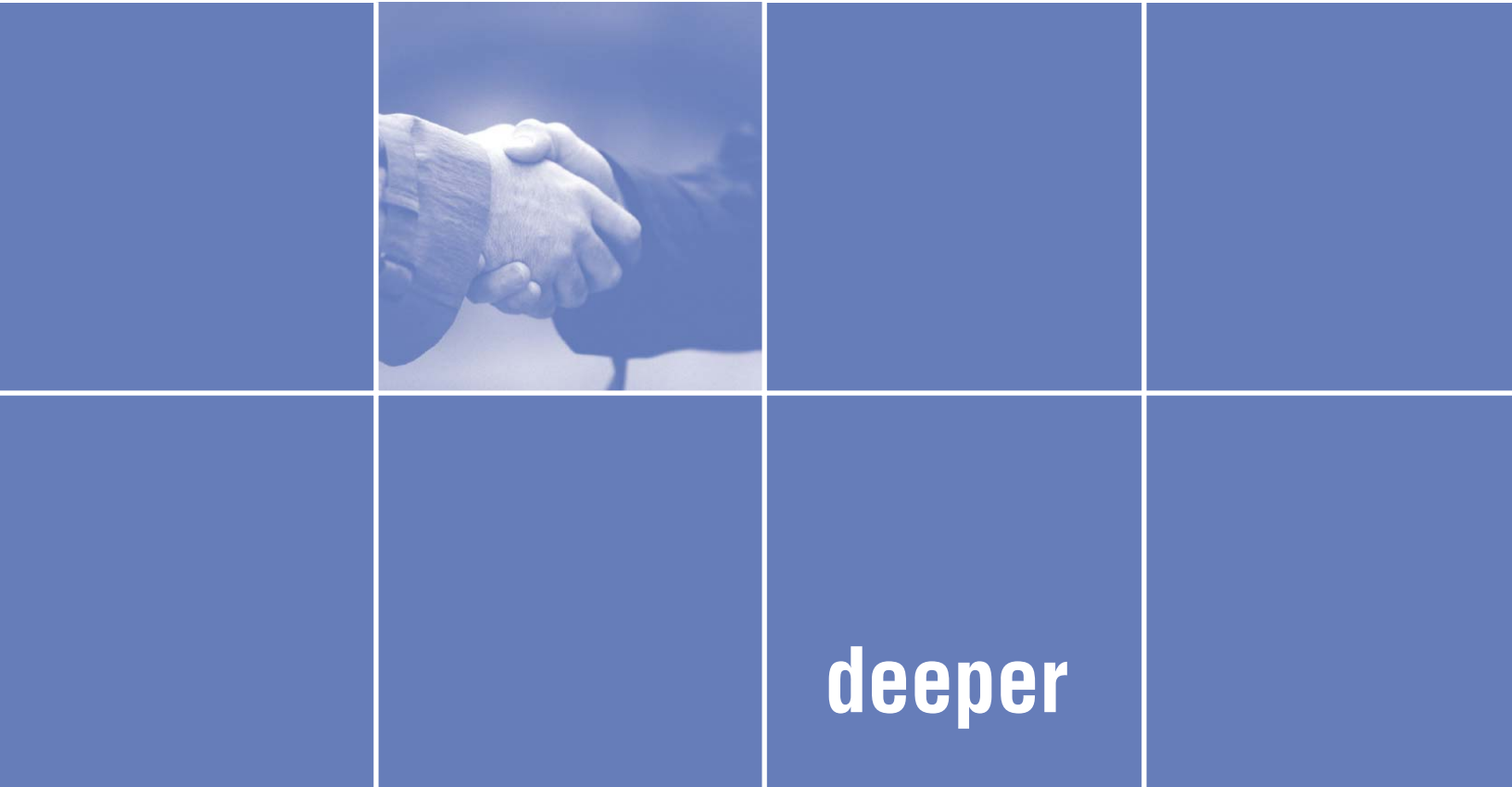




Doing CRM right: What it takes to be successful with CRM

Executive summary view, CRM global study



Executive brief

Contents

- 1 Doing CRM right: What it takes to be successful with CRM - Executive summary view, CRM global survey
- 3 Key findings from the global CRM study
- 5 Success driver analysis
- 7 Influencers of impact
- 11 Rules of thumb
- 15 Conclusion
- 16 About the authors
- 16 About IBM Business Consulting Services
- 17 Appendix
- 21 For further detail
- 21 References

This is the executive summary of a three-part global series of white papers on *"Doing CRM Right,"* a global CRM study conducted by IBM Business Consulting Services. Within the series, there is a paper focused on each major geography – Americas, EMEA (Europe, Middle East and Africa) and Asia Pacific. Each paper includes both a global results section with key findings (common across all papers) and a geography-specific section with results pertaining to the specific geography being evaluated.

Doing CRM right: What it takes to be successful with CRM

Executive summary view, CRM global survey

Across the global business community today, it is common knowledge that "doing CRM right" is not a mantra to be taken lightly. When achieved, CRM done right can significantly impact and transform a company, helping enable it to grow more profitably by serving its customers more intelligently. At its best and fullest, CRM does more than just automate a call center or improve a sales report; for those companies up to the challenge of "doing CRM right," it can transform them – culturally, structurally, and strategically. CRM done right can make companies more:

- Responsive and targeted in the way they interact with customers
- Educated and smarter about extending product and services offerings
- Strategically in-tune with customer needs and values so that delivering on customer expectations enhances competitive advantage.

Trouble is, CRM is done right less than 15 percent of the time across the globe. In America, Europe and Asia, 85 percent of companies, large and small, are not feeling fully successful with CRM, according to an IBM Global CRM Survey of over 370 companies across industries.

