

Win in the flat world

Business Case driven CRM implementations: A recipe for success

- Namgyal T Basi

Abstract

CRM implementation failures are often attributed to faults in the business case and more specifically in the business case not being realized. Experiences across CRM implementations, suggests that the fault lies in the extent to which the business case is used to drive the downstream implementation. A subtle change in the approach to CRM implementations to bring in a focus to business value realization would address the business myopia that exists in most CRM implementation methodologies.

This paper talks about some of the most visible reasons contributing to failure in business case realization. Furthermore it suggests simple & specific changes to various phases of traditional CRM implementation methodologies to ensure alignment of the implementation to the business case. This in turn would result in a higher probability of the business case being realized and a higher ROI from the implementation.

On a precautionary note, the approach would not protect against faults in the business case itself. It is however probable that such faults would more likely surface during the implementation itself by following this approach.

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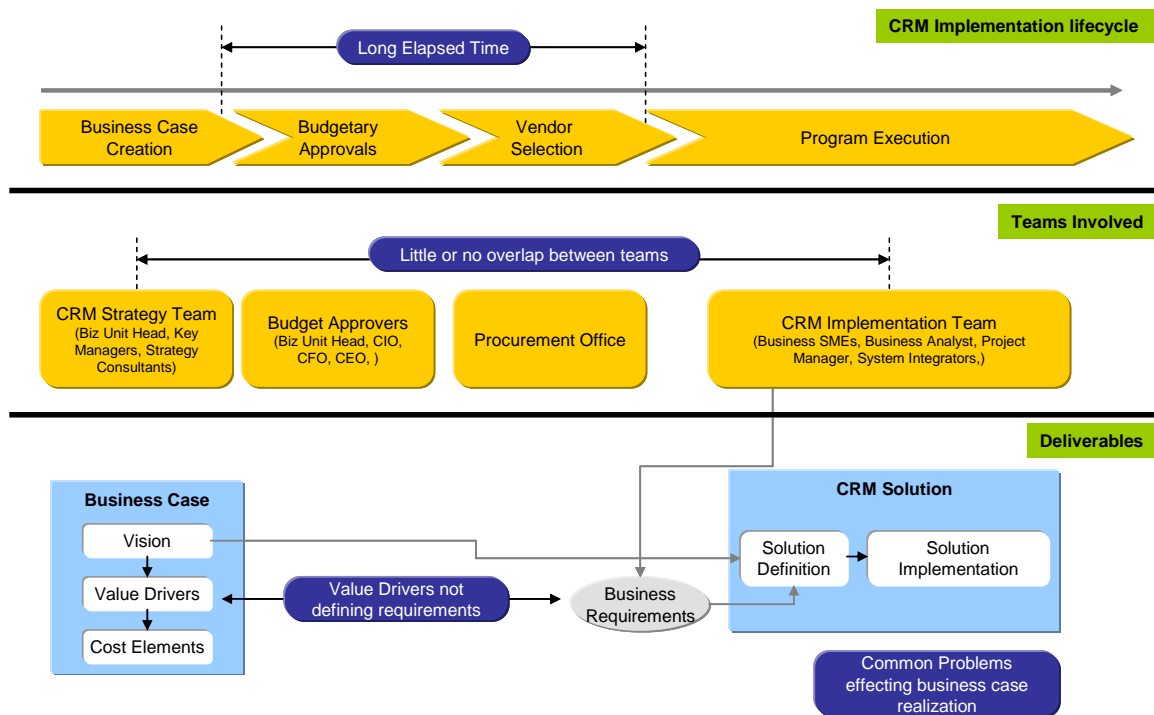


One of the often cited causes of CRM program failures is flaws in the CRM business case. Observations across several CRM implementations, point, to the fault, lying not in the business case per se, but, more so, in gaps in aligning the downstream CRM implementation, to the business case

There are several reasons for this, and the most important among them being:

- (a) Business Case Usage: In many instances the relevance of the business case is limited to obtaining budgetary approvals for the CRM program. Post approval the document is archived and probably only referenced after implementation to evaluate success of the program.
- (b) Elapsed time between definition and execution: The elapsed time from business case creation to budgetary approvals, to vendor selection and finally project kick off often runs into months if not years. In the interim, the excitement around the business case fizzles out and there is seldom any effort to re-visit the objectives and drivers of the business case.
- (c) Business Case Visibility: The team that prepares the business case is often different from the team that executes the program. Due to reasons cited above, there is no clear handoff of the business case to the execution team and often they don't even have access to the details of the business case. Their knowledge of the business case is in most cases limited to its vision statement.

