect of the CRM.
- During implementation - This is the time frame during which the actual technology (software and/or hardware) implementation takes place.
- Post-implementation - This is the time frame after the technology has been implemented and the CRM goes live.

For ease of use and clarity purposes, the researcher synthesizes emergent data and organizes Appendix B: Recommendations for Planning Successful CRM Implementations, within Kale's four categories of change management, and also using this three-stage CRM implementation time frame.

Adidam and Sindhav (2001) posit that the success of a CRM project depends on successful change management. The final outcome of this study is presented to anyone involved in a CRM project, but specifically to CIOs and CRM steering committee members, as a table in Appendix B: Recommendations for Planning Successful CRM Implementations, presented for use as a decision support tool and checklist designed to assist this audience in successfully implementing a CRM. Because of the importance of change management to CRM implementations, the outcome is an essential tool for the CRM implementer. Appendix B: Recommendations for Planning Successful CRM

Implementations is augmented by Appendix C, a further annotation and discussion of the set of recommendations.

## **Conclusions and Recommendations**

By following the set of recommendations presented in the outcome of this study (Appendix B), the researcher intends that the audience of this study can facilitate the success of the change management process as it pertains to CRM implementations. Since change management is one of two major drivers in the success of a CRM implementation (Pries and Stone, 2004), (the other being the CRM technology), successful change management efforts can facilitate success of the CRM project.

Change management efforts in Kale's (2005) four change management areas (listed below) are analyzed and categorized. The following discussion presents these change management areas from Kale (2005), organized in terms of the seven emergent major subcategories and essential change management practices.

### **Change Management Area #1: Leadership practices**

***Subcategory 1: Culture*** - A large CRM implementation is bound to change corporate culture. Existing corporate culture needs to be studied and understood (Adidam and Sindhav, 2001) prior to the commencing of the CRM project. Part of the challenge of change is the ability to change culture in a non-disruptive way (Adidam and Sindhav, 2001). Potential CRM users are often set in their ways and are more than likely comfortable with their current workflow (Kale, 2005). A CRM implementation signals the start of a customer-centric software system (Kale, 2005). Culture change includes the

change of the existing workflow to match the CRM (Kale, 2005). In this case, the corporate culture needs to become customer-centric (Kale, 2005).

***Subcategory 2: Marketing of change*** – Change needs to be marketed like a commodity (Siebel White Paper, 2004). Having an internal marketing plan is imperative (Kale, 2005). Marketing efforts should include many of the vehicles of external marketing efforts such as email, e-marketing (in the form of portals, intranets), promotions, newsletters (Siebel White Paper, 2004). Users need to understand how the change will affect them, as well as how the change will benefit them individually and the company as a whole (Siebel White Paper, 2004).

**Subcategory 3: Buy-in** - Internal buy-in has to start at the top, with C-level (CEO, CIO, CFO) management getting on board early in the development of the CRM project (Siebel White Paper, 2004). Middle management and end-users also need to buy in to the project (Kale, 2005). End-user buy-in is critical (Kale, 2005) because end-user adoption rates often determine the success of the CRM (Kale, 2005).

**Subcategory 4: Communication**- Communication is essential in change management (Kale, 2005). Many literature sources suggest the importance of a formal communication plan (Kale, 2005, Siebel White Paper, 2004, et. al.) for the change process (Kale, 2005, Adidam and Sindhav, 2001, et. al.). Personal communication of the change plans from management to the end-user is essential. Attention should be paid to non-verbal communication (Siebel White Paper, 2004). Two-way communication between different management levels, as well as different functional and geographical areas is also imperative (Neville and Mohally, 2004). Organizational structure should be realigned to foster communication between departments (Chen and Popovich, 2003).

**Subcategory 5: Burning questions**- Corner and Rogers (2004) summarize the users' burning questions relating to change that need to be addressed before and during a CRM implementation:

- "What does the system do?
- What does it offer me?
- How does it threaten me?
- How will I be measured?
- What are my options?
- How is the rest of my group reacting?

- How is my boss reacting?
- What will come out of this (CRM)?" (p. 271).

These, and any other relevant questions, such as 'who is resisting the change', and 'how do we deal with resistance efforts', need to be addressed from the start of the CRM project, before the implementation is set in stone (Brown, 1999).

### **Change Management Area #2: Infrastructure Change**

***Subcategory 6: Key players*** - The key players in the change efforts should be identified at the beginning of the project (Kale, 2005). The pertinent roles of all key players should also be defined at this stage (Kale, 2005). Key players include the CRM steering committee, the change effort champion, change agents, project managers (Kale, 2005, Dyche, 2002).

***Subcategory 7: Organizational change*** - Processes will change as a result of the CRM (Bygstad, 2003). Current processes should be mapped and understood (Adidam and Sindhav, 2001) before an attempt is made to change them. The new customer-centric culture is defined by the lack of barriers between functional areas, as well as facilitated communication among functional and geographical teams (Chen and Popovich, 2003), which fosters data and information sharing. Departure from departmental silos (Adidam and Sindhav, 2001), the mainstay of the enterprise, is an imperative of change management efforts for the success of the CRM (Kale, 2005).

### **Change Management Area #3: Training practices**

Training should involve all users of the CRM (Kale, 2005), including management, should commence at the beginning of the CRM project (Compton, 2004), and should look years into the future (Compton, 2004). The CRM can overwhelm management with data and metadata. Management needs to be trained in knowledge management in order to harness the massive amounts of data and metadata produced by the CRM. End-users need to be thoroughly trained on the CRM prior to the completion of the CRM (Compton, 2004), with periodic post-implementation training taking place. New hires should be properly trained as they come on-board (Compton, 2004). Incentives to attend training should be considered. Training should not focus strictly on how the CRM is used, but why it is used, and how it affects organizational processes and workflows. e-Training and Computer Based Training (CBT) should be combined with instructor training for added flexibility and cost-savings (Compton, 2004). Training efforts should not be under-funded and should be ongoing (Bergeron, 2002).

### **Change Management Area #4: Performance measures practices**

Current metrics may need to be modified as a result of the CRM (McGovern and Panaro, 2004). Job definitions and success criteria may also be modified (McGovern and Panaro, 2004). Post-training knowledge must be evaluated (Markstrom, 2002), in order to identify areas of training that need improvement. Processes and culture must be constantly evaluated during and after the CRM implementation (Siebel White Paper, 2004). CRM usage patterns must be constantly monitored. Low CRM usage can signify that CRM is headed for failure. Metrics should have owners attached to them. Quantifiable metrics should be implemented and should be aligned with the change

efforts and the CRM (Siebel White Paper, 2004). Because the CRM fosters a customer-centric culture, customer satisfaction metrics should become a part of performance assessment.