It turns out, doing CRM wrong is much more common than getting it right. To the chagrin of many companies – from those with double-digit billion dollar annual revenues and up to US\$100 billion in assets, to small businesses with less than US\$50 million in annual revenue – CRM has yet to achieve the promised ROI goals that made it so appealing in the first place. Furthermore, in many cases, customers have yet to notice a decisive difference. Why? What is happening?

Most importantly, CRM continues to hold great promise for companies, with over 50 percent of companies surveyed believing CRM is relevant to increasing performance from a shareholder value perspective, and 65 to 75 percent looking to CRM as important in delivering revenue growth through improved customer experiences, retaining and growing existing customer bases, increasing customer acquisition rates and influencing development of new product and services. CRM can deliver great value; to fully realize this value, companies must improve success of CRM (see Figure 1). What is being done about it? Of those 15 percent of companies that are fully successful, what is driving CRM success, and how are they different than the 20 to 30 percent having some success, and the remaining 55 to 65 percent that are truly struggling? How can this success be replicated to improve CRM performance in other companies so that CRM yields its full potential?

Figure 1. The compelling need for CRM.

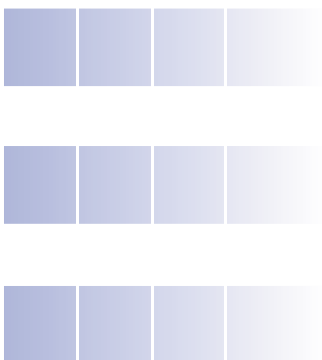
Competition is requiring it
<ul style="list-style-type: none"> • Profitability – CRM promises new customers; more value from existing customers; improved marketing, sales, and service; better customer relationships • Differentiation – Customer service/satisfaction becoming a greater piece of a company’s value proposition
Stakeholders are demanding it
<ul style="list-style-type: none"> • Shareholders – Pressure from Wall Street to make better use of customer data • Customers – Want convenience of multichannel access with seamless customer experience • Employees – Require integrated 360-degree view to provide improved customer satisfaction, customized offerings, and faster response time
Business transformation is relying on it
<ul style="list-style-type: none"> • Enterprisewide – Companies need to be outward-facing versus inward-focused • Integration/unification – Communicate across silos and databases, and show one face to the customer

Source: IBM Business Consulting Services, 2004.

IBM Business Consulting Services set out to explore answers to these questions by reaching out to hundreds of executives across the world, through both qualitative interviews and a structured quantitative survey administered to a highly credible, global, executive panel from the Economist Intelligence Unit. IBM Business Consulting Services worked closely with a steering committee and an advisory board of CRM business experts from each major geography to help ensure market relevancy of research questions and results. The good news and single most compelling finding from the global study is that the likelihood of CRM success can be improved significantly within a company; clear guidelines, when applied during CRM implementation, bolster CRM success rates from less than 15 percent to greater than 70 percent, and in some cases up to 80 percent. That equates to a 55 to 65 percent greater likelihood of success, which is certainly significant. How compelling is the potential to boost CRM success rates by 55 percent or more?

Scenario 1: Consumer products industry

Suppose you are a **Global 1000 consumer products company**, spending tens of millions of dollars on a multiyear CRM effort. You are relying on CRM to transform your business from a siloed and inward-facing organization, with 15 sales organizations, 10 brands, numerous billing systems, disaggregated customer relationships and disparate 1980’s computing platforms into one integrated company that is performing above par with competitors? The stakes are high at this level of investment, so improving your likelihood of success by 55 percent is more than compelling, it is essential.



Scenario 2: Financial services industry

Or, what if you are a **multinational financial services provider** with billions of dollars in assets under management, operating in numerous markets with differing regulatory issues and cultural challenges. In your competitive environment, many of the strongest competitors are one or two years ahead of you with CRM practices, enabling them to offer:

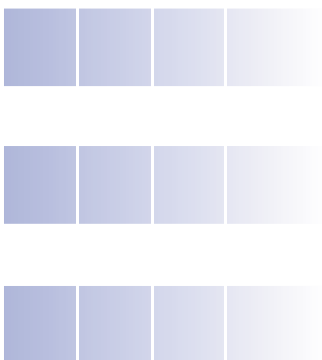
- Tailored investment products and services to customers, based on their ability to view full customer portfolios and complete transaction histories in realtime
- Full online investing capabilities and financial advisors who are highly knowledgeable about each customer's financial needs?

If customers continue to migrate to the competition at the current rate, your assets under management will attrite in the next two years. Even one to two percent shrinkage translates to multimillion dollar losses, and greater impact will be felt in reduction of future growth potential if it turns out these losses are your best customers. Increasing the likelihood of CRM success by 55 percent is more than compelling, it means survival.

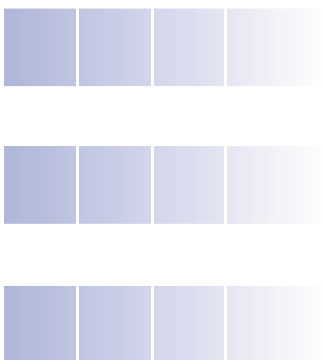
Key findings from the global CRM study

The information in this paper is valuable because, with the right information – knowing top CRM success drivers, as well as the contribution and prioritization optimal to succeed – executives can plan for and guide CRM success. The results shared here arm CRM executives with information they can use to determine resource allocation, focus areas, and expertise required throughout a CRM implementation.

