Unit 3 Research Project

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Abstract

The unit three research project examines information systems and implementation strategies. As The Best Widget, Inc. (TBWI) expands into national and international markets, the current information system is no longer practical. Thus, research must be done on a business system that will be a feasible replacement for the current system, which will also allow for future growth within the organization and company expansion. An official report is to be created discussing the suggested business system, the approach to install the system, a review of failed and successful implementations of the business system, and the recommended strategy for bringing a new system online. Additionally, any concerns or outstanding issues should be addressed, and proposed solutions considered. The systems project is meant to provide the graduate student with knowledge about business systems, as well as understanding the strategies that may positively and negatively impact system design and implementation.
Unit 3 Research Project

In today’s world, companies are required to manage a diverse set of business relationships. These relationships encompass front office contacts, back office operations, and business contacts (IT Knowledge Portal, n.d., para. 1). As companies expand into national, and even international markets, understanding and governing how the business interacts with its customers has never been more critical; this is where implementing a single, customer-focused system is vital for a company to become and remain successful. Thus, TBWI would benefit from installing a customer relationship management (CRM) system. A CRM system offers numerous communication and customer-related features; some of these features include storing and organizing customer sales data, emails, instant messages, telephone calls, and marketing information (IT Knowledge Portal, n.d., para. 1). Additionally, a CRM system can help TBWI strengthen current customer relationships, as well as leverage demographic data to gain new customers. Of course, a CRM system is greater than just the sum of its features. A CRM strategy at TBWI could be utilized to tailor products and services to meet the demands of customers, offer higher quality customer service, help the sales and marketing departments be more effective, and improve current business processes (IT Knowledge Portal, n.d., para. 6).

The success of a CRM system is due to its three primary components—they are customer service, sales force automation, and campaign management. The customer service element includes front-end services, such as web sites and databases, where the customer can purchase and review sales information. The sales force automation component increases the efficiency of how sales departments interact with customers; it does this by recording all customer sales transactions and communications, thus reducing duplicate work and administrative overhead. In the campaign management component, marketing departments use current or potential customer demographic data to expand sales and to assess emerging markets.
The specific type of CRM system that TBWI should implement is an out-of-the-box, or non-customized, system. This approach is recommended due to several factors—the system implementation timeline is short (roughly six months); the initial migration of TBWI databases should be relatively simple; there are few to no customizations required; and the features of the CRM system fit current TBWI requirements (Boiano, 2013). In review of the project specifications, four areas have been researched and discussed further to gain insight into enterprise business systems and implementation strategies. The four parts include: the suggested implementation approach; the assessment of a failed CRM operation; the assessment of a successful CRM operation; and the recommended implementation strategy for TBWI.

**Implementation Approach**

Now that the business system has been selected—a CRM system—the approach to implementing that system at TBWI must be considered. The approach refers to the specific project methodology that will be followed to transition the older systems into the new CRM system. The recommended implementation approach is rapid application development (RAD). In a RAD approach, sessions are held throughout the life cycle of a project that focus on deliverables, customer interaction, and process automation (Boiano, 2013). There are several reasons why RAD is best-suited for implementing a CRM system at TBWI—they are: TBWI expects to be expanding into new markets within the next six months, and RAD has faster time to market implementation processes; RAD is known to have a higher level and faster adoption rate; the RAD methodology includes customer input right from the beginning; there are usually less problems in the system by the time the project reaches the user acceptance testing (UAT); and finally, a RAD approach will deliver a CRM system under budget (Boiano, 2013). It is important to note, because a CRM system is customer-facing, the selected methodologies must
align with customer needs and satisfaction; this is why the RAD approach has been recommended for the implementation of the CRM system at TBWI.