## APPENDIX A – DATA SET FOR CONSTANT COMPARISON

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## APPENDIX B - RECOMMENDATIONS FOR PLANNING SUCCESSFUL CRM IMPLEMENTATIONS

<b>A Decision-support tool for planning successful CRM implementations</b>	
<b>1.0</b>	<b>Leadership</b>
<b>1.1</b>	<b>Pre-implementation Checklist</b>
1.1.10	Customer-centric culture is created
1.1.11	Change becomes part of the business plan
1.1.12	Compelling case for change is built and presented
1.1.13	Strategy and outcome are defined at the beginning of the project
1.1.14	C-level (CEO, CIO, CFO) sponsorship is gained
1.1.15	Buy-in from top management is achieved
1.1.16	All individuals affected by the CRM are informed of how their work will change, how it will change
1.1.17	Well thought-out communication plan is in place
1.1.18	CRM vision is shared in formal document
1.1.19	Current organizational culture is studied and understood
1.1.20	Future culture is defined
1.1.21	Current structure's propensity for change is investigated
1.1.22	Need for change is created – negative consequences of not changing are articulated
1.1.23	CRM champion is identified
1.1.24	Competence center is implemented early in the project
1.1.25	Organizational changes to take place are defined
1.1.26	Top management takes lead in organizational change

1.1.27	Internal marketing program is in place
1.1.28	CRM project ownership is transferred to every level of the organization
1.1.29	End-user buy-in is gained
1.1.30	User input is requested
1.1.31	An executive is responsible for each major change process
1.1.32	Processes are redesigned to facilitate change
1.1.33	End-user (peer) level sponsorship is gained
1.1.34	CRM implementation is made to be a fun project
1.1.35	Management personally communicates change to end-users
1.1.36	Communication between departments is facilitated
1.1.37	CRM system is designed to be useful to the end-user
<b>1.2</b>	<b>Pre- and during implementation checklist</b>
1.2.10	Decision support tools are used in change management process
1.2.11	Management's behavior influences perceptions, adds credibility to the project
1.2.12	Management's actions are consistent with promoted change – “Walk the talk”
1.2.13	Policies and processes are changed – aligned with CRM
1.2.14	Strategic importance of CRM to the enterprise is articulated
1.2.15	Users are convinced that CRM system makes sense
1.2.16	Change goals are clear and are used as guidelines by employees and other stakeholders
1.2.17	Change is marketed like a commodity
1.2.18	Structure is visibly changed to promote change
1.2.19	Resistance efforts are identified and taken into consideration

1.2.20	Upper management visibly supports middle management through change
1.3	<b>During implementation checklist</b>
1.3.10	Change plans are allowed to change, if needed
1.3.11	Adequate staff are employed during the implementation
1.3.12	Personnel changes during the implementation are promptly dealt with
1.4	<b>During and post implementation checklist</b>
1.4.10	User influence on the system is self evident at the end of the implementation
1.5	<b>Continuous tasks checklist</b>
1.5.10	Users learn not only how system is used, but why it is used
1.5.11	Various communication methods are employed at all times (email, portals voice mail broadcasts, memos, etc)
1.5.12	Attention is paid to non-verbal communication
1.5.13	Management empowers end-users in decision-making
1.5.14	CRM is extended to business partners
1.5.15	Stakeholders are managed, especially those that are resisting change the most

2.0	<b>Infrastructure change</b>
2.1	<b>Pre-implementation checklist</b>
2.1.10	Current processes are evaluated
2.1.11	Existing departmental and geographic structures are evaluated

2.1.12	Key players in CRM project are identified
2.1.13	Key players' roles are defined
2.1.14	Roles of change agents are identified
2.1.15	Project managers are identified
2.1.16	Steering committee is identified
2.1.17	Change agents are identified
2.1.18	Content experts are identified
2.1.19	Team leader role is defined
2.1.20	Sponsor group is developed
2.1.21	Sponsor group defines approaches and tools for driving change
2.1.22	Shared cross-functional goals are established
2.1.23	Horizontal linking mechanisms are put in place to improve organizational coordination
2.1.24	Process change takes place before technology change
<b>2.2</b>	<b>Pre- and during implementation checklist</b>
2.2.10	Departure from departmental silos takes place
2.2.11	All functional within the enterprise are involved in the change process
2.2.12	Organizational structure is realigned to foster communication
2.2.13	Culture is changed to adapt to CRM
2.2.14	Modest, low-profile changes are attempted
2.2.15	"What's in it for me" question is addressed
2.2.16	User fears are addressed
2.2.17	End-users are involved in the CRM project from the start

2.2.18	Third party consultants may be hired to manage change
2.2.19	CRM workflow is designed around the users' workflow
<b>2.3</b>	<b>During implementation checklist</b>
2.3.10	Additional staffing bandwidth is gained via contracted positions
<b>2.4</b>	<b>Continuous tasks checklist</b>
2.4.10	Cultural differences between geographical areas are considered
2.4.11	Two-way communication between teams takes place

<b>3.0</b>	<b>Training</b>
<b>3.1</b>	<b>Pre-implementation checklist</b>
3.1.10	Employees' skills are redefined
3.1.11	Training objectives are defined
3.1.12	Training logistics are calculated at the beginning of the project
3.1.13	Training is designed with the customer in mind
3.1.14	Human Resources is involved in training
3.1.15	Training commences before launch of the CRM project
3.1.16	Training of project team takes place in advance
3.1.17	Formal training is out in place, with documented training collateral
3.1.18	Formal training program is in place

<b>3.2</b>	<b>Pre and during implementation checklist</b>
3.2.10	Workshops are instituted to foster change
<b>3.3</b>	<b>During implementation checklist</b>
3.3.10	Training schedules and CRM implementations are loosely linked
<b>3.4</b>	<b>Continuous tasks checklist</b>
3.4.10	Investment in training is substantial
3.4.11	Training plan looks years into the future
3.4.12	Training is focused on business processes
3.4.13	e-Learning and Computer Based Training (CBT) are utilized for flexibility and cost-savings
3.4.14	e-Learning and CBT are blended with instructor-based training
3.4.15	Training style/method may vary based on each user community
3.4.16	Training is kept simple
3.4.17	All affected users attend training
3.4.18	Power users do not replace, but rather supplement training
3.4.19	Training incentives are provided
3.4.20	Users are shown how to use the CRM within their regular business processes
3.4.21	Users have input into the type of training that is delivered
3.4.22	New hires are continually brought up to speed
3.4.23	Training is ongoing
3.4.24	Mind-set training is part of the curriculum
3.4.25	Management is trained in CRM knowledge management

