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Benefits from CRM Based Work Systems

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Abstract

This paper explores the benefits of CRM-based work systems, and how these benefits are achieved, based on the content analysis of five case study organisations using CRM packaged software. Four main categories of benefits from CRM-based work systems are identified and discussed: improved customer-facing processes; improved management decisions; improved customer service; and increased business growth. These categories are contrasted to benefits frameworks developed by other researchers for ERP-based work systems. The most frequently mentioned benefits identified in this study are (a) access and capture customer information; (b) increased productivity from headcount reductions and other process efficiencies;(c) integration of processes, data and technology;(d) increased sales activities; and (e) more personalised and responsive service to customers. Though benefits (b) and (c) are similar to those for ERP systems, benefit categories (a), (d) and (e) are unique to CRM-based systems.

Keywords: CRM, Packaged Software, IS Benefits, Enterprise Systems

1 INTRODUCTION

Many billions of dollars have been invested in customer relationship management (CRM) packaged software. According to Winer (2001), "this revolution in customer relationship management…has created a worldwide market for CRM products and services of $34 billion in 1999, a market that is forecasted by IDC to grow to $125 billion by 2004." However, despite the large body of knowledge on IS project success factors and mechanisms for achieving benefits from packaged software (Seddon and Shanks 2003), many CRM initiatives still fail to realise their intended benefits. For example, according to Nucleus Research (2002), 14 of 23 customers profiled on the Siebel website (60%) "do not believe they achieved a positive ROI from Siebel." Similarly, according to Rigby et al. (2002):

> "55% of all CRM projects don't produce results…one in five users reported that their CRM initiatives not only have failed to deliver profitable growth but also have damaged long-standing customer relationships."

Contrasting the view that CRM initiatives are not successful are the many success stories produced by the numerous vendors of CRM software applications. For example, Selchert's (2002) benchmarking study conducted on behalf of SAP asserts that many companies have achieved substantial benefits from mySAP CRM:

> "While critics have cast doubt on the merits of customer relationship management…this benchmark study demonstrates the high profitability of mySAP CRM, almost without exception, in 35 different companies."

Much is known about CRM. We know that: there are significant benefits to be gained from some CRM initiatives; many large organisations are investing significantly in CRM initiatives; large and expensive CRM software packages are often used to support CRM initiatives; CRM software vendors claim most organisations achieve benefits from CRM initiatives; and many of these CRM initiatives fail to realise expected benefits from the CRM packaged software used. What is not clear and the key research question of this paper is:

> "What are the specific benefits of CRM-based work systems, and how are these benefits realised?"

This study is part of a larger study that seeks to identify factors that management can control to increase the likelihood of achieving benefits from CRM packaged software. Following Alter (1999), we use the term "work system" to describe CRM-related processes, information, technologies, participants, environment, strategies and infrastructure because we believe that the elements of a CRM work system are so tightly meshed that it is impossible to separate benefits from the CRM software package from the work system within which the technology is implemented. Our goal in this study is simply to identify the types of benefits to look for in the larger study. To answer our research question (above), we reviewed the extensive literature on CRM, CRM packaged software, and enterprise systems. From that literature we identified a number of areas where organisations can benefit from CRM-based work systems. We then conducted a preliminary test of that list of benefits by comparing them to benefits identified in five case studies of organisations that have realised benefits from their investment in CRM.

2 BENEFITS FROM CRM–BASED WORK SYSTEMS

The term CRM is used extensively in both practice and research, though not always consistently. Presented below are three definitions of CRM that help clarify the meaning of the term:
- "Customer Relationship Management (CRM) is a business strategy to select and manage customers to optimize long-term value. CRM requires a customer-centric business philosophy and culture to support effective marketing, sales, and service processes. CRM applications can enable effective

Customer Relationship Management, provided that an enterprise has the right leadership, strategy, and culture." (Thompson 2002)

- "To improve service and retain customers, CRM synthesizes all of a company's customer touch-points" (Yu 2001)
- "Good customer relationship management means presenting a single image of the company across all the many channels a customer may use to interact with the firm, and keep a single image of the customer that is shared across the enterprise." (Berry and Linoff 2000, p.14)