**Unsuccessful Implementation**

To better understand how implementing a CRM system at TBWI will benefit the company, it is best to review failed and successful implementations of CRM systems. Thus, two businesses have been selected and their CRM rollout strategies examined; this is to assess the circumstances that led to the successful or failed implementation of the system. The first company to be assessed, Cigna, is highlighted in the article, *Integration Management - Cigna's Self-Inflicted Wounds*. Cigna is a healthcare-type company that wanted to implement a CRM system to integrate fifteen separate legacy systems into a set of unified platforms (Bass, 2003). The systems project had so many problems, that the end result was that millions of dissatisfied customers left the company.

The specific issues that resulted in the failed implementation of the CRM system at Cigna were: instead of using an out-of-the-box solution (or less complex approach), Cigna decided to customize their infrastructure using AS400 computers; project timelines were cut short, and consequently there was associated stress and pressure to deliver a working system on time; due to the shortened timelines, volume testing and user acceptance testing were reduced; Cigna began moving people to the new system too quickly, and when a certain processing load was placed on the system, the back-end and front-end of the system began to have communication problems; and lastly, adequate time was not factored into the project to account for converting customer data from the back-end to front-end systems—which led to systems not operating properly, which in turn created millions of dissatisfied customers (Bass, 2003).

Even though there were some initial glitches which were resolved quickly, many of the
go-live problems that Cigna suffered were due to poor planning and not creating a proper implementation strategy. The reason this information is important to TBWI, is that Cigna’s mistakes can be assessed, and each of the issues addressed; this will ensure that TBWI does not invest money and time into failed processes. For example, Cigna began their CRM rollout strategy by designing an overly complex migration plan, which included creating customized computers and migrating fifteen systems. TBWI’s implementation approach will include an out-of-the-box solution, with very little customization. Additionally, TBWI will only migrate two company systems into the CRM system. Another significant problem at Cigna was time management; Cigna cut timelines, and still expected systems to operate properly. The project timelines at TBWI will include additional time for testing and migrating current systems. If problems do arise, timelines will be adjusted to meet the needs of the project, while not sacrificing the quality and implementation of the CRM system. The primary objective at TBWI is to deliver a working system that meets or exceeds customer satisfaction levels; reaching the project milestones are important, but not at the cost of delivering a defective CRM system.

**Successful Implementation**

The second company to be assessed, Scientific & Chemical Supplies Ltd, is discussed in the case study, *CASE STUDY: CBRE sees 20-fold return on CRM investment every year*. Scientific & Chemical Supplies Ltd is a laboratory and chemical supplier for the education sector. As the range of products began to grow at the company, they considered a CRM system. The main goal at Scientific & Chemical Supplies Ltd was to find a system that would integrate with their current system, the Sage Line 500, and provide the necessary support to onsite and remote sales personnel. The company factored-in integration timelines, the parts of the company that would be affected by the CRM system, and whether or not the features of the new system
met company standards. Additionally, Scientific & Chemical Supplies Ltd anticipated the scale and scope of the project, and included researching the appropriate CRM system, testing, and migration. This due diligence led to a twenty-fold return on the initial CRM investment (B2B Marketing, 2010). The benefits of the implemented CRM system were immediately recognized when customer data could be seen and used in customer service, the local company branches, and in other areas of the organization, such as purchasing and credit control (B2B Marketing, 2010).

The steps that Scientific & Chemical Supplies Ltd took, which resulted in the successful implementation of a CRM system, were: the company knew exactly what they were looking for, and researched the appropriate system (project variables were clearly defined); the company selected a CRM solution that required very little customization; a simple implementation strategy was created; the company allotted enough time for testing and migration; and finally, Scientific & Chemical Supplies Ltd never lost focus of their most valuable asset—their customer. Evaluating the implementation of the CRM system at Scientific & Chemical Supplies Ltd is important to TBWI, because the factors that played a role in the success of the system, can be considered and added to the implementation strategy at TBWI. For example, Scientific & Chemical Supplies Ltd took the time to state exactly what they were looking for in a CRM system. TBWI will also define the scope and objectives of the system project. Scientific & Chemical Supplies Ltd planned for testing and migration. The implementation strategy that TBWI will use will include appropriate time for testing and migration; testing and migration will be influenced by customer input, UAT, and project objectives. Additionally, TBWI will select a CRM system that meets company standards, and requires very little customization. The most important aspect of implementing a CRM system is
customer experience, and thus TBWI customer input will be a crucial element in the overall success of the CRM system.