3.4.26	Experienced professional trainers are employed
3.4.27	Mentor programs are out in place

<b>4.0</b>	<b>Performance measures</b>
<b>4.1</b>	<b>Pre-implementation checklist</b>
4.1.10	Metrics are established at the outset of the CRM project
4.1.11	Owner is assigned to each performance metric
4.1.12	Performance metrics for affected positions are modified
4.1.13	360-degree multiple rater process is implemented
4.1.14	Check-points (of change) are established
4.1.15	Baseline is established, against which to compare results
4.1.16	Help-desk Service Level Agreements (SLAs) are set
4.1.17	Action plans are developed
<b>4.2</b>	<b>Pre- and during implementation</b>
4.2.10	Incentive systems (including evaluation, compensation, rewards) are changed to align to CRM culture
4.2.11	Shift from individual to team-based awards
<b>4.3</b>	<b>During implementation</b>
4.3.10	Success criteria for individual positions are modified
4.3.11	Momentum and pace of change are measured during all stages of change

<b>4.4</b>	<b>During and post-implementation</b>
4.4.10	Post-training knowledge is evaluated
4.4.11	CRM help-desk calls are categorized and trended
4.4.12	Customer satisfaction metrics are added to performance reviews
<b>4.5</b>	<b>Post-implementation</b>
4.5.10	CRM processes and culture are reevaluated after implementation
4.5.11	User performance on CRM system is constantly monitored
4.5.12	CRM usage patterns are closely monitored
<b>4.6</b>	<b>Continuous Tasks Checklist</b>
4.6.10	Quantifiable metrics in CRM areas (such as Sales, Service, Marketing) are put in place
4.6.11	Customer-interaction metrics are promoted
4.6.12	Performance metrics are aligned with CRM

## APPENDIX C – DECISION SUPPORT TOOL ANNOTATIONS

### 1.0 Leadership

#### 1.1 Pre-implementation

1.1.10 "If the organizational culture is not customer-focused or if most of the business processes are ad hoc and haphazard, the company is clearly not ready for a CRM solution. It will need to spend a significant amount of time and resources toward change management before embarking on CRM" (Kale, 2005, p. 3). According to Adidam and Sindhav, (2001), creating a customer-centric culture is an essential prerequisite for CRM success.

1.1.11 Change becomes part of the business plan (Neville and Mohally, 2004). The CRM efforts need to be reflected as part of both the tactical and strategic future of the enterprise.

1.1.12 Build and present a compelling case about the CRM project (Foreman, 2004). Sometimes it helps to present this case in a 'story' format (Foreman, 2004). The story should provide a convincing portrait of the future of the company, including the benefits reaped by the CRM implementation, as well as "what makes the firm indispensable to the customer" (Foreman, 2004, p. 18).

1.1.13 Strategy and outcome need to be defined at the outset of the project (Adidam and Sindhav, 2001). "Ready, fire, aim doesn't work. Resist the temptation to make it up as you go along" (Adidam and Sindhav, 2001, p. 4). A predefined strategy is imperative for CRM success (Adidam and Sindhav, 2001). "This will minimize scope creep and ensure the ultimate goal is clear (Adidam and Sindhav, 2001, p. 4).

1.1.14 Executive-level sponsorship is essential for the success of the CRM implementation (Markstrom, 2002). "Executive sponsorship and support are typically the most critical factors influencing whether or not a change project succeeds" (Siebel White Paper, 2004, p. 12).

1.1.15 Buy-in from top management is essential (Siebel White Paper, 2004). Full and visible commitment from top management is essential throughout the stages of the project, but especially at the beginning (Neville and Mohally, 2004). "Obtaining and maintaining CEO and board commitment" is a critical success factor of a CRM implementation" (Kros and Molis, 2004, p. 34).

1.1.16 Change affects the enterprise, as well as all individuals involved (Kale, 2005). All individuals affected by the CRM should be informed, before the implementation commences, how their specific workflow will change as a result of the CRM, as well as how CRM will ultimately help them in their work (Kale, 2005). They should also be informed how the success or failure of the CRM will affect their department and the enterprise as a whole (Kale, 2005). It is also essential to communicate to all end-users how their work will be affected in each stage of the CRM implementation (Kale, 2005).

- 1.1.17 A well thought-out communication plan communicates the benefits of the CRM to the enterprise, functional areas affected, as well as individual workflow. The communication plan allows employees "to understand the reasoning behind CRM and encourages adoption. The benefits of CRM need to be spelled out in both rational as well as emotional terms" (Kale, 2005, p. 4). "The plan should map everything you will do throughout the CRM implementation's life cycle from the very start, and you should do this before any part of your CRM system is delivered. In addition, the communications program must be an integral part of any change efforts" (Meltzer, 2004, p. 4).
- 1.1.18 CRM strategy is communicated to all stakeholders in a formal document (Metzler, 2004). This document states how the company plans on achieving its CRM plans (Kale, 2005).
- 1.1.19 Current organizational structure needs to be studied and understood prior to the design and implementation of the CRM (Kale, 2005, Pries and Stone, 2004). This ensures that the necessary changes are determined for optimal CRM implementation (Kale, 2005). During the change process, organizational structure may need to be realigned around customer segments, as opposed to the current geographical or other demographic segments (Kale, 2005). Not understanding the pre-CRM culture thoroughly is commonly a reason for CRM project failure (Adidam and Sindhav, 2001).
- 1.1.20 The future (post-CRM) culture of the organization needs to be communicated at the outset of the CRM project (Adidam and Sindhav, 2001). By doing this, all involved can change their perspective and accept change (Adidam and Sindhav, 2001).
- 1.1.21 Current structure's propensity for change is evaluated (Bygstad, 2003). "First investigate whether the company accepts change. Then implement a change process supported by

top management, focusing on training, incentives and user acceptance" (Bygstad, 2003, p. 8).