- **Companies are looking to CRM to help them improve performance and grow overall business.** Over 50 percent of companies believe CRM is *relevant* or *highly relevant* to improving performance from a shareholder value perspective. Sixty-five to 75 percent consider CRM important in delivering revenue growth.
- **CRM success can be improved significantly in companies, 55 to 65 percent.** Likelihood of CRM success can be improved significantly within a company, from less than 15 percent to over 70 percent (and in some cases 80 percent) by focusing on and prioritizing key CRM approach steps.
- **CRM approach steps having the greatest impact are not the big ticket items, but the human-oriented steps.** Differentiating steps are not the big ticket items, such as *technology implementation* or *customer data integration*, rather, they are the human-oriented steps such as *change management* and *process change* – good news for companies implementing CRM, this means significant improvement in CRM success for a small incremental spend (relative to total CRM implementation expenditure).



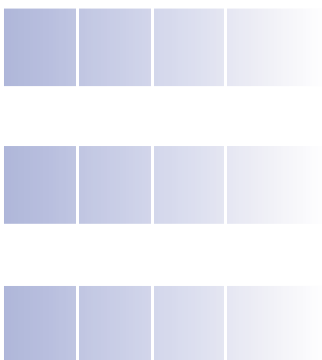
- **Some CRM success drivers are consistent; some vary by geography and situation.** Two CRM approach steps consistently drive CRM success, regardless of company situation: *change management* and *process change* are always differentiators or strong contributors. Other differentiating CRM approach steps are specific to a company's situation, impacted by influencers such as *competitive environment*, *regulatory issues*, *size and scope of project* and *company starting point*.
- **Implementing CRM across borders has economies of scale for multinationals.** For multinational companies, certain CRM project plans can be leveraged globally for economies of scale, such as *plans for integration of data/information* and *plans for CRM-related organizational change*. Others must be dealt with locally, such as *plans for addressing cultural issues* and *plans for addressing regulatory issues (taxes, employment law and legal restrictions)*.
- **Proper allocation of resources, focus areas and expertise enhances impact of success drivers.** Knowing contribution to success, difficulty and frequency of performing each CRM approach step aids executives in planning for CRM success by identifying: 1) appropriate resource allocation of labor, time and money, 2) focus areas requiring special emphasis, and 3) when and where expertise is needed.
- **Ownership of CRM within companies today is largely in the wrong place.** Nearly three-quarters of companies have division-owned CRM, such as Marketing, Sales, IT or Customer Service; only one-quarter of companies give ownership of CRM to *Corporate*, a senior level team that spans multiple divisions and business units within a company. However, the study shows that when *Corporate* owns CRM, there is a 25 to 50 percent greater chance of success than with other ownership models.
- **Senior management, in over 35 percent of companies, is actually impeding the success of CRM because it views CRM as *useful, not critical*.** When senior management views CRM as *critical* or *strategic*, study results show it is a major contributor to overall CRM success. Viewing CRM as *useful, not critical* actually detracts from success because it sends a message within the company that CRM is not a priority.
- **One reason projected CRM returns are not being fully realized is because over 75 percent of companies are not *fully using CRM once it is implemented*.** This can be attributed in part to companies underestimating the value of stakeholder alignment; study results show that companies having the most success with CRM are aligning with the business objectives of *employees*, with *customer* alignment a close second. Yet, only 21 percent of responding companies view *employee* alignment as *very important* to CRM success.



- **It comes down to culture, including top-down, ongoing support of senior executives and clear links to overall corporate goals.** A CRM effort of any magnitude needs to be top-down; if it starts bottom-up, the first item on the agenda should be to enlist senior management and stakeholder support. This is because the goals, strategy and performance measures of CRM have to be linked to those of Corporate. If employees do not see how adopting CRM fits into the big picture, they will not use it. Similarly, if senior management does not clearly believe that CRM enhances the company's overall value proposition, it will be squashed by competing priorities.

Success driver analysis

Likelihood of CRM success can be improved significantly within a company, from less than 15 percent to over 70 percent (and in some cases 80 percent) by focusing on and prioritizing key CRM approach steps. For such a statistic to be of any use, the rationale behind it must first be explored and understood, and second, it must be viable and applied. Success with CRM comes down to 16 critical success drivers, or CRM approach steps, identified as important to success by both CRM executive decision-makers and influencers of CRM decision-making (see Figure 2). These CRM approach steps should be prioritized and given full attention throughout the CRM implementation. Full attention refers both to the resources themselves – the people, time and budget allocated to a CRM effort – and to the endurance of those resources, which cannot just be present at the onset to champion CRM, but must remain integrally involved throughout.