The end effect of all this is that CRM solution definition and implementation is then governed by an overall vision statement and actionable items (requirements) for the solution are left open to subjective interpretation of this vision statement. How well these map to the value drivers identified for meeting strategic objectives in the business case is left to chance.



For a successful realization of the business case it is essential that these gaps be closed. To effectively do so, there are key elements that need to be incorporated into various phases of the CRM implementation- "**Educate**", "**Apply**" & "**Track**".

Educate

"If you don't know where you are going, you will probably end up somewhere else" - Lawrence J. Peter

The business case details what is intended to be achieved, the **objective/goal**, and how the goals are to be achieved, the **levers/drivers**. It is essential that key project personnel understand both the objectives and the drivers.

Key project personnel would include everyone who is involved in defining the CRM solution from a functional perspective such as project managers, business analysts and business SMEs. Very often the understanding of the business case amongst this crucial group is limited to the broad objectives of the CRM business case e.g. "Enhancing Customer Service through Operational efficiencies". They are not privy to the next level of detail in the business case, the drivers, which detail out specific areas that need to be focused upon and the benefits expected out of each of these areas e.g. 'reducing lead time in customer activation by reducing the backlogs in customer background checks' or some not so obvious drivers such as 'addressing customer lifestyle changes by transitioning from print to electronic communication'.

To ensure that the requirements for the solution are aligned to address the drivers of the business case, it is essential that a few days be invested at project inception in educating project personnel on it. The greater the depth at which this group understands the business case, the more likely it is that the final solution will deliver the intended benefits.

Apply

Post the initial education; the business case should be continually referenced through the different stages of project implementation to ensure constant alignment to business case.

Requirement Gathering

During requirement gathering, a common problem as mentioned earlier is that requirements are not aligned to business case. Requirement gathering starts off as a process of understanding "Pain Areas". Considering that a lot of investments and serious thought have already been put into defining the business case, this logically is not the most effective starting point. Instead, the process should begin with a categorical translation of business case drivers, into system requirements that would address the drivers e.g. "what changes are required to reduce customer background check backlogs"

In addition to a more focused requirement set; this approach offers other advantages over the conventional approach.

- It would reduce subjectivity in requirement gathering and increase focus on areas of strategic importance rather than those that individuals perceive to be important. The latter set, if not aligned to business drivers, can still be considered but with a priority of “good to have”
- It would inculcate a defined analytical approach to requirement gathering, with attention given to going into depth of a focus area rather than an attempt to cover the breadth of problems.
- The attention to depth would encourage discussions on usage scenarios and future scenarios which in turn would help define more wholesome solutions rather than solutions that just address the very visible issues in a particular area.
- It would set an environment for more cooperative discussions rather than discussions where different individuals are competing for attention to their individual problems.

Requirement Prioritization

Implementations traditionally have a fixed budget that is, more often than not, insufficient to support implementation of all the functionalities desired of the system. What then follows is a prioritization exercise. A very frequent problem is prioritization gets driven by the individuals advocating the requirement; and requirements proposed by the most vocal sponsor typically end up getting a higher priority though they might not necessarily be the most relevant.

The business case driven approach ensures a more fruitful prioritization exercise. In a business case the drivers are normally quantified in terms of the expected benefits from them. The drivers can first be categorically prioritized in terms of these quantified benefits and this prioritization can then be used as a yardstick for individual requirement prioritization. For example, if reduction in call response time has a higher priority than reducing back office backlogs then requirements related to it can take a higher priority than the latter.

Build

Though the build phase does not visibly offer scope for referencing of the business case, there are a few situations which could still benefit from it.

As with any IT implementations, CRM implementations offer their share of surprises or ‘issues’ as they are normally referred to. Apart from project management issues, most issues can finally be narrowed down to a requirement or a set of requirements not being met. This happens frequently in package implementations with the product not delivering the promised functionality. What follows is an issue resolution discussion and then finally a mitigation decision. These decisions could often result in unplanned expenditures apart from the investment of time in lengthy discussions to find a resolution.

The business case driven approach can be used in issue resolution, to understand the expected benefits (from the affected requirements) and the costs of mitigation. This ensures that the right issues are focused upon and mid-project investments are in line with the expected returns.

Test

The business case can effectively be used in two important areas of the test phase viz. 'defect prioritization' and 'solution acceptance'.

In the former it can be used to ensure that the prioritization of defects and their subsequent resolution is driven by the defined benefits of the affected requirements rather than subjective interpretation of the same.

