Effective Implementation of Sales-Based CRM Systems: Theoretical and Practical Issues

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ABSTRACT

Interest in sales technology (ST) and sales-based CRM systems has been increasing in recent years. Indeed, companies spend a great deal of their budgets in implementing CRM systems into their sales organizations. In spite of these investments, however, evidence has been accumulated suggesting a high failure rate of these implementations. Although a number of research studies have been published in this area, there has been no systematic attempt to integrate and synthesize the extant literature. Against this backdrop, this article seeks to increase knowledge in the area by offering a synthesis of prior work into (a) what companies need to consider to effectively implement a CRM system into the sales force, (b) how CRM’s impact on a sales force’s performance can be assessed, and (c) what key performance indicators (KPIs) might be incorporated into the system in order to aid managerial decision making processes. The authors’ framework addresses issues of relevance not only for scholars but also for practicing managers by drawing on the authors’ practical experience in this important area. As such, the article adds layers of knowledge for both theory and practice.

Keywords: CRM System, Implementation of CRM, Sales Force Performance, Sales Technology, Salesperson

INTRODUCTION

Academic and managerial interest in sales-based CRM systems has been increasing in recent years (Ahearne, Jones, Rapp, & Mathieu, 2008; Hunter & Perreault, 2007). Indeed, companies spend a great deal of their budgets in implementing CRM systems into their sales organizations (Sims, 2007). In spite of these investments, however, evidence has been accumulated suggesting a high failure rate of these implementations (Dickie, 2006; Speier & Venkatesh, 2002). Although a number of research studies have been published in this area, there has been no systematic attempt to integrate and synthesize the extant literature. Against this backdrop, the overriding goal of this article is to offer academics and practicing managers a concrete set of guidelines regarding effective sales-based CRM system implementation. The remainder of this article is organized as follows. Firstly, we outline a process for effective sales-based CRM implementation in the sales organization. Secondly, we review the
related literature and elaborate on the various factors that may exert a significant influence on salespersons’ decision to accept and embrace the CRM system. Thirdly, we discuss the metrics that can be employed to assess the impact of a CRM system on salespeople. Fourthly, we discuss the key performance indicators (KPIs, hereafter) which are related to the use of a sales-based CRM system and which can be employed to enhance managerial decision making in sales organizations. Finally, we conclude with a discussion on the managerial implications of our article.

A PROCESS FOR SALES-BASED CRM IMPLEMENTATION

Implementing a CRM system in the sales organization is not a one-off process; it requires substantial time investments on behalf of the organization and its employees. This entails that getting salespeople to integrate the system into their work activities can be viewed as a process comprising different stages, all of which are critical to the successful implementation (Parthasarathy & Sohi, 1997; Sundaram, Schwarz, Jones, & Chin, 2007). This process is displayed in Figure 1. At stage 1, the organization decides to buy a CRM system and initiates activities to diffuse it within the sales organization. Next, at stage 2, the system is introduced to salespeople. During this stage, salespeople develop initial feelings and reactions toward the CRM system and they decide whether they will adopt (i.e., accept) the system or not. Once they adopt it, salespeople start to frequently use it for their daily activities (stage 3). Importantly, frequent CRM system usage is an important prerequisite for infusing the CRM system into a salesperson’s daily workflow (stage 4). This last stage in the implementation process refers to a system’s full and continued use, after the system has been introduced and adopted by the sales force (Sundaram, Schwarz, Jones, & Chin, 2007). Thus, the ultimate goal of any implementation process is to get the system fully integrated into salespeople’s work.

Viewing CRM implementation as a process results in the realization that organizations base their decision to accept a CRM technology on different factors than salespersons do (Parthasarathy & Sohi, 1997). For instance, organizations seek operational and market efficiencies, such as improving work flow, facilitating reporting/monitoring mechanisms, and enhancing the organizational ability to respond to marketplace changes, whereas salespeople primarily want to facilitate their own work activities and improve their performance. This recognition has important ramifications for our understanding on how CRM systems are accepted by salespeople. In particular, the adop-

Figure 1. The CRM implementation process
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