These and other definitions suggest three key concepts associated with the term CRM. First, CRM is about business strategy. In particular, it concerns that part of business strategy focused around the customer. Second, CRM is about the business processes that support and enable the interaction between a business and its customers. Third, CRM doesn't equal technology, i.e., the software itself. Implementing CRM software on its own, without or before having customer strategy or understanding the customer business processes, will not be sufficient to realise benefits (Newell 2003; Fayerman 2002; Starkey and Woodcock 2002; Rigby et al. 2002; Crosby 2002; Winer 2001; Yu 2001). Thus CRM packaged software may be defined as *packaged software that support an organisation's customer strategy and customer-focused business processes.* Examples of CRM packaged software include software from Seibel and mySAP CRM from SAP.

As mentioned earlier, we are not aware of any studies that have focused specifically on the benefits from CRM-based work systems. Empirical work by McKinsey's (Reicheld, The Loyalty Effect) and others that showed small increases in customer retention had dramatic increases in profit (Winer 2001). There has also been extensive research into the benefits of improved customer service (Ford et al. 2001; Stauffer 1999; Parasuraman et al. 1991; Berry et al. 1990). Finally, industry reports claim that CRM benefits fall into three categories: (1) increased revenues; (2) cost savings due reduced cost of operations; and (3) intangible benefits that are often hard to quantify (Eisenfeld et al. 2003).

A number of studies have, however, explored benefits from enterprise-scale packaged-software-based work systems often described as ERP systems or enterprise systems (Davenport et al. 2002; Shang and Seddon 2002; Ross and Vitale 2000; Davenport 2000; Lucas Jr. et al. 1988). Two recent studies, Davenport et al. (2002) and Shang and Seddon (2002), are reviewed in this paper because they developed enterprise systems benefit frameworks empirically based on organisations using ERP systems. Since CRM packaged software is similar in many respects to ERP software, benefits from ERP may apply to CRM-based systems as well.

Shang and Seddon (2002) developed a benefits classification framework based on ERP systems. Their framework consists of five major benefit dimensions, namely: Operational, Managerial, Strategic, IT Infrastructure, and Organisational. Each of these benefit dimensions have been broken down into further subdimensions. Table 2 describes these subdimensions further. Although Shang and Seddon (2003) have argued otherwise, it is by no means clear that the benefits from CRM packaged software-based work systems are the same as those for ERP-based systems identified in their study. Davenport et al. (2002) identified the top ten benefits realised by 163 organisations using so-called enterprise systems. Table 3 describes these benefits in their order of priority. CRM functionality was represented in only 19% of the 163 organisations surveyed; the majority being ERP systems. So again, it is not clear that the prioritised list of benefits reported by Davenport et al., applies to CRM-based work systems. Because of this uncertainty, and because CRM software is intended to achieve different things than ERP, it seems desirable to test the benefits identified for enterprise systems by Shang and Seddon and Davenport et al. against empirical reality of benefits from actual CRM-based work systems.

3   RESEARCH METHOD

We tested the enterprise systems benefit frameworks of Shang and Seddon (2002) and Davenport et al. (2002) against five case studies of CRM-based work systems. Data from these five case studies were

content analysed (Strauss and Corbin 1990) to identify specific benefits realised from the usage of CRM-based work systems. The results were then compared to the benefit frameworks described in the Shang and Seddon, and Davenport et al. studies. The five case-study organisations, which had recently implemented CRM packaged software, are described in Table 1 below.

The first three case studies, Audi, Brother, and Adidas, were based on transcripts and presentations from the June 2003 Sapphire conference held in Orlando, Florida[1]. At the Sapphire conference, there were four keynote speeches from the CEO of SAP and board members, 79 presentations from senior SAP product and sales managers, and 109 presentations from IS managers from multi-billion dollar corporations, such as Bosch, Chevron-Texaco, Disney, Hershey, Lockheed-Martin. Typically, the presenter of each customer presentation was the most senior IS manager responsible for implementing the packaged software in that organization. Streaming video of each of these 45-minute presentations, together with PowerPoint slides, and full transcripts of each presentation, are available from the SAP website[2]. The two other case studies, PharmCorp and ManuCorp[3], were two multi-national organisations that have implemented CRM packaged software recently. In these two cases, multiple interviews were conducted with mid-level and senior managers by the first author. Related documentation from these organisations was also collected, e.g., company annual reports, business cases, and tender documents.