Cost of quality is an important factor to be considered in 'solution acceptance'. Especially in the context of large implementations, where invariably some iterations of bug fixing are required to get to a bug-free product, it is important to consider the impact of outstanding defects and the cost of fixing them. The business case based approach might probably help decide that though an application has outstanding defects it is production ready as the defects don't affect the business case and the benefits from fixing them are not worth the cost of fixing them.

Change Management & User adoption

There is a lot of material already available on effective Change Management strategies and for this paper the discussion is limited to just a broad observation.

The business case states the organizations objectives that the CRM program is intended to meet and the drivers it intends to use to meet them. In effect, it defines the end state expectations from not just the CRM application but more so from the organization. A Change Management plan that is not centered on the business case, to put it simply, "has missed the whole point".

Track

To effectively apply the approach described above, it is important that the business case be mapped and tracked at a requirement level- the level around which most project discussions occur.

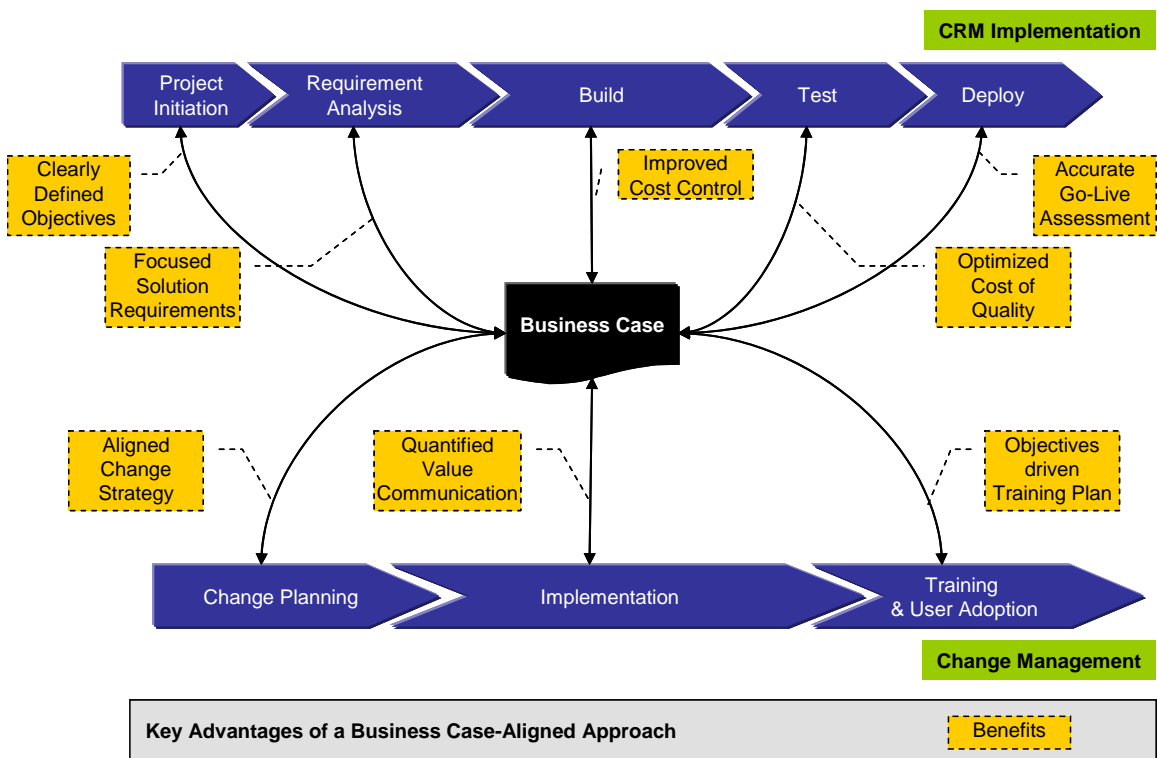
Fortunately this is easily done by incorporating the business case reference as a natural extension to the industry standard 'traceability matrix' used in software implementations. The traceability matrix in its current form maps requirements gathered to all downstream elements such as designs, tests and defects. With the change in approach to requirement gathering, the only additional change to this matrix would be the incorporation of additional reference mapping the requirements to the business case drivers. The thus modified traceability matrix can enable easy reference-ability to the business case during all project stages.

Summary

To effectively realize business goals, CRM implementations should make an effort to first understand the goals of the CRM program; and the solution should then be designed to deliver drivers that have been identified to meet the goals.