**Implementation Strategy**

After reviewing the failed and successful implementations of a CRM system, TBWI must now formulate its own implementation strategy. Each of the companies that were evaluated offer valuable insight into implementing a CRM system. It is evident that there are poor practices and good strategies that can impact the overall success of implementing a business system. Thus, TBWI will carefully consider this information while planning its implementation strategy. First, the timeline itself must be examined. It is TBWI’s expectation that the CRM system must be fully operational within the next six months, pending any major setbacks. Due to this short timeline, the RAD approach has been selected as the project methodology. The RAD approach will have the ability to consolidate processes, meetings, and development time by setting up sessions between the customer service, sales, and marketing departments. Additionally, the RAD approach addresses the customer interaction component; customer input will be required throughout the CRM implementation project. Likewise, RAD will add a level of micromanagement that will keep tasks on schedule, while making sure all personnel and customers are satisfied with the progress of the project. This is important, because staying on-track and developing solid UAT plans, will reduce problems when the CRM system goes live.

The CRM business strategy will also include all the necessary personnel. Because the system implementation time is under six months, a small—but knowledgeable—team will be assembled. There will be a representative from the customer service, sales, and marketing departments on the implementation team. Additionally, several customers have been randomly selected to aid in customer surveys, interviewing, and system testing. The project will be led by
the company’s project manager and the IT manager. The project manager will be applying the RAD methodology to the design and implementation of the CRM system; and the IT manager will be responsible for conducting meetings, taking meeting notes, and making sure everyone has the resources they need to complete their portions of the project.

Of course, there are a few important lessons that have been learned by reviewing the failed and successful system implementations at previous companies: (1) overly complex or highly customized CRM systems can lead to serious front-end and back-end communication problems, especially when project timelines are short; (2) foregoing volume testing to save time is a recipe for disaster; (3) excluding customer input and customer-related testing could result in increased system problems during go-live. Even after evaluating all this information, there are two critical components that need to be examined further and prepared for accordingly—they are: properly documenting the system, and training personnel to use the system (Boiano, 2013). Due to using the RAD approach, and the compressed project timelines, detailed system documentation and CRM training have the potential to be skipped, or to only be vaguely covered; this will not be the case at TBWI. Each department team member will be responsible for designing training programs for their personnel. The IT manager will verify that the CRM system training material is being created that meets company standards, as well as be responsible for collecting and documenting the CRM resource materials. The goals are to have a properly documented CRM system and to have all respective personnel fully trained by the go-live date.

**Conclusion**

After reviewing all the information that has been presented, it is obvious that successfully implementing a CRM system requires careful planning and a solid implementation strategy. Cigna, which failed to effectively manage timelines and keep migration plans simple,
had a CRM system that ended in disaster. In contrast, Scientific & Chemical Supplies Ltd clearly defined project variables, researched for exactly which CRM system would meet company requirements, and kept the migration strategy as simple as possible–this led to the successful implementation of a CRM system, along with significant increases in revenue. TBWI can learn from both of these companies, and incorporate the working techniques into its own strategy.

Because TBWI has chosen to use a RAD methodology to guide the CRM project, there will be a well-known, structured approach to managing the project. The ultimate goal of implementing a CRM system will be to integrate the customer service, sales, and marketing departments. It is with great confidence, that if TBWI follows the suggested recommendations, the CRM system will be successfully implemented, system documentation will be created, and all personnel will be fully trained and prepared to utilize the system efficiently and effectively.
References