Company	Description	Functional Area	Time after live
Audi AG	A large Germany automotive manufacturer. 720,000 customers, 550,000 vehicles stored.	Service Centre	12 months
Brother International	US based (Japan owned) consumer electronics manufacturer. 1,200 employees in USA and revenues exceeding $US 1 billion.	Campaign Management and Business Warehouse	24 months
Adidas Salomon AG	Global manufacturer of sports apparel and products. 14,700 employees, 6.5 billion Euros Revenue	Customer Interaction Centre	Post - live
PharmCorp	A large global manufacturer of pharmaceuticals.	Sales Force Automation	12 months
ManuCorp	A large global manufacturer of consumer packaged goods.	Sales Force Automation	12 months

Table 1:   Case Study Organizations

3.1   Content Analysis

Interview transcripts and related documentation from all five cases were content analysed. Two hundred and fifty (250) unique phrases relating to benefits from CRM-based work systems were coded. Example phrases are: "save time and effort by reducing redundant and conflicting customer facing activities", "save money due to effective and targeted promotions", and "campaigns can be focussed on target groups and effectiveness of campaigns can be measured". These were then classified (a) into the categories identified by Shang and Seddon (2002), and (b) into categories identified by Davenport et al. (2002). Then, axial coding (Strauss and Corbin 1990) was used to

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[1] The Sapphire conferences are a series of annual conferences organized by SAP, the world's largest vendor of enterprise systems, in various continents around the world. Sapphire conferences provide a vehicle for SAP to inform their customers of new product developments and for their customers to try out new software and exchange information about implementation experiences and what they are doing with SAP software. At a typical 3-day US Sapphire conference, there are over 6,000 attendees each paying some thousands of dollars to attend.

[2] Go to www.sap.com/community/pub/events.aspx and select Sapphire, Orlando, 2003, CRM
[3] Actual names disguised.

classify the 250 phrases into (c) four benefit categories and (d) 19 reasons that those benefits developed. The comparison with the ERP frameworks is presented in Section 4. The more grounded classification of benefits (independently of the prior ERP frameworks) is presented in Section 5.

4   TESTING THE ERP-BASED BENEFITS FRAMEWORKS

There was considerable overlap between benefits from the ERP-based benefits frameworks and benefits reported by the CRM case-study organizations. The classification of the coded phrases against the subdimensions of the Shang and Seddon (2002) framework is summarised in Table 2. Approximately 93% of the 250 coded phrases from five CRM case studies matched the benefit subdimensions of the Shang and Seddon framework. Most benefits were operational. However, half of the coded phrases corresponded to just four of the Shang and Seddon benefit subdimensions, namely: 13.2% for productivity improvement; 12% for customer service improvement; 13.6% for decision making and planning; and 11.2% for business growth. In addition, 18 of the 250 coded phrases could not be matched with any sub dimension of the framework. These 18 coded phrases were all concerned with building and improving the customer relationship (not an obvious benefit for ERP systems).

ES Benefits Framework (Shang and Seddon, 2002)		Coding Frequency	% of total	Sum % Totals
1. Operational	1.1 Cost reduction	13	5.2	
	1.2 Cycle time reduction	9	3.6	
	1.3 Productivity improvement	33	13.2	
	1.4 Quality improvement	17	6.8	
	1.5 Customer services improvement	30	12.0	40.8
2. Managerial	2.1 Better resource management,	8	3.2	
	2.2 Improved decision making and planning	34	13.6	
	2.3 Performance improvement	9	3.6	20.4
3. Strategic	3.1 Support business growth	28	11.2	
	3.2 Support business alliance	9	3.6	
	3.3 Build business innovations	4	1.6	
	3.4 Build cost leadership	1	0.4	
	3.5 Generate product differentiation	0	0.0	
	3.6 Enable expansion	0	0.0	
	3.7 Enable e-commerce	2	0.8	
	3.8 Generate or sustain competiveness	6	2.4	20.0
4. IT Infrastructure	4.1 Build business flexibility	7	2.8	
	4.2 IT costs reduction	4	1.6	
	4.3 Increased IT infrastructure capability	9	3.6	8.0
5. Organisational	5.1 Support organizational changes	1	0.4	
	5.2 Facilitate Business learning	7	2.8	
	5.3 Empowerment	1	0.4	
	5.4 Built common visions	0	0.0	
	5.5 Shift work focus	0	0.0	
	5.6 Increase employee satisfaction	0	0.0	3.6
		232	92.8	92.8
No Match	No matching concept in the above framework	18	7.2	7.2
Totals		250	100.0	100.0

