



## **Chapter XV**

# **Implementing Knowledge-Enabled CRM Strategy in a Large Company: A Case Study from a Developing Country**

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## **EXECUTIVE SUMMARY**

*This case study is aimed at developing an understanding of the various aspects and issues concerning the implementation of a knowledge-enabled customer relationship management (KCRM) strategy at a telecommunications company in a developing country. The KCRM program was composed of three major parts: enterprise data warehouse (EDW), operational customer relationship management (CRM), and analytical CRM. The KCRM initiative was designed to automate and streamline business processes across sales, service, and fulfillment channels. The KCRM program is targeted at achieving an integrated view of customers, maintaining long-term customer relationship, and enabling a more customer-centric and efficient go-to-market strategy. The company faced deregulation after many years of monopoly. The company initiated a customer-centric knowledge management program, and pursued understanding customers' needs and forming relationships with customers, instead of only pushing products and services to the market. The major result of the case study*

*was that the KCRM program ended as an Information and Communications Technology (ICT) project. The company did not succeed in implementing KCRM as a business strategy, but did succeed in implementing it as a transactional processing system. Several challenges and problems were faced during and after the implementation phase. Notable among these was that the CRM project complexity and responsibilities were underestimated, and as a result, the operational CRM solution was not mature enough to effectively and efficiently automate CRM processes. Changing organizational culture also required a tremendous effort and pain in terms of moving toward customer-centric strategy, policy and procedures, as well as sharing of knowledge in a big organization with many business silos. Employees' resistance to change posed a great challenge to the project. As a conclusion, the KCRM case study qualified as a good case of bad implementation.*

## INTRODUCTION

Business organizations are experiencing significant changes caused by the growing dynamics of business environments. Organizations are faced with fierce competitive pressures that come from the globalization of economies, rapid technological advancements, rapid political and governmental changes, and increases in consumer's power, sophistication, and expectations as customers become more knowledgeable about the availability and quality of products and services. Such environmental challenges place a huge demand on firms to remain flexible, responsive, and innovative in delivery of products and services to their customers (Drucker, 1995; Teece, Pisano, & Shuen, 1997).

The resource-based view of the firm recognizes the importance of organizational resources and capabilities as a principal source of creating and sustaining competitive advantage in market competition. According to this approach, resources are the main source of an organization's capabilities, whereas capabilities are the key source of its competitive advantage (Grant, 1991; Davenport, 1995). Establishing an effective knowledge management capability is a challenge in 21<sup>st</sup>-century organizations.

The importance of customers to business firms has created tough "rivalries" among competitors over acquiring new customers or retaining/expanding relationship with current ones. In order to build good customer relations, it is necessary for companies to serve each customer in his/her preferred way, therefore requiring the management of "customer knowledge" (Davenport, Harris, & Kohli, 2001). Customer Knowledge (CK) is increasingly becoming a principal resource for customer-centric business organizations. As a consequence, acquisition and effective usage of such knowledge is increasingly becoming a prerequisite for gaining competitive advantage in today's turbulent business environments.

Establishing an effective KM initiative is a challenge for most organizations. Particularly difficult is the capture of tacit knowledge that resides primarily in the heads of experienced employees. Knowledge involves three overlapping factors, namely, people, organizational processes (content), and technology (ICT) and can be approached in two ways:

- **Personalization:** human-based information processing activities such as brainstorming sessions to periodically identify and share knowledge

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