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A multi-layered approach to CRM implementation: An integration perspective

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Summary Evidence suggests that many organizations are finding it hard to implement a CRM strategy. This article reports on the research conducted over the last five years that explores how organizations can successfully develop a CRM strategy. We propose a multi-layered framework for mapping and understanding the inter-relationships between complex variables relating to CRM strategy implementation. The concept of 'affordance' is delineated and applied to culture, people, processes and technology. Evidence from three case studies suggests that a multi-layered, interdisciplinary framework can assist companies in developing their CRM strategy through a greater understanding of how different variables interact in a constantly changing environment.
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Introduction

Customer relationship management (CRM) has emerged as yet another name in the integration family with a view to integrate customers' details to promote a one-stop-service. A more useful way to think about CRM is as a process that aims to bring together diverse pieces of information about customers, sales, marketing effectiveness, and responsiveness and market trends.

The success rate of CRM Implementation is low and evidence suggests that many organizations are finding it hard to realise business benefits from this strategy. While there are well-known and impressive success stories (Sprint, 2002), failure rates of CRM projects are high (Tafti, 2002; Mendoza et al., 2006). These failures reflect that CRM is too often implemented with a focus on a software package without an in-depth understanding of the issues of integrating culture, process, people, and technology within and across organizational context. Comparing the large expectations regarding CRM with the actual results in companies, a mixed picture emerges. Why is it so difficult?

It is argued that most problems in CRM implementation are not technical (Goldenberg, 2002; Finnegan and Willcocks, 2007). Instead, common problems include organizational change and disruption, different views on customer information and changes in the business, for example mergers (Schwartz, 2002). There are also cases where technology misfit has created further hurdles (Finnegan and Willcocks, 2006). The autonomy of decision making

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has allowed organization departments to procure technology solution without much regard to the overall integration. Attempting to centralise technology in a decentralised environment becomes highly complicated. Integration with existing legacy systems is complex.

Individual resistance combined with organizational resistance can create barriers for an overall integration. Variables such as senior management support/sponsorship, selling change internally, putting a change infrastructure in place, providing effective end-user training, business process re-configuration and establishing rewarding systems play an important role (Pettigrew, 1985). Change is however difficult and is likely to be resisted by its stakeholders. Scholars argue that people do not resist change; they resist being changed and taken out of their comfort zones. However, introduction of significant new IT capabilities requires changes elsewhere in the organization if the technology is to be integrated and used effectively. This means rethinking: the processes used; work practices; relationships between different professional work groups; and roles, skills and other capacities of the system's users (Clegg and Shepherd, 2007). This indicates that successful CRM implementation requires all the actors from their sub-cultural silos coalesce to promote a processual and technical integration in order to provide the previously mentioned one-stop-service. Although enabling everyone to come onboard can be problematic and very time and resource consuming.

The current business environment on the other hand is continuing to push the organizations in adopting a holistic approach towards their customers. According to Peppard (2000), from a customer perspective the channel they choose at any point in time should be the most convenient. Integration of these channels or touch points therefore becomes highly important. To date, channel integration remains complex and goes beyond integration of technology. This article draws upon the research conducted over the last five years exploring how large organizations can successfully develop a CRM implementation strategy. It suggests that organizations should introduce CRM as part of a systems integration strategy to provide a common view of data across the business channels to give CRM systems timely and relevant information to serve customers better. This study is an attempt to further the existing research through drawing together additional insights regarding the CRM implementation in a SME environment.

Moreover, CRM implementations often ignore the underlying interdependencies of contextual socio-technical elements that can enable or inhibit the culture, process, people, and technology integration. The central underlying message is that CRM initiatives should not be narrowly focused on technical imperatives, e.g. software packages or business drivers, e.g. marketing campaigns. Rather, they should be considered as a comprehensive approach to managing relationships with customers as part of a continuous adaptation process in conjunction with the changing needs of customers (Peppard, 2000). While this may be too broad to provide guidelines for managers, we suggest that an understanding of the more complex, multi-variate issues is needed, particularly as CRM strategy implementation is not a 'quick fix', one-size-fits-all.

We propose a multi-layered framework as a way of mapping and understanding the complex inter-relationships between culture, process, people and technical variables. We suggest that as opposed to considering these variables in isolation, it is important to understand that different organizations may give priority to specific issues relating to one or more variables. We illustrate these differences in our case study research. The main contribution is to promote further research and debates in the CRM field from an integration related perspective. Moreover we seek to draw attention to the call for a debate around collaborative integration approach taking into account of cultural, processual and people variables rather than a technology driven ERP or application integration one.

To further assist our exploration, we adopt the theoretical lens of 'affordance' and apply it to our conceptual framework (Gibson, 1979). Variables presented in our cases are likely to change depending on the contemporary context. The interoperability and dual quality of these variables in relation to their capabilities and in-capabilities can play an important role in the success of CRM implementation. However, as aforementioned, we do not intend to provide a 'quick fix' for the CRM strategy implementation, but to enhance our understanding of how systems integration will generate new challenges for organizations. The evidence from the three case studies reported in this article suggests a multi-layered interdisciplinary framework can assist companies in their thinking about CRM strategy implementation on a broader level. We discuss some key theoretical issues first followed by our conceptual framework. We elaborate and explain our theoretical approach highlighting its strengths and weaknesses. Thereafter the three cases are discussed in the light of our theoretical lens and conclusions drawn. A summary of findings and managerial recommendations are provided in the end section. Towards the end we also discuss the limitations of our employed approach and propose areas for further investigation.

Integration dilemma and CRM

Many of the world's leading firms are developing a new model of industrial organization based on systems integration (Hobday et al., 2005). Organizations face the challenging task of integrating their distributed organization units, information systems, and business processes for improved operation and attainment of organizational goals (Giachetti, 2004). According to Giachetti, integration across the enterprise is one of the most significant issues facing today's organizations. Chari and Seshadri (2004) also contend that organizations implementing an enterprise-wide applications infrastructure to meet immediate business needs often pursue unplanned and adhoc application systems integration. It is however argued that systems integration improves the coordination of work undertaken by different parts of a company (Mendoza et al., 2006).

In the era of global business competition, businesses are constantly finding ways of staying competitive hence businesses are deploying new technologies such as CRM systems to get close to the customer (Yu, 2001). According to Yu, interest in such systems as CRM continues to grow. CRM systems attempt to integrate business processes of managing customers on to a single enterprise-wide information system. The opportunities for connectivity and integration

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