Table 2:   Testing the Shang and Seddon (2002) ES Benefits Framework

Davenport et al. (2002) surveyed 163 organisations using enterprise systems covering finance (82%), human resources (44%), supply chain (44%) and CRM (19%). Table 3 compares benefit categories from the Davenport et al. study with the 250 coded phrases from this study. Davenport et al.'s reported frequencies are very different from the frequencies with which different phrases were used in our case-study organizations. Also, but not surprisingly, improved customer service and retention was mentioned much more frequently in our cases than in Davenport et al.'s study.

Our five CRM cases show that the above two ERP-based benefits frameworks may not be ideal for CRM-based systems. Our results in Tables 2 and 3 show that although many benefits mentioned in our CRM cases can be classified using parts of the Shang and Seddon framework, some benefits (7%) do not match their categories, and many benefits cluster within a small number of categories. Worse still, our results also show that although many benefits mentioned in our CRM cases can be classified using parts of the Davenport et al. categories, some benefits (33%) do not correspond to any of their categories, and the pattern of benefits differs considerably from the pattern reported by Davenport et al. In short, given the level of misfit of the CRM-based system benefits and the above two ERP-based benefits frameworks, as well as the fact that CRM software is clearly intended to do different things than ERP systems, there would appear to be value in creating a CRM-specific list of benefits for use in our larger study.

ES Solution Benefits (Davenport et al., 2002)	Davenport et al. Study	Coding Frequency	Coding %
Improved financial management	70%	2	1%
Faster, more accurate transactions	69%	15	6%
Improved management and decision making	63%	33	13%
Improved inventory/asset management	60%	0	0%
Ease of expansion/growth and increased flexibility	55%	13	5%
Fewer physical resources/better logistics	54%	0	0%
Cycle time reduction	53%	15	6%
Improved customer service and retention	47%	57	23%
Headcount reduction	40%	15	6%
Increased revenue	36%	17	7%
		167	
No matching concept in the above framework		83	33%
		250	

Table 3:   Testing the Davenport et al.(2002) benefits for usefulness for studying CRM

5   SPECIFIC BENEFITS OF CRM-BASED WORK SYSTEMS

Because the two prior ERP-based benefits frameworks were not particularly good for classifying benefits from CRM-based systems, this section of the paper presents results from a more grounded (Strauss and Corbin 1990) classification of the 250 phrases. Two forms of axial coding were used. First, phrases were coded by benefit type. This resulted in the four *benefits* categories shown in the columns of Table 4: improved customer-facing processes;   improved management decisions;

improved customer service; and increased business growth. Discussion of these four benefit types occupies most of the rest of this paper. The second form of axial coding resulted in 19 categories of *reasons for* benefits. Table 4 cross-tabulates both the benefits and the reasons. The numbers in each cell represent the number of coded phrases identified in the case study transcripts and documents for each combination.