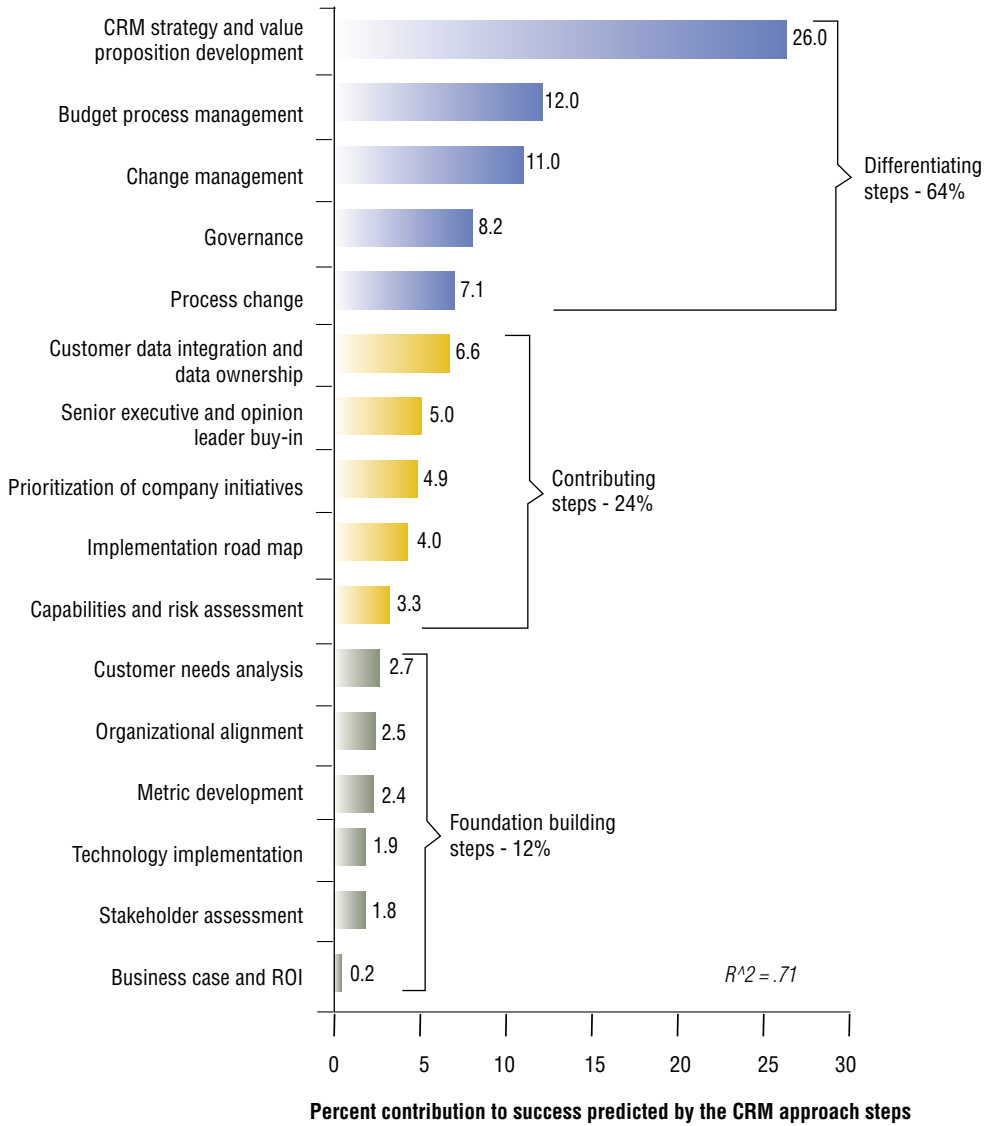
Three types of critical success drivers

Differentiating steps have the highest impact on CRM success, they are the human-oriented steps that, when done correctly, can sustain the value of CRM; however, the human aspect of most of these steps makes them more challenging to execute.

Contributing steps clearly add to CRM success but alone, they are not sufficient to derive value from CRM.

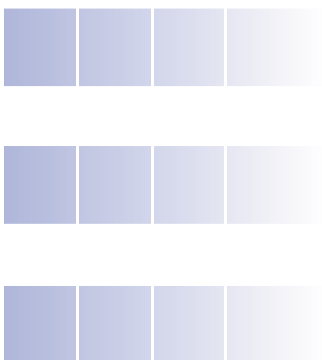
Foundation building steps play a role and are necessary, but not strong contributors.

Figure 2. Global drivers of CRM success.



Notes: N = 372.
 Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.

To determine the prioritization of drivers and their contribution to CRM success, analysis focused on the relationship between frequency of performance of key approach steps and resulting success of CRM initiatives. Executives rated each approach step and each CRM initiative on a seven-point continuous scale from

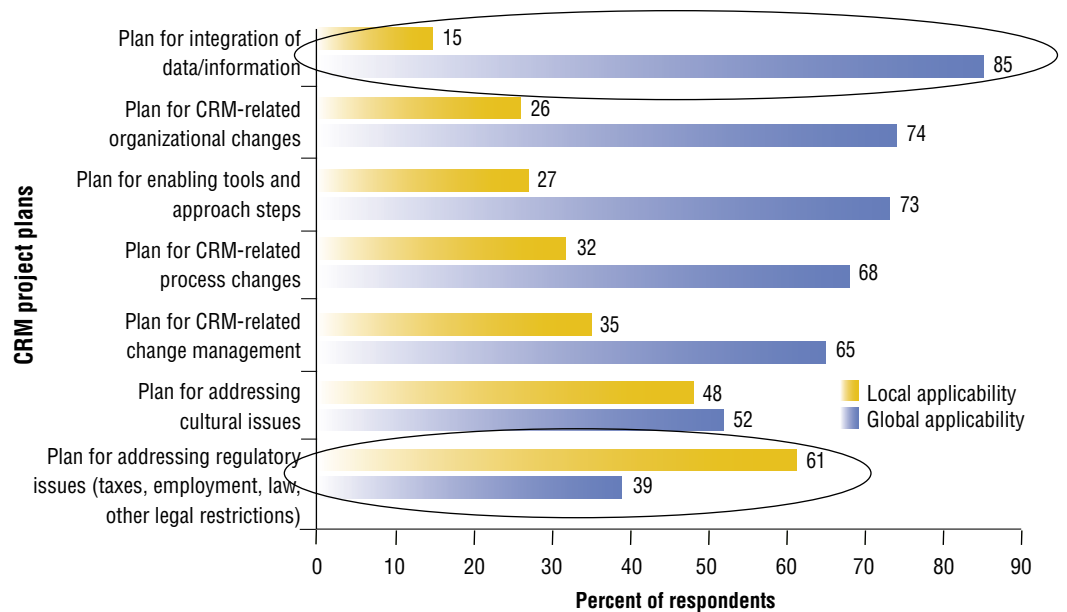


never performed to always performed and each CRM initiative from failure to full success. A multi-variate, linear regression determined that, while performing a single step in isolation cannot guarantee CRM success, when the steps are regularly performed in combination with one another and with focus aligned with the suggested prioritization, they can significantly increase a company's likelihood of CRM success, from 15 percent up to 70 percent.¹