1.1.22 The need for change, as well as the need for the specific change that the CRM ushers, needs to be clearly communicated to all involved (Adidam and Sindhav, 2001). Users need to know exactly what positive effects the CRM brings to the organization (Adidam and Sindhav, 2001). This should be the first step in managing change (Siebel White Paper, 2004). "This means convincing the organization's employees and other stakeholders that a need for change exists, so that they enthusiastically embrace the change effort and become active willing participants in it" (Siebel White Paper, 2004, p. 12). The negative consequences of not changing are also communicated clearly (Siebel White Paper, 2004).

1.1.23 A CRM champion is identified (Corner and Rogers, 2004). "Most successful systems will have benefited from the attentions of a keen project champion capable of resolving issues in a short time. The champion is the standard bearer for the project and others look to the champion as the key system person" (Corner and Rogers, 2004, p. 274).

1.1.24 A competence center is implemented early on in the project (Neville and Mohally, 2004). A change management team is out in place at the competence center. The change management team runs the project from the competence center, and branches out to any other operating branches as needed (Neville and Mohally, 2004).

1.1.25 Organizational changes to take place are defined. Since a change project typically requires modifications to the way a company does business, corresponding changes to the company's policies and processes are required" (Siebel White Paper, 2004, p. 10).

- 1.1.26 "Top management need to take the lead in championing the cause of change management" (Kale, 2005, p. 4). Top management is sometimes reluctant to play the role of the salesperson, selling organizational change to the lower levels of the enterprise. However, top management needs to be the leader in gathering momentum for change management efforts (Kale, 2005). When top management adopts a hands-off attitude (one lacking real involvement) it can be as detrimental to the success of the CRM as end-user rejection (Pries and Stone, 2004).
- 1.1.27 Internal marketing program is in place. This program is designed to sell change to all internal stakeholders, as a commodity (Siebel White Paper, 2004). An internal marketing program can have many of the attributes of an external marketing program, but it strictly targets an internal audience (Siebel White paper, 2004).
- 1.1.28 CRM project ownership is transferred to every level of the organization. Since CRM is a cross-functional project that affects every area of the organization, it is important to assign ownership to each area, for purposes of accountability and performance measures (Kale, 2005).
- 1.1.29 End-user buy-in is essential, since the CRM implementation involves "changes in jobs, structure, IT systems, and relocation" (Adidam and Sindhav, 2001, p. 4). End-users can make or break the CRM, so their input and approval is essential from the start of the project (Kale, 2005).

- 1.1.30 End-user input is requested. According to Meltzer (2004), failing to consider end-user needs in the design of the CRM can be very costly, and has been identified as one of the top seven reasons for CRM implementation failure (Meltzer, 2004).
- 1.1.31 An executive needs to be responsible for each major change process, rather than for parts of it. This promotes accountability and increased performance assessment success (Kale, 2005).
- 1.1.32 Processes are redesigned to facilitate change. By focusing on processes, the system can be redesigned as a tool, increasing acceptance and facilitating change (Bygstad, 2003).
- 1.1.33 Executive-level sponsorship is needed, but peer-level sponsorship may be even more important to the success of the project (Markstrom, 2002). Peer-level champions add credibility to the project and ensure higher success levels (Markstrom, 2002). "Who was more credible to you when you were thirteen and had a social dilemma: your mom, dad, or your best teenage friend?" (Markstrom, 2002, p. 2). Peer-level sponsors are essential for bridging the gap between the field and the implementation management, but they should not be overburdened with tasks outside the scope of the CRM implementation (Markstrom, 2002).
- 1.1.34 The CRM implementation should be a fun project for all involved (Markstrom, 2002). This can be accomplished by something simple, such as a theme, or by creating special functions, games and prizes (Markstrom, 2002). Markstrom (2002) makes the analogy of making the process of going to the dentist more fun, by watching TV or listening to music, instead of strictly listening to the sound of the drill.

1.1.35 Management personally communicates change to end-users (Strauss and Seidel, 2004).

By doing so, management adds credibility to the change efforts, as well as show personal support for the project (Strauss and Seidel, 2004).

1.1.36 Communication between departments is facilitated. "A customer-centric model requires sharing the data enterprise wide; this usually requires a fundamental paradigm shift in the culture to sharing information and knowledge. Silo-based organizational myopia must be replaced with a customer-focus so departments will collaborate rather than compete with each other" (Chen and Popovich, 2003, p. 685).

1.1.37 CRM system is designed to be useful to the end user. The end-user should be able to add value to the process by using the CRM (Kale, 2005). The CRM should be designed in a way that also adds value from the users' perspective. (Neville and Mohally, 2004).

## **1.2 Pre- and during implementation**

1.2.10 Decision support tools are used in the change management process (Bergeron, 2002).

Decision support tools include software tools that help managers make better decisions by reviewing and manipulating data (Bergeron, 2002). "They allow decision makers to visualize how changes in a current process can affect (CRM)..." (Bergeron, 2002, p. 80).

1.2.11 Management's behavior influences perceptions and adds credibility to the project (Siebel White Paper, 2004). "The boss' behavior consists of actions, attitudes, and decisions of a supervisor, manager, or executive. This ultimately indicates the degree to which the

boss actually supports the publicly communicated message of change (Siebel White Paper, 2004, p. 9).

1.2.12 Management actions are consistent with promoted change (Siebel White Paper, 2004).

"To signal that a message of change is genuine, the boss must "walk the talk" so that employees observe that the executive believes his or her own message by acting on it, rather than just talking about it or leaving others to demonstrate" (Siebel White Paper, 2004, p. 10).

1.2.13 Policies and processes are changed so they can be aligned with the CRM (Siebel White Paper, 2004). "Policies and processes are formalized, standardized, and accepted practices adhered to within an organization, guiding the performance of daily work. Since a change project typically requires modifications to the way a company does business, corresponding changes to the company's policies and processes are usually required" (Siebel White Paper, 2004, p. 10).

1.2.14 The strategic importance of the CRM to the enterprise needs to be clearly articulated. Inability to do so "is what caused many of the early failures that we have read about and that have ultimately stigmatized CRM as either a costly waste of time, or at best something with low returns of investment" (Meltzer, 2004, p. 5).

1.2.15 Users are convinced that the CRM system makes sense (Kale, 2005). They need to be convinced that the system makes sense not only for the future of the enterprise, but also for their specific functional area and job.