Reasons	CRM-based System Benefits				Totals
	Improved Customer-facing Processes	Improved Management Decisions	Improved Customer Services	Increased Business Growth	
1. Application of technology	7	1	1	3	12
2. Applying best practices	3	1	2		6
3. Reducing cycle time	6				6
4. Integration of process, data and technology	19	3	3	4	29
5. Consistency and standardisation of processes and information	8		2	2	12
6. Automation of manual activities	8				8
7. Access and capture of information	14	13	14	6	47
8. Increased productivity from headcount reduction and efficiencies	29		2		31
9. Measurement of business performance	5	9	1		15
10. Improved reporting		9			9
11. Increased customer visability	1	4	4		9
12. Improved resource planning		2			2
13. Increased personalised service	1		13	3	17
14. More responsive to customer needs			9		9
15. Increased sales and sales activities			1	19	20
16. Increased trading partner efficiencies and effectiveness		1	1	4	6
17. Efficiencies and effectiveness in organisation structure	1		1	1	3
18. Improve the competenicies of people	5	1			6
19. Grow market size or share				3	3
Totals	107	44	54	45	250

Table 4:   Cross-tabulation of CRM-based Work System Benefits, by reason for benefit

5.1   Improved Customer-facing Processes

Approximately 40% of the coded phrases from the interviews and related business documents (107 of the 250) concerned improvements to customer-facing processes. These include sales, customer service, and marketing processes of these organisations. The major *reasons* for these benefits were improved productivity; integration of processes, technology and data; consistency and standardisation of processes and information; and information access and capture.

Improved productivity of customer-facing processes from either reducing the number of people required to perform a process or by increasing the volume of activities with the same number of people was the leading reason given for customer process improvement. Adidas described how they achieved a 25% productivity improvement in their customer service processes by being able to more efficiently allocate appropriate resources to their retail customers. PharmCorp described how they could improve their pharmaceuticals sales process by "being better able to apply right type of sales or business development resource to the right type of customers and prospects". Dramatic improvements to marketing campaigns were claimed by both Audi and Brother. Marketing campaigns are usually resource-intensive activities requiring marketing information to be sent to targeted marketing segments of customers with many manual activities involved in both the initial activities and also follow-up activities. Brother described the consolidation of multiple customer lists: what usually required a week of effort can now be conducted within hours per campaign.

Integration of processes, data and technology was given as a reason for customer process improvement by all cases. Audi described how it improved its customer service processes by bringing

together all customer service processes around customer "touchpoints" and through the integration and sharing of customer data between itself and its dealers. Shared customer information was used to improve their customer marketing processes by using campaign results to "create target groups for repurchase and prospect groups for initial purchase based on product preferences and buying motivations". ManuCorp recently implemented Seibel CRM packaged software to replace their in-house-developed sales information system. Their CRM packaged software supported the integration of business processes, data and technology to improve customer-facing processes: the effectiveness of the sales process between the sales representative and the retailer has been improved through the integration of sales and logistics data; and sales representatives have information of up-to-date stock levels allowing accurate delivery time estimates to be given to retailers. ManuCorp also described how the integration of technology improved customer-facing processes. The integration and network connection of existing office technologies, such as email and word, with the CRM technology, allowed real-time access and communication with the sales force in the field.

Information access and capture was described as a reason how the customer-facing processes were improved. PharmCorp described how they improved their sales processes by having access to real-time customer information. In the past the sales representative would visit the customer and collect customer information required by the business such as product demand. The sales representative would manually record this information and then include it in his sales report at the end of each week. Now they are able to capture customer information at source and make it available to the business in real-time, thereby providing the business with improved information on demand for its products. Similarly, ManuCorp was able to capture real-time information about its competitors' products in the field from its sales representatives. The pricing of consumer packaged goods is extremely price sensitive, so the ability of ManuCorp to capture and make available pricing information about its competitors improved both the sales and marketing processes.

Consistency and standardisation of processes and information were reasons given for improved customer-facing processes. PharmCorp described how their CRM sales force automation software allowed them to transfer best practice across their sales teams from the processes "imbedded" in the software package. They described how customer-facing process cost savings were achieved through the standardised and automation of routine tasks, such as their sales correspondence, forecasting and reporting tasks. Audi described how they improved their customer service process by having a consistent information style sent to customers and by handling customer queries consistently. They restructured their customer care processes enabling systematic and standardised collection of data into customer profiles.

Finally, *automation of manual tasks* was given as reasons for improved customer-facing processes. Adidas described how the task of inviting more than 2,500 small retailers to their product presentations was a "tedious and costly" task. The manual task involved many spreadsheets being shared amongst the team responsible for arranging the events. They describe how now with their central customer database and mySAP CRM they are able to automate much of this task. Adidas described how they saved 758,000 euros during 2003 from cost savings from the automation of manual processes.