Influencers of impact

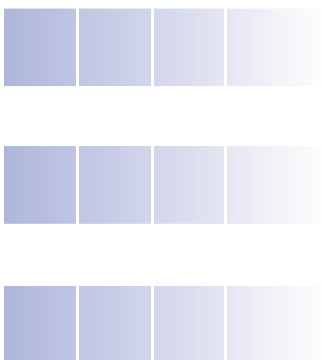
As can be attested by any company that has pursued CRM, especially at the enterprisewide level, there are additional layers of complexity muddying the waters. It is not as easy as having one analysis that cleanly applies to all companies in all markets in all situations. This is especially true for multinational companies pursuing a CRM effort that extends across borders, since there are some parts of CRM that have global applicability and are easily scalable while others must be addressed locally (see Figure 3).

Figure 3. Applicability of CRM project plans globally versus locally.



N = 133.

Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.



There are external and internal influencers that vary the prioritization of the CRM approach steps in Figure 2, based on their degree of strength and how they interact with one another in a given environment. These influencers include:

- **Geography and cultural issues (including regulatory issues and economic climate):** Is the market served highly fragmented? Is the culture risk-averse or risk-taking? Does the economic climate dictate cost-cutting or revenue growth? Do labor laws limit or encourage change and new skill development?
- **Company size:** Is the company small (under US\$50 million in annual revenue) versus medium or large (greater than US\$50 million in annual revenue)?
- **CRM scope:** Is the planned CRM effort enterprisewide (encompassing the entire company) or a point implementation (within one division, channel or region)?
- **Competitive environment:** What is the degree to which competitors have pursued CRM as a means of competitive advantage? To what extent are current customers being lured away by the better, more targeted offers and improved customer experiences of competitors?
- **Starting point for CRM:** What is the company's starting point when entering into a CRM effort? Is the company financially secure and able to afford a full-scale effort? Are existing technology systems two years or a decade old?

Looking across geographies, some key approach steps, such as *change management* and *process change*, appear consistently in the top tier of differentiating steps or near the top tier, regardless of influencers. Others shift in importance as focus is adjusted, much like an intensified view through a microscope, to allow for emphasis given particular situations which may result in one or more influencers significantly impacting CRM priorities (see Figure 4).

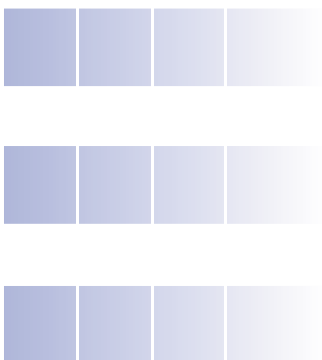
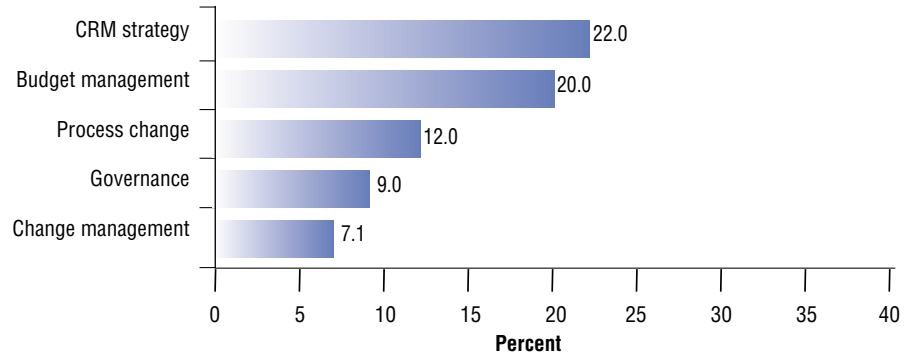
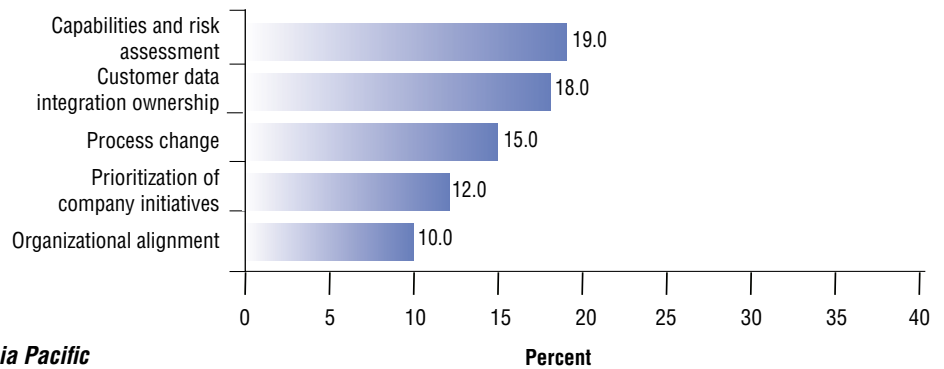


Figure 4. Differentiating CRM approach steps by geography.