- 1.2.16 Change goals are clear. Change goals are used as guidelines by employees and stakeholders (Siebel White Paper, 2004). Goals need to be self-evident so that employees can use them to align their daily activities with the change goals (Siebel White Paper, 2004).
- 1.2.17 Change is marketed like a commodity (Siebel White Paper, 2004). The leadership team needs to communicate the change goals by having a sales/marketing plan for selling change (Siebel White Paper, 2004). "As with most sales and marketing endeavors, the methods of executing it vary depending on what will be most effective for the specific circumstances" (Siebel White Paper, 2004, p. 13).
- 1.2.18 Structure is visibly changed to promote change (Siebel White Paper, 2004). The CRM brings about organizational change, and organizational structure needs to change at the start of the project, so that expectations are set in advance about future structure (Siebel White Paper, 2004).
- 1.2.19 "Resistance appears throughout the whole organization, but especially with frontline users of the CRM system and sometimes with middle management" (Pries and Stone, 2004, p. 366). Part of end-user resistance stems from feelings of being overwhelmed with excessive work or with changing responsibilities (Adidam and Sindhav, 2001).
- 1.2.20 Top management needs to support middle management throughout the change efforts (Curry and Curry, 2000). "Backing up middle managers (sales, marketing, and service), who are on the firing line and have to deal first hand with resistance..." (Curry and Curry, 2000, p. 89) is essential.

### **1.3 During implementation**

1.3.10 Change plans are allowed to change, if needed (Pries and Stone, 2004). Change plans will change, sometimes at inopportune times during the project. Change management should both expect and allow for plans to change, thus avoiding unpleasant surprises (Pries and Stone, 2004).

1.3.11 Adequate staff are employed during the implementation (Markstrom, 2002). Consider contracting for temporary help, especially when some employees are in training (Markstrom, 2002).

1.3.12 Personnel changes during implementation are promptly dealt with (Zoltners, Sinha and Zoltners, 2001). There will be staffing changes during the implementation. Because of the critical nature of the implementation phase, personnel changes during this phase need to be dealt with promptly. There is no room for staffing shortages, especially on the customer-facing lines (Zoltners, Sinha and Zoltners, 2001).

### **1.4 During and post-implementation**

1.4.10 User influence on the system needs to be self-evident at the end of the implementation (Corner and Rogers, 2004). "It should be clear that (the users) have been listened to and their input used. A profound element of work is the opportunity to influence how one goes about it" (Corner and Rogers, 2004, p. 273).

## 1.5 Continuous

1.5.10 Users learn not only how system is used, but why it is used (Kale, 2005). Users need to understand the short-term and long-term benefits of the system to the firm and themselves (Kale, 2005).

1.5.11 Variety of communication methods are employed to communicate change. These may include email, intranets and employee portals, newsletters, memos, broadcast voice mails, breakfasts and luncheons (Siebel White Paper, 2004).

1.5.12 Special attention is paid non-verbal communication (Siebel White Paper, 2004). "Non-verbal communication often sends a stronger message about the intentions and feelings of the communicator than verbal communication. To capitalize on this, management must be conscious of the signals they send by their nonverbal communication, and exploit them to reinforce the message of change" (Siebel White Paper, 2004, p. 11).

1.5.13 Management empowers end-users in decision-making. By doing so, internal end-user buy-in is greatly facilitated (Kale, 2005).

1.5.14 CRM is extended to business partners, such as vendors, retailers or subsidiaries (Koslowski, 2004). CRM should drive vertical communication (Koslowski, 2004).

1.5.15 Stakeholders need to be managed, especially those that are resisting change the most (Siebel White Paper, 2004). Stakeholders usually fall into the following categories:

- Leverage - These are very powerful and supportive stakeholders that must be leveraged in order to achieve change goals (Siebel White Paper, 2004).

- Convert - Powerful but non-supportive stakeholders that resist change. These must be converted, in order to support the change initiative (Siebel White Paper, 2004).
- Support – Less powerful but supportive stakeholders. They must be supported and leveraged to promote change (Siebel White Paper, 2004).
- Manage - Less-powerful and non-supportive stakeholders. These must be managed in order to keep their negative influence from becoming a detriment to the change efforts (Siebel White Paper, 2004).

"Managing stakeholders, particularly those who are resisting change, can be a delicate process...Consequently, effective employee and stakeholder coaching must be part of the change-management execution process" (Siebel White Paper, 2004, p. 17).

## **2.0 Infrastructure change**

### **2.1 Pre-implementation**

2.1.10 There needs to be an evaluation of all current processes, in order to determine the necessary process changes that must occur (Adidam and Sindhav, 2001). Processes will change as a result of the CRM. Knowing how the CRM implementation will affect certain processes can facilitate the change process (Adidam and Sindhav, 2001).

2.1.11 Existing departmental and geographic structures are evaluated (Kale, 2005). Departmental and geographic differences may be precursors to cultural differences, and

must be understood before cultural changes are designed and implemented (Kale, 2005).

2.1.12 The key players in the change efforts are identified. These players include sponsors, project managers, change agents, steering committee members (Kale, 2005). Selecting *key players* is not the same as selecting any available players (Pries and Stone, 2004). Selecting non-qualified employees, perhaps those that have their own hidden agendas, can be a detriment to the success of the CRM (Pries and Stone, 2004). Selecting a cross-functional set of key players is "most effective in problem solving and understanding a range of complex issues and opportunities" (Adidam and Sindhav, 2001, p. 4).

2.1.13 The roles of the key players in the change efforts are defined (Kale, 2005). This is an essential process at the outset, since the massive change efforts required for a CRM implementation requires a coordinated effort of both individuals and departments from all involved functional areas of the organization (Kale, 2005).

2.1.14 The roles of the change agent(s) are identified (Kale, 2005). Change agents are essential to the change process and great importance should be placed on defining their roles at the beginning of the project (Kale, 2005).

2.1.15 Project managers are identified. Project managers "ensure that project activities are assigned and completed, coordinate the work of several teams, and serve as liaison between the project teams and the steering (committee)" (Kale, 2005, p. 5).

2.1.16 The CRM project steering committee is identified (Kale, 2005). The steering committee "provides oversight, garners stakeholder support, and clears roadblocks to various elements of the change management initiative" (Kale, 2005, p. 5).