5.2   Improved Management Decisions

Approximately 20% of the coded phrases from the interviews and related business documents (44 of the 250) concerned improvements to management decision making. The major reasons for these improvements were information access and capture; measurement of business performance; and improved reporting.

Information access and capture was described as the main reason that management decisions were improved. Adidas described how access to information about customer purchases and service history had improved sales decisions by understanding customer-ordering trends, and improved product decisions by understanding the needs of its customers. Adidas captured and stored this customer

information in a centralised database making the access efficient and effective. PharmCorp expected to make better and faster sales management decisions through the ability to quickly assemble and analyse sales related information. Their consolidated Customer Information System gave their sales representatives the ability to more easily perform detailed customer, product and opportunity analysis. Their sales representatives had access to information at their "fingertips". Audi also expected improved management decisions as a result of capturing customer data across all customer interactions and across all channels.

Measurement of business performance was also a reason described by the case study organisations for explaining how they improved management decisions. Brother described how campaign-management decisions were improved by detailed measurement and analysis of campaign-success measures such as leads generated, response rates, cost benefit, and channel efficiency. PharmCorp described how improved and quicker sales management decisions were achieved through the measurement of its sales process. Its sales management system provides a sales person with a centred view of their incentive basis and management, sales opportunity pipeline, and sales forecasting. ManuCorp described how by measuring sales and marketing activities they could drive business objectives down to the sales organisation and allow sales representatives to be more accountable and manage their own territory more effectively.

Improved reporting allowed better management decision making. Audi described how it improved management decisions on customer complaint handling by having accurate reports on the nature and volume of customer complaints across different channels. Brother described how they could report on call centre performance down to the individual level, and how they identified individuals who may require additional coaching to improve how they deal with customers. PharmCorp described how it was able to make better management decisions on how to retain customers by reporting on customer satisfaction and their likelihood of switching to other suppliers based on feedback information collected from their sales representatives.

5.3   Improved Customer Service

Approximately 20% of the coded phrases from the interviews and related business documents (54 of 250) concerned improvements to customer service. The major reasons for these improvements were: information access and capture; increased personalised service; and being more responsive to customer needs.

Information access and capture enabled improved customer service. Adidas described how by providing customer profiles on individual retailers, product purchase, and service history to service agents they were able to provide customers with accurate product quantity estimates for the upcoming season. Audi described how it now proactively requests complaint data and makes this valuable information available to improve future products and services. Audi also captured the entire history of its customers' service interactions, which service representations used to improve their services to customers. Similarly, Brother also had knowledge of the customer available to service representatives, so they didn't have to repeat information to customers during each call or collect past details about customer again.

Increased personalised service provided to customers was described as being a reason for improved customer service. Adidas described how it personalised invitations to retailers attending showroom presentations of it products, which allowed face-to-face talks to be prepared by the sales representatives for individual retailers. Audi described how by providing "one face" to the customer— whether it is from the manufacturer or dealer—and by making each interaction with the customer relevant and valuable, it could provide the customer a "premium customer experience". The integration of multiple customer-contact channels such as telephone, email, fax and letter allowed for more effective outbound interactions with the customer. The integration of Audi's telephony systems with their CRM customer database allowed more effective interaction with incoming customer calls. Similarly, Brother described how their implementation of a "business warehouse" that became the

definitive repository of customer information allowed them to generate one-to-one relationships with their customers. They also described how their "solution database" improved the quality of customer service delivery by providing their customer service representatives with product information to assist their customers' telephone inquiries about products that they had purchased. Prior to having access to this database, the quality of service depended on the particular service representative who answered the call.

Being more responsive to customer needs was described as another reason for improved customer service. Adidas described how it integrated its call centres into one system and collected data from all customer enquiries, which led to more responsive handling of inbound customer queries. This provided Adidas customer-service representatives with systems and information to effectively and efficiently respond to customer queries. In the past, these customer enquiries sometimes went unanswered for three days, whereas now, they are personally responded to within 30 minutes. PharmCorp also described how their sales force automation system was used to capture customer issues in the field as they appeared and allowed these to be responded to quickly by management and sales representatives, resulting in improved service to customers and increased customer retention.