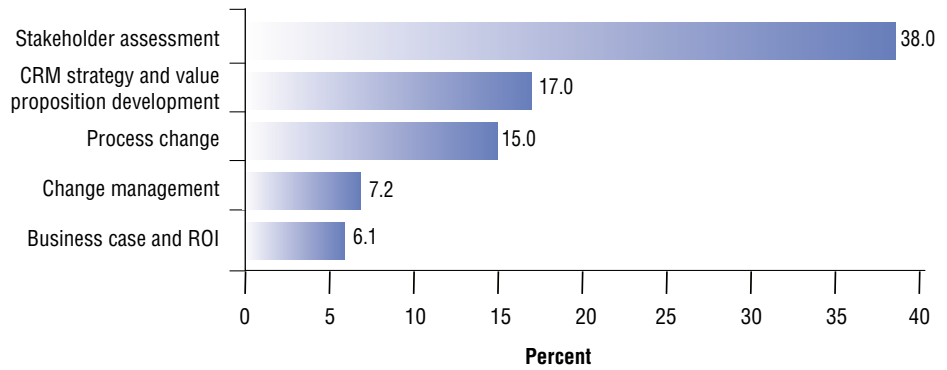
Americas



EMEA



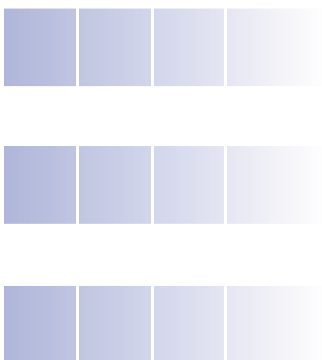
Asia Pacific



N = 373

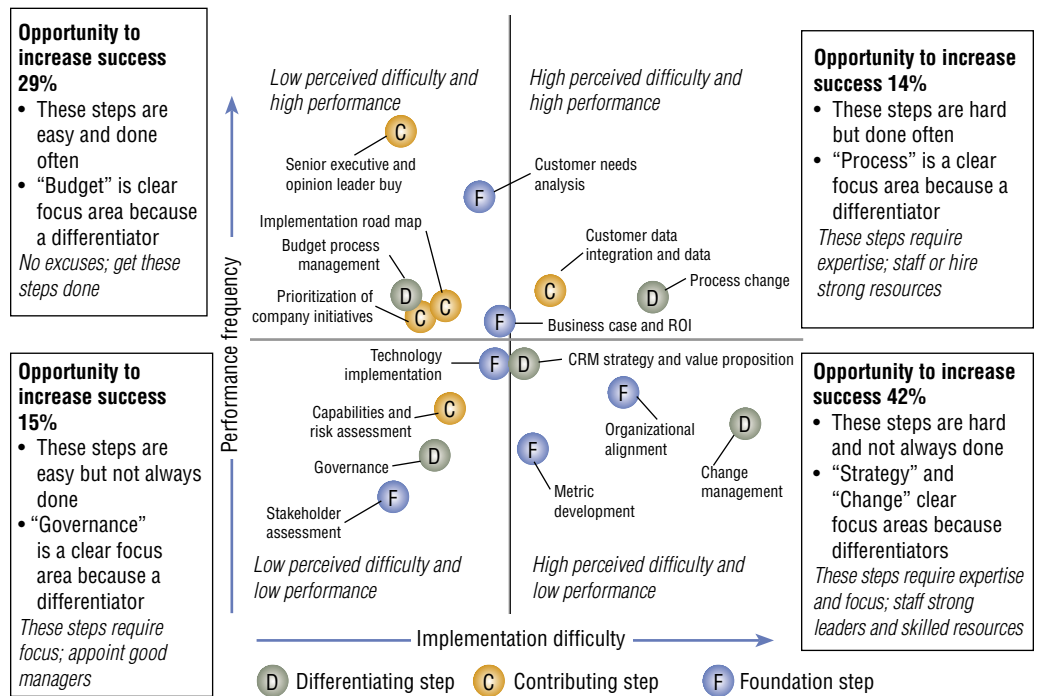
Note: In EMEA, change management is a Contributing Step, having 5 percent impact on success.

Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.



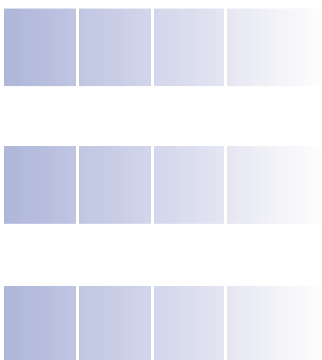
The great value in understanding these success drivers – as well as the difficulty and frequency of performing each step – is that executives can plan for and guide CRM success. Study results arm executives with information to help determine resource allocation, focus areas and the expertise required across CRM approach steps (see Figure 5). Each quadrant indicates suggested resource allocation and the opportunity to impact success.

Figure 5. Resource allocation across CRM approach steps.



Note: “Opportunity to increase success percentage” per quadrant was calculated as sum of the success contribution of the individual steps in each quadrant (see Figure 2 for the success contribution percentages).
 Source: IBM Business Consulting Services, “Doing CRM Right” global study, 2004.

The lower right-hand quadrant of Figure 5, for example, shows those steps that companies find difficult to implement and that are not done frequently. A quick sum of the impact of steps in this quadrant shows 42 percent improved likelihood of success when these steps are done correctly. Strong resources should be staffed for these steps, particularly in *strategy* and *change management* since they are differentiating steps contributing 37 percent.