2.1.17 The change agents are identified. Change agents "advise on the methodology of the change efforts and train decision makers and performers on this methodology" (Kale, 2005, p. 5). Change agents need to have strong leadership abilities, as well as be adaptable to both corporate and personal change (Kale, 2005). Change agents are aware of resistance to change efforts, and they devote significant resources to selling change internally (Kale, 2005).

2.1.18 Content experts are identified. Content experts "advise on specific topics such as work procedures, software and compensation policies" (Kale, 2005, p. 5).

2.1.19 Team leader roles are defined and team leaders are identified (Kale, 2005). Team leaders "make sure project activities are assigned and completed at team level" (Kale, 2005, p. 5).

2.1.20 The sponsor group is developed early in the project (Kale, 2005). The sponsor group is instrumental in the success of the project (Kale, 2005). This group should be defined and developed at the outset of the CRM (Kale, 2005).

2.1.21 "The sponsor group is responsible for coming up with structured, disciplined approaches and well-defined tools for driving change" (Kale, 2005, p. 5). The group documents inputs and outputs (to the system), brainstorms solutions, and produces status reports during all stages of the CRM implementation (Kale, 2005).

2.1.22 Since the CRM affects every division and every functional area of the enterprise (Kale, 2005), shared cross-functional goals need to be established prior to the CRM implementation (Kale, 2005).

2.1.23 Horizontal linking mechanisms are out in place to improve organizational coordination (Kale, 2005). "Horizontal coordination is the extent of formal and informal contact between individuals in order to coordinate the work of two or more disparate units" (Kale, 2005, p. 63).

2.1.24 Process change takes place before the change in technology (Adidam and Sindhav, 2001). "Technology is the enabler, not the focus" (Adidam and Sindhav, 2001, p. 4).

## 2.2 Pre- and during implementation

2.2.10 Departmental silos have been the mainstay of the enterprise (Kale, 2005). Functional areas, such as marketing, sales, finance, production, have been operating as "functional stovepipes, the cooperation necessary for cross-functional information flows and joint customer-centric initiatives needs to be consciously created by putting in place a revamped organizational structure and instituting a fresh charter of duties and responsibilities that resonates the various business processes defining the customer experience" (Kale, 2005, p. 7). According to Adidam and Sindhav (2001), organizational silos create a strong sense of secrecy and refusal to share data and information. An organizational departure from such departmental silos facilitates not only the heightened communication levels needed for CRM success, but also the performance appraisal and incentive system changes required under the "CRM doctrine" (Kale, 2005, p. 7).

- 2.2.11 All functional areas within the enterprise are involved in the change process (Siebel White Paper, 2004), and organizational structure needs to change in order to promote such involvement. "Visibly changing organizational structure to promote change goals communicates that management expects the organization to work together to achieve tangible change" (Siebel White Paper, 2004, p. 11).
- 2.2.12 Organizational structure is changed to foster communication. In turn, communication without the fear of recourse or punishment for mistakes can shift the culture to one of finding the root cause of problems and coming up with solutions (Adidam and Sindhav, 2001). "An organizational structure designed to promote the goals of a change effort will facilitate open communication channels that provide decision makers with accurate, insightful information from a variety of sources" (Siebel White Paper, 2004, p. 11).
- 2.2.13 Organizational culture is changed to adapt to CRM. According to Pries and Stone (2004), the organizational culture prior to the CRM implementation rarely coincides with the goal of the CRM. One of the differences is normally the lack of customer-centrism, at the outset of the CRM project (Pries and Stone, 2004). The change process needs to change the organizational culture to closely match the customer-centric CRM approach (Pries and Stone, 2004). According to Adidam and Sindhav (2001), up to 80 percent of a CRM implementation is cultural.
- 2.2.14 Modest, low-profile changes are attempted. "The project needs to be broken down into achievable steps that are manageable" (Adidam and Sindhav, 2001, p. 4).

2.2.15 The "What's in it for me?" question needs to be addressed (Markstrom, 2002). This question should not be answered in the "assimilate or become extinct" (Markstrom, 2002, p. 2) fashion. Users do not want to hear simply that they get to keep their jobs, as reward for participating in the CRM (Markstrom, 2002). The answer to the "What's in it for me?" question needs to be communicated early on in the CRM design and the message should be continuously repeated throughout the implementation (Meltzer, 2004).

2.2.16 "Deeply ingrained in us is a fear of change, and therefore, one of the most important elements of change management is understanding the sources of and eliminating fear" (Markstrom, 2002, p. 1). Users have fears about the CRM. One such fear is the measurement (performance metrics) associated with the implementation of CRM (Pries and Stone, 2004). This also creates fears that users are expendable (Pries and Stone, 2004, Markstrom, 2002). Other fears include not understanding how to use the CRM technology, as well as territorial fears, such as the fear of not being the legacy system guru after the CRM is in place (Markstrom, 2002). These user fears need to be addressed head-on and alleviated, in a credible manner, rather than ignored (Markstrom, 2002). "Without addressing (these fears), the people who ought to be the system's most ardent supporters...can easily become saboteurs" (Atum White Paper, 2003, p. 7).

2.2.17 End-users should be involved in the CRM project from the start (Kale, 2005). By involving end- users from the beginning stages of the project, end-user commitment to the CRM project is strengthened (Kale, 2005).

2.2.18 Third party consultants may be hired to manage change (Bergeron, 2002). Consultants should be hired based on certain criteria, such as experience, success rate, references, and cost (Bergeron, 2002).

2.2.19 CRM workflow should be designed around the users' workflow (Atum White Paper, 2003). "Many CRM projects fail at implementation because their workflow designs are not closely linked to the way people actually do their jobs" (Atum White Paper, 2003, p. 6).

### **2.3 During implementation**

2.3.10 Business processes may suffer if staffing issues arise due to unforeseen circumstances relating to the CRM implementation (Markstrom, 2002). Hiring full-time employees to handle spikes in staffing needs can be quite costly, so contracted or temporary positions can provide short-term solutions to staffing problems (Markstrom, 2002).

### **2.4 Continuous**

2.4.10 Cultural differences between geographical areas must be considered, since culture and social norms can be vastly different from one area to the next (Pries and Stone, 2004, Adidam and Sindhav, 2001). Because of these differences, the CRM can have positive effects in one area, while adversely affect another, if such cultural differences are not factored into the design of the CRM (Pries and Stone, 2004).

2.4.11 Two-way communication between teams needs to take place. Communication is essential for reducing resistance and for fostering support of the CRM (Adidam and Sindhav, 2001).