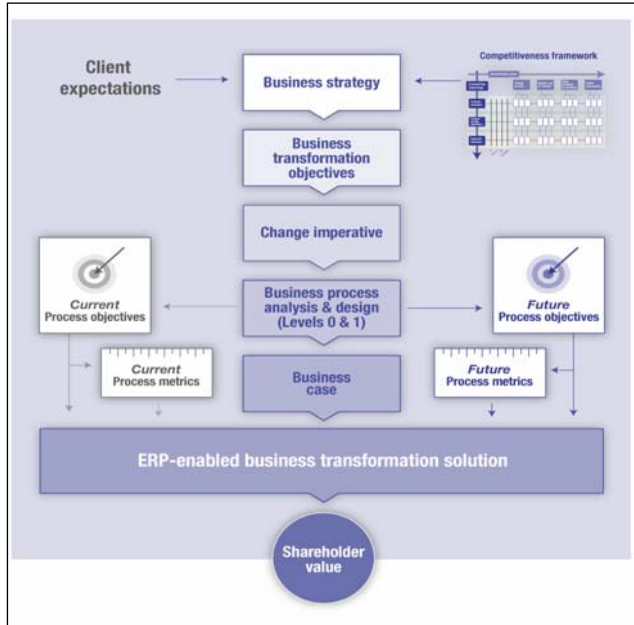
Doing so, in addition to ensuring a better possibility of business case realization, will improve the likelihood of the project meeting its schedule and budget commitments.

Finally, a solution designed specifically around achieving business levers would be naturally inclined to supporting capabilities to adequately measure performance along those lines and a more accurate evaluation of the success of the business case.



Infosys solution

Infosys's approach to package implementations addresses the challenges discussed above through methodologies that are tuned to deliver business value.



The Infosys Value Realization model firstly helps clients clearly translate their business imperatives into business levers that the application would need to deliver. Unlike most business case definition exercises, this approach does not stop at identifying business levers from a cost-benefit analysis perspective, but goes a step beyond to ensure that the levers are defined at a level which the implementation team can use to further define specific requirements of the solution. This ensures that all downstream activities on the program and its implementation can be tightly linked to the business case.

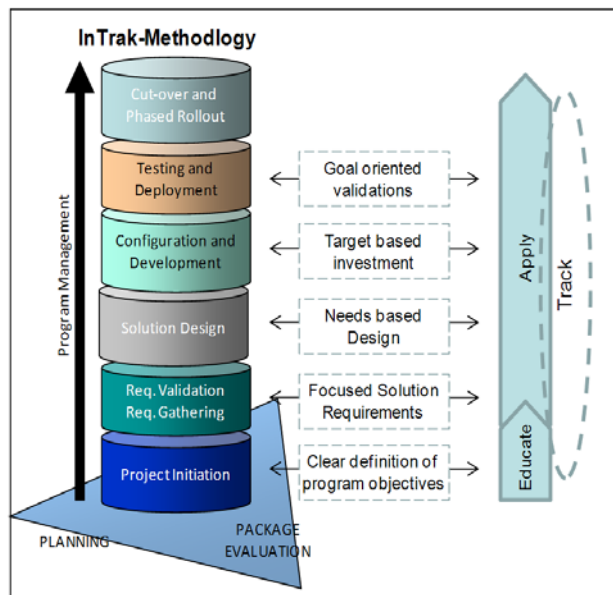
The business case from the VRM approach is therefore, designed to feed into the implementation and lays down specific goals that need to be achieved.

For the implementation Infosys applies the In-Trak methodology. The methodology though built on the classic software development methodologies, incorporates activities within each phases that have been tuned for package implementation nuances and global delivery advantages.

Each phases of the methodology applies the principles discussed above to continually validate alignment of the implementation to the objectives spelled out in the business case.

This approach to package implementations ensures that every activity within the implementation is focused on achieving the business objectives of the program.

In short, the Infosys approach to package implementations is a shift from the traditional approach of 'pain point' diagnostics and remediation, and focuses on identifying and delivering solutions that deliver strategic benefits for clients through their CRM implementations.



Discussions on details of VRM and In-Trak have not been included in this paper to avoid a diversion to discussions on details of package implementation not relevant to the papers topic. Such information is available independent of this paper.

About the Author

Namgyal T Basi is a Senior Consultant at Infosys Technologies with extensive experience in technology consulting, package evaluation and implementation in CRM. He has extensive CRM implementation experience and has led implementations both in the US and in Europe. With a degree in Business Management his expertise lies in bridging the business/technology gap.

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