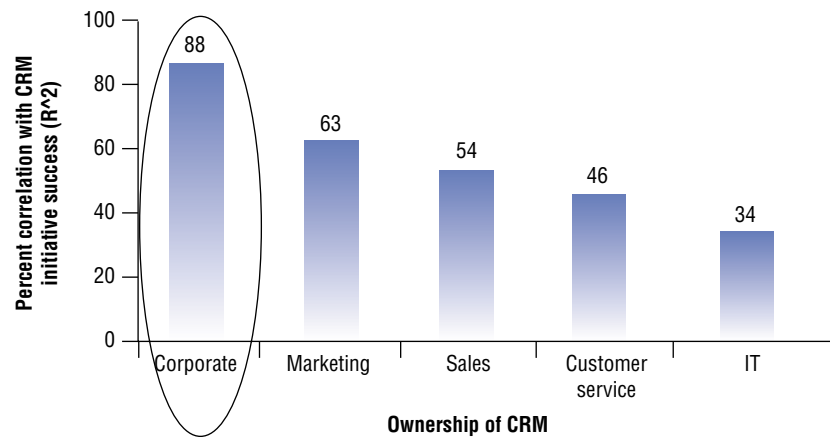


Rules of thumb

With the majority of *differentiating steps* being the human-oriented steps, it is absolutely critical that the people involved in a CRM effort are heard, their desires incorporated and proper leadership accorded them. Not surprisingly, the value of getting this right is underestimated. In fact, many companies meet their downfall in CRM by not providing the appropriate senior-level support and ownership. Companies that downplay the importance of senior management buy-in and stakeholder alignment are finding that a lukewarm attitude impedes success and leads directly to lukewarm adoption and use by employees.

Rule 1: Within a company, *Corporate* should own CRM. When Corporate owns CRM, there is a 25 to 60 percent greater chance of success than with other ownership models (see Figure 6A). Today, only 26 percent of global respondents have Corporate-owned CRM (see Figure 6B).

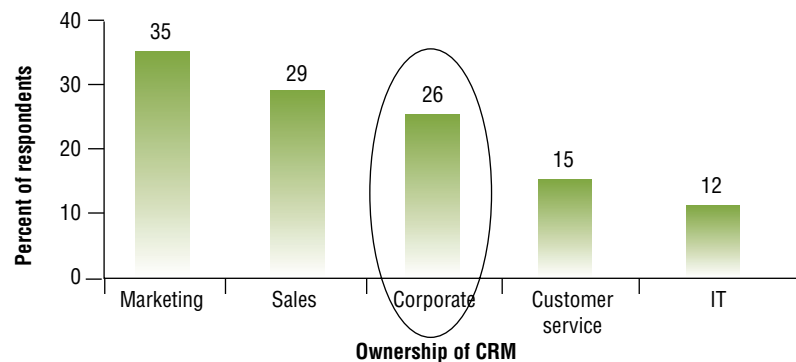
Figure 6A. Actual impact of CRM ownership on success.



N = 372.²

Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.

Figure 6B. Where companies are today: Ownership of CRM within companies.



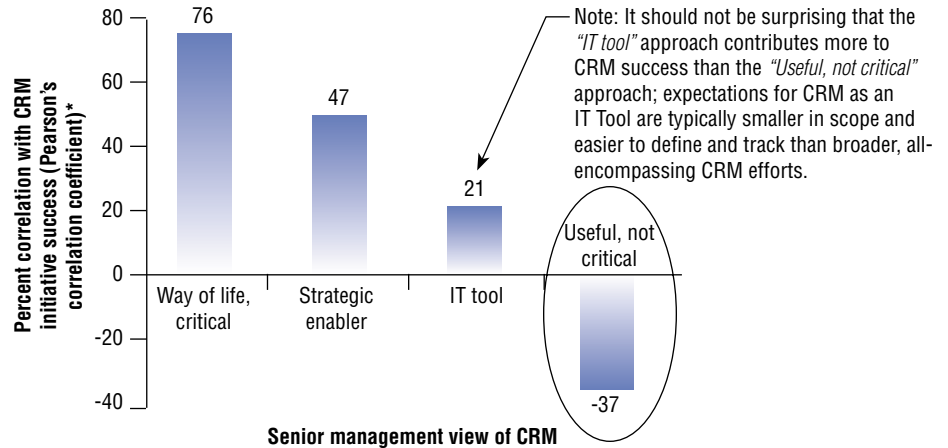
N = 78.

Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.

Rule 2: Rally senior management to actively and strongly support CRM as strategic and critical. Otherwise, there will be trouble ahead.

When senior management supports CRM as *critical* or *strategic*, it is a major contributor to overall CRM success. It turns out, senior management viewing CRM as *useful, not critical* actually detracts from success (see Figure 7A); likely because this mindset sends a message to employees that the CRM effort is not a company priority.

Figure 7A. Actual impact of senior management view on CRM success.

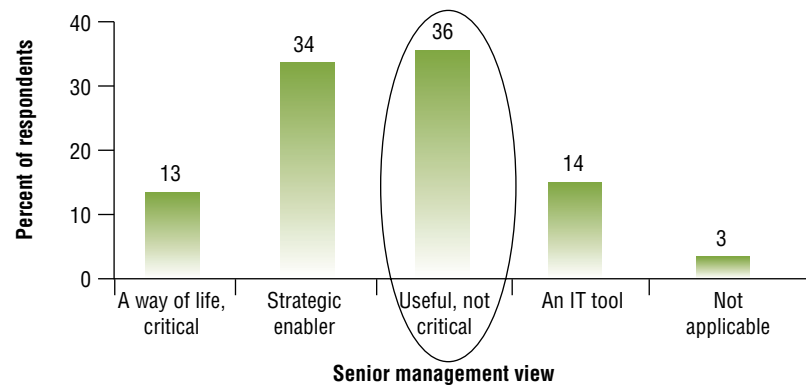


N = 372.³

Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.