## **3.0 Training**

### **3.1 Pre-implementation**

3.1.10 Employees' skills are redefined, because of the CRM, and training helps reinforce the new skill sets (Siebel White Paper, 2004). "These new skills help employees execute redesigned customer-facing business processes, use state-of-the-art CRM technology, and interact more effectively with customers" (Siebel White Paper, 2004, p. 10).

3.1.11 Training objectives need to be defined early in the project. Training objectives should include CRM software system competency, as well as mind-set training for delivering top-notch, value-adding customer service (Kale, 2005).

3.1.12 Training logistics need to be calculated at the beginning of the project (Markstrom, 2002). This is especially true if instructor-based training is used, or when large numbers of employees need to travel in order to attend training (Markstrom, 2002). Location and length of training, as well as staffing issues arising because of employees in training, also need to be considered (Markstrom, 2002).

3.1.13 Training is designed with the customer in mind (Kale, 2005). Users need to know not only how the new system is used, but also why it is used (Kale, 2005). "Such a holistic

approach to training incorporates both the engineer's as well as the psychologist's perspective regarding change management" (Kale, 2005, p. 62).

3.1.14 Because of the organizational changes involved in a CRM project, it is imperative that the human resources department is involved from the start of the project, "synchronizing and supporting (training) activities" (Kale, 2005, p. 6).

3.1.15 To achieve CRM success, training needs to commence well in advance of the launch of the CRM project (Kale, 2005). Train on the processes in advance, and when the CRM is in place it will make the processes easier to execute (Compton, 2004).

3.1.16 The training of the project team needs to take place in advance (Neville and Mohally, 2004). The project team needs to have a comprehensive picture of the CRM before end-users are trained and the system goes live.

3.1.17 Formal training is put in place, with documented training collateral (Siebel White Paper, 2004). Training material should be worthy of top-notch training.

3.1.18 A formal CRM training program needs to be in place, because without such a training program it is "hard for those responsible for making CRM happen to take appropriate ownership of the (CRM) program" (Kale, 2005, p. 6). According to Kale (2005), a 2001 survey conducted by crmindustry.com found that 63.2 percent of companies surveyed about their CRM implementations did not have a formal CRM training program in place, to gain both end-user acceptance, as well as to ensure higher usage rates (Kale, 2005). Having a formal training program in place is essential, since "very often companies

forget that ultimately it is the people who implement the CRM initiative" (Kale, 2005, p. 6).

### **3.2 Pre- and during implementation**

3.2.10 Workshops are instituted to foster change (Brown, 1999). "Bringing the team together in a workshop forum provides a basis for sharing, understanding and identifying fundamental issues and for producing an initial strategy complete with action plans. Workshops also provide an excellent way to get started, allowing team members to get to meet one another" (Brown, 1999, p. 204). Brown (1999) also suggests inviting select customers to some of the later workshops.

### **3.3 During implementation**

3.3.10 "Training schedules and (the CRM) implementation should be loosely linked" (Compton, 2004, p. 45). The focus needs to be on the processes first, with the CRM implementation trailing (Compton, 2004).

### **3.4 Continuous**

3.4.10 Substantial investment in CRM training is essential (Kale, 2005). According to Kale (2005), "training is usually the most under-budgeted area in CRM implementations" (Kale, 2005, p. 6).

3.4.11 The training plans look years into the future (Compton, 2004). "The best companies have training strategies that are looking at next month, a year, and three years from

now, not thinking 'Gosh, we just rolled out the new version...Now, are we going to tell people about that?'" (Compton, 2004, p. 46).

3.4.11 Training needs to be focused on the business processes (Markstrom, 2002, Compton, 2004). "The most effective application training walks users through their daily business processes and shows them how and when to use the tool within these processes" (Markstrom, 2002, p. 3).

3.4.12 e-Learning and Computer Based Training (CBT) are utilized for flexibility and cost-savings (Compton, 2004).

3.4.13 e-Learning and Computer Based Training (CBT) should be combined with instructor-led training programs. "Doing so has helped Siebel cut in half its initial classroom training time for new sales hires. We found out that the first week was spent getting people up to speed and the second week was actually training them...Now we do the first week with Web-based training, and everyone's on the same level when they walk into that high-value, instructor-led training" (Compton, 2004, p. 46).

3.4.15 Training style and method may vary based on each user community (Compton, 2004), because the needs of each user community will vary. "For example, training for customer service staff should include context that relates to the company's overall strategy, and how CRM-enabled processes benefit the firm and enhance the customer's experience" (Compton, 2004, p. 45). User communities have varying needs and lifecycles that need to be taken into account when designing a training strategy (Compton, 2004).

3.4.16 Training should be kept simple, so that employees are not overwhelmed (Markstrom, 2002). "One of the great sand traps of CRM application training is featuring and functioning the training audience to an early grave. Yes, you have made a significant investment in the latest and greatest technology, and yes, there usually are many ways to complete a task or get to a menu, and shortcuts to do this or that in this sweet little Caddy of a system" (Markstrom, 2002, p. 4). By focusing on the core elements that employees need to know so they can perform their job, higher retention levels are achieved.

3.4.17 All affected users attend training (Kale, 2005). It would be a mistake to exclude certain users because of their power-user status on legacy systems.

3.4.18 Power users do not replace, but rather supplement training (Compton, 2004). "One common practice among companies with successful CRM initiatives is to lean on power-users to provide both a positive example and ongoing support and advice to others" (Compton, 2004, p. 46).

3.4.19 Training incentives are provided. Harrah's employees are not only paid their regular wages during training, but also their tipped wages (Kale, 2004, Kale, 2005). This action provides an additional incentive to consider training as an important on-going function (Kale, 2005).

3.4.20 Users are shown how to use the CRM tool within their regular business processes (Markstrom, 2002). Users need to understand not only how to use the tool, but also exactly how it relates to their existing workflow (Markstrom, 2002). Users also need to be

reminded how complex or cumbersome their old workflow was, before the introduction of the CRM tool (Markstrom, 2002).

3.4.21 End-users have input into the type of training that is delivered (Compton, 2004). "Create a representative team of users who can explain how the training can fit their schedules and needs" (Compton, 2004).

3.4.22 New employees need to be brought up to speed continually, and new-employee training programs need to be developed on an ongoing basis (Kale, 2005). "CRM training is never a one-time event" (Compton, 2004, p. 45).