5.4   Increased Business Growth and Revenue

Approximately 20% of the coded phrases from the interviews and related business documents (44 of 250) concerned improvements to business growth. The major reasons for these improvements were: increased sales and sales activities and information access and capture.

Increased sales and sales activities was the major reason described by the case organisations for improving business growth. Adidas described how their CRM initiative allowed them to sell profitability to the normally "high cost to service" small-retailer market segment. The small-retail market segment was targeted to "unlock the revenue potential" of this segment and grow their business in this area. Adidas described how their CRM initiative allowed them to "automate the new customer-focussed processes...without sacrificing customer intimacy". Audi described how it used direct-marketing campaigns to generate more qualified leads for its dealers. Audi described how, traditionally, the automotive industry used broad-based mass marketing approaches to attract customers which let to unqualified leads. By using the Marketing Management component of mySAP CRM they were able to market directly, based on customers' preferences and purchase motivations. Audi described how they expected to grow their business by 2.3 million euros by using these direct marketing techniques throughout 2005.

Finally, *information access and capture* also helped achieve business growth and revenue.

5.5   Summary

The results of our preliminary CRM-based benefits framework are described in Table 4. We have argued that the two ERP-based benefits frameworks discussed previously in this paper are not ideal to represent CRM-based benefits because of the level of misfit of the benefits identified in our five CRM cases. However, there are many overlaps between the two ERP-based benefits frameworks and the four benefit categories of our CRM-based benefits framework. These overlaps are described below.

- Our *Improved Customer-facing Process* benefits category closely relates to the Shang and Seddon *Operational* benefits dimension and three of Davenport et al. benefits, namely: *faster, more accurate transactions*; *cycle time reduction*; and *headcount reduction*.
- Our *Improved Management Decisions* benefits category closely relates to the Shang and Seddon *Managerial* benefits dimension and the Davenport et al. *improved management and decision making* benefit.
- Our *Improved Customer Services* benefits category closely relates to the Davenport et al. *improved customer service and retention* benefit and was not represented in the Shang and Seddon benefits framework.

- Our *Increased Business Growth* benefits category closely relates to the Shang and Seddon *Support Business Growth* subdimension benefit and the Davenport et al. *increased revenue* benefit.

6   LIMITATIONS

There are two important limitations of this study. First, the 250 coded phrases come from only five cases. Three of these cases were presentations at a conference, where speakers may have been reluctant to admit to problems with their systems. Organizations other than these five may achieve other types of benefits from CRM-based work systems not considered in this study. However, even our five CRM cases showed that the ERP-based benefits frameworks were not ideal to represent CRM-based benefits. Second, the frequency of occurrence of certain concepts in a transcript, as reported in Tables 2-4, may not be good indicators of the relative importance of those concepts.

7   CONCLUSION

In this paper we have identified four categories of CRM-specific benefits from CRM-based work systems, namely improved customer-facing processes; improved management decisions; improved customer service; and increased business growth. Although we found many benefits that were similar to the ERP-based benefits, Tables 2 and 3 provide sufficient evidence to suggest that the major benefits from CRM-based systems are sufficiently different to ERP-based enterprise systems to warrant the use of a CRM-specific benefits framework. Such a framework was presented in Table 4.

Table 4 also identifies nineteen means by which these CRM-based benefits were achieved. The most important enabler (row 7) was the ability to access and capture customer information. This was a common benefit enabler for all four categories of CRM-based benefits. Other benefit enablers include: increased productivity from headcount reductions and other process efficiencies; integration of processes, data and technology; consistency and standardisation of processes and information; business measurement and reporting; personalised and responsive service to customers; and increased sales activities. Except for the information enabler (row 7), which was common to all CRM-based benefits, the other benefit enablers were specific to particular CRM-based work system benefit groups.

The benefits and enablers identified in this study will be used in the larger study that seeks to identify factors that management can control to increase the likelihood of achieving benefits from CRM packaged software. That study is now in progress.

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