

The coming of CRM in Pakistan

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THE most powerful effect of Customer Relationship Management is on the bottom line. And though many people see CRM as a technology issue it is in fact all about economics, profits and business effectiveness. Of course the right technology is essential, but only to serve the ultimate end of developing a more effective business.

The purpose of CRM is to provide answers to real business problems. Its proper use begins with the identification of opportunities that can be achieved and then developing realistic offerings, communications, interactions, and sales orders in order to achieve them.

The promise of CRM of transforming any given company's current business and future prospects is indeed great. However, its full effectiveness remains a dream unfulfilled.

Recently, a survey was conducted to study the attitudes and practices surrounding CRM in the Pakistani market. More than a hundred representatives of various companies were involved. The survey examined installed CRM applications and enterprise drivers, barriers, and priorities that will be important to future application deployments. The target group belonged to companies ranging from financial services to telecommunications and health, travel, transportation

people were all senior decision makers in the implementation of CRM strategies.

The CRM Survey offered insights into the dynamics of implementing a CRM solution. Respondents were asked to share their experiences, their expectations and their plans for CRM.

The top concerns cited by the survey were:

* The reasons for implementing a CRM strategy reflects both an offensive (gain in market share and income) and defensive (protection against customer loss) mindset to the spending.

Implementation of a CRM project aims primarily at improving and enhancing customer relationship with the companies' existing client base. At the same time its aims to protect and retain this relationship. Some respondents, however, see CRM spending more as a defence against competition, citing CRM as a major strategy for differentiating themselves against competitors.

* Almost every firm surveyed, admitted to having some trouble getting their CRM projects off the ground. The biggest difficulty was calculating the overall budget for a CRM project. Integrating operations for decision-making i.e. aligning business processes to CRM methodologies for decision-making was seen as the second most important barrier. Other barriers were; integrating multiple data sources and

integrating legacy data into new systems; cultural resistance to change; an inadequate IT structure and lack of clarity about how to proceed.

Less important barriers cited were; the ability to predict the expected ROI and lack of vision and leadership.

* The survey found that the CRM planning phase is gradually increasing. More companies, from various industries, are at different stages of investment in CRM solutions. These results confirm that there is a vast potential for CRM application in the market and many enterprises will use CRM within the next few years.

* The survey cited 16 per cent of the financial services industry has an operational CRM project in place. Fifty-four per cent of the financial services industry is still at the early phase of planning and implementing a CRM strategy. While the rest of the 16 per cent have not considered adopting a CRM strategy.

* In the telecommunications industry, 16 per cent of the respondents cited that they have implemented a CRM strategy and it is in its operational phase. Sixty-three per cent of the telecom industry is still in the planning (26 per cent) and implementation (37 per cent) phase of CRM while 21 per cent have not considered deploying a CRM strategy at all.

In the end, the survey drew up various conclusions that will affect the

CRM market in Pakistan.

a) The CRM market of Pakistan is at an early stage of development. There is a high level of awareness about CRM and its implications, but when it comes to the actual deployment of tools, majority of the companies lag behind.

b) While most organizations have the ability to collect information, they don't have a coherent and effective strategy to analyze and process this tremendous amount of data into actionable information. The concept of sharing customer information and taking a holistic approach to customer demand is still a revolutionary concept to most organizations.

c) Barriers are generally less important. The drivers are considered more important than the barriers in this case.

d) Many CRM initiatives consist of small-scale projects, eg involving the integration of a call centre and a front office solution at the department level. Companies are seen to plan their investments in distinct incremental stages.

e) An insignificant number of end users embrace CRM as a holistic business process integrating front-office and back-office functionality.

f) The development of the Internet will strongly contribute to the growth of the CRM market as companies are going to increase their use of Internet technology for customer support and transactions. Companies that have

already established websites will make them customer interactive within a few years.

Just as each company has a different set of requirements and resources for launching a CRM project, each company will have different goals and measures of success. Achieving CRM objectives has proved difficult in the past. This was mainly due to ineffective processes, untrained staff and alignment of budget with technology integration efforts.

CRM is an essential step for making your companies flexible enough to do business in the global economy. There is a growing awareness in various industries of Pakistan. More importantly, financial, retail, travel and transportation and telecom industries are mindful of the capabilities and implications of using CRM solutions.

In fact, most of the companies in these industries are in the planning phase of implementing a CRM strategy for their business and are expected to use CRM applications in the coming years.

Communications providers now feel the need to interact with customers on an individual basis, as close to real-time as possible. These interactions must be based on events and an analysis of a customer's propensity to buy new or additional bundles of services, contract maturation, and profit and attrition potential. □

Trends