3.4.23 Training needs to be ongoing at every level of the enterprise, to ensure that the organizational change needed for the success of the CRM takes place successfully not only during the implementation of the project, but also during the lifetime of the CRM (Kale, 2005). Harrah's, the casino firm, spent \$500 million on its CRM project, and also spends \$60 million annually to maintain the CRM. A large portion of this budget is spent on continuous CRM training (Kale, 2004, Kale, 2005). It is essential for training to be ongoing, and to have a post-implementation training support plan in place (Markstrom, 2002). End-user adoption depends highly on training, so to ensure high adoption levels, "you must remove all excuses for a user to walk away and abandon the technology" (Markstrom, 2002, p. 4).

3.4.24 Training needs to concentrate on changing the mind-set of the end-users, since the CRM change requires "a change in employees' frame of mind so as to manifest habitual customer-centered behaviors" (Kale, 2005, p. 6).

3.4.25 Management needs to also be trained in CRM knowledge management (Meltzer, 2004).

This will allow management to concentrate on managing, rather than spending valuable time "manually collating sales figures into reports" (Meltzer, 2004, p. 8).

3.4.26 Experienced and professional trainers are employed not only to provide training, but to also design it. (Meltzer, 2004). The I.T. department should be left out of the training process, since I.T. personnel may not even understand how the end-users roles within the CRM system (Meltzer, 2004).

3.4.27 Mentorship programs are put in place (Siebel White Paper, 2004). Mentors can guide users through changes in workflow and alleviate some fears.

## **4.0 Performance measures**

### **4.1 Pre-implementation**

4.1.10 Metrics need to be established at the outset of the CRM project (Siebel White Paper, 2004).

4.1.11 An owner is assigned to each performance metric (Siebel White Paper, 2004). "To promote accountability, every metric must have an owner who is responsible for the metric and who understands the drivers of it" (Siebel White Paper, 2004, p. 15).

4.1.12 Performance metrics for affected positions are modified (Siebel White Paper, 2004).

Since the CRM changes behaviors, it is logical to also modify the success criteria for the affected behaviors and competencies (McGovern and Panaro, 2004).

4.1.13 A 360-degree, multiple rater process is established for assessment purposes (McGovern and Panaro, 2004). This process includes rating CRM managers at all levels of CRM, by multiple-level managers within the organization, as well as by key customer executives (McGovern and Panaro, 2004).

4.1.14 Checkpoints (of change) are established (Siebel White Paper, 2004). During the change initiative, change must be measured at specific, predefined, frequent intervals (Siebel White Paper, 2004). "Ideally, checkpoints are taken every three months until the desired change is well-established and institutionalized within the organization" (Siebel White Paper, 2004, p. 15).

4.1.15 When designing metrics and performance goals, a baseline needs to be established, against which the actual results of the change can be compared (Siebel White Paper, 2004). "By understanding the baseline and expected improvements, managers will be able to gauge how successfully change is emerging based on the interim metrics observed as the project proceeds" (Siebel White Paper, 2004, p. 15).

4.1.16 Service level agreements (SLAs) need to be set in advance, in terms of internal or external help-desk services. End-users have a right to expedient problem resolution, which in turn keeps frustration levels with the new system to reasonable levels (Marktrom, 2002).

4.1.17 Action plans are developed for each performance metric (to declare successes and address performance gaps) (Siebel White Paper, 2004).

## 4.2 Pre- and during implementation

4.2.10 Since CRM implementations change not only employee workflows, but also incentives and performance metrics, it is essential that incentive systems are changed, to be closely aligned with the CRM culture (Kale, 2005, Siebel White Paper, 2004). Incentive systems should be designed to make "every employee...want to do more and be better" (Kale, 2005, p. 7).

4.2.11 There needs to be a shift from individual toward team-based awards, since research suggests that "rewarding individual achievement can impede the effective implementation of the relationship marketing paradigm" (Kale, 2005, p. 8).

## 4.3 During implementation

4.3.10 Success criteria for individual positions need to be modified to match the changes of the positions resulting from the CRM implementation (McGovern and Panaro, 2004).

4.3.11 The momentum and pace of change are measured during all stages of the change (Siebel White Paper, 2004). "This will provide managers with a more complete understanding of trends, variances, and progress, as they occur in real time, so preemptive corrective action can be taken, if needed" (Siebel White Paper, 2004, p. 15).

#### **4.4 During and post-implementation**

4.4.10 Post-training knowledge is constantly evaluated (Markstrom, 2002). Look for trends in training scores and make adjustments to match, when needed (Markstrom, 2002).

4.4.11 When calls come in to the CRM help-desk, they should be categorized and trended (Markstrom, 2002). This way any negative trends can be caught early, while positive trends can be reinforced (Markstrom, 2002).

4.4.12 Customer satisfaction metrics are added to performance reviews (Siebel White Paper, 2004). These promote the desired customer-centric culture that is desired after a CRM implementation (Siebel White Paper, 2004). "Subjective measurements of behaviors, such as the degree to which an employee exhibits customer focus and collaboration, might be added to performance reviews as well" (Siebel White Paper, 2004, p. 9).

#### **4.5 Post-implementation**

4.5.10 Post-implementation evaluation of culture and processes is essential in order to "keep the project alive, create continuity and momentum as part of the process" (Adidam and Sindhav, 2001, p. 5).

4.5.11 User performance on the CRM system is constantly monitored. This way, long-term training strategies are directly linked to the technology at hand (Compton, 2004).

4.5.12 CRM usage patterns are closely monitored, since usage is closely associated with the success or failure of the CRM (Compton, 2004). By monitoring usage patterns, for example, training needs can be adjusted (Compton, 2004).

#### **4.6      Continuous**

4.6.10 Quantifiable metrics in CRM-affected functional areas, such as sales, service, and marketing, are put in place (Siebel White Paper, 2004). Such metrics should measure quantifiable aspects, such as costs and revenue (Siebel White Paper, 2004). "These metrics, and the targeted result of each, should be established at the outset of a change project and specific individuals held accountable to them" (Siebel White Paper, 2004, p, 9).

4.6.11 Customer-interaction metrics are promoted (Siebel White Paper, 2004). Because of the customer-centric nature of the CRM, performance measures of customer interaction need to be instituted (Siebel White Paper, 2004).

4.6.12 Performance metrics are aligned with CRM (Siebel White Paper, 2004). Aligning performance metrics with the CRM can maximize the effectiveness of change initiatives (Siebel White paper, 2004).



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