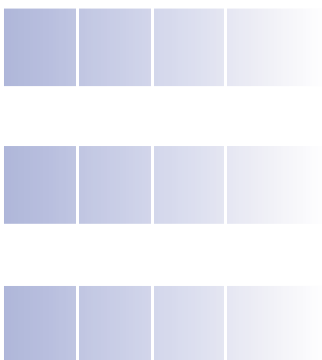
Many of today's senior managers are hurting CRM's chances rather than helping it by viewing CRM as *useful, not critical*, yet this is the most common view of CRM by today's senior management (see Figure 7B).

Figure 7B. Where companies are today: Senior management view of CRM.



N = 372.

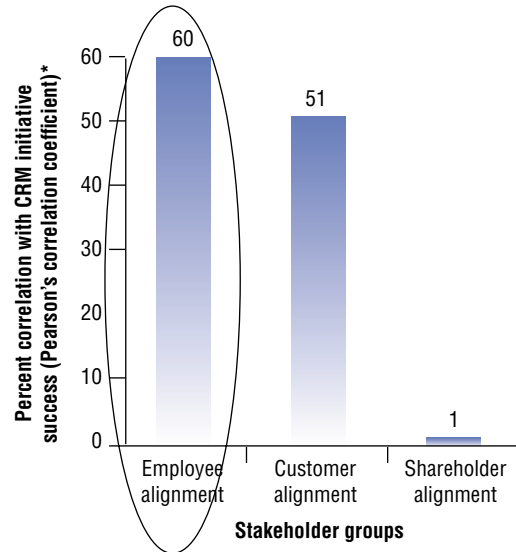
Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.



Rule 3: Pay attention to stakeholder alignment, especially by aligning with employees; they are as important as customers.

Companies aligning CRM goals with the objectives of employees are realizing the most success with CRM; those aligning with customer objectives are a close second (see Figure 8A).

Figure 8A. Actual impact of stakeholder alignment with CRM success.



N = 372.⁴

Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.

Companies today are not optimally aligning CRM with *employees'* business objectives to the extent they should be, and it is showing. Interestingly, companies underestimate the importance of *employee* alignment, viewing it as a distant second to *customer* alignment (see Figure 8B).

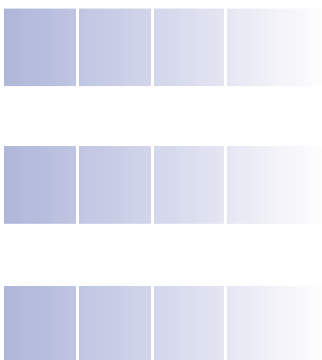
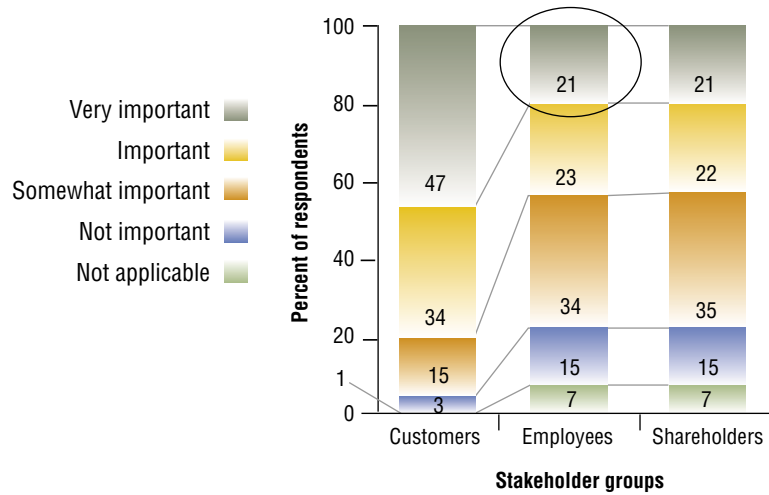


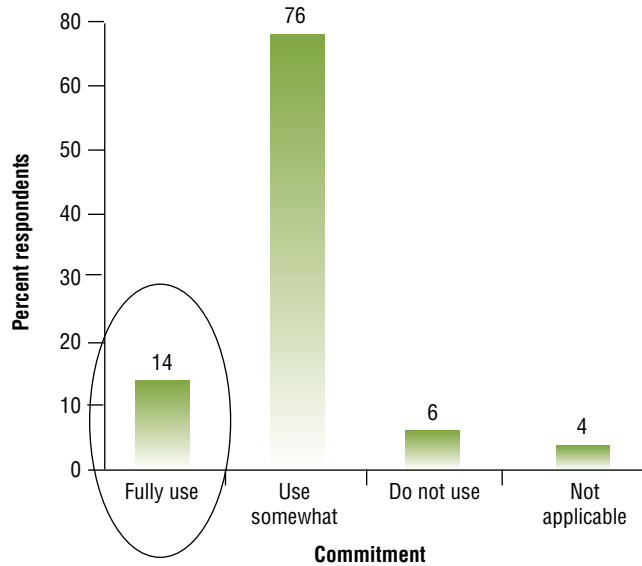
Figure 8B. Where companies are today: Alignment of stakeholder objectives with CRM.



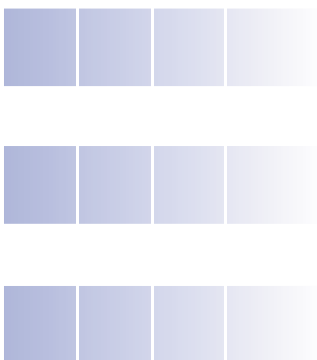
Notes: Customers = 367, Employees = 347, Shareholders = 331.
 Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.

When employees and middle management were asked to describe their level of commitment and adoption to CRM, 76 percent globally said they *somewhat use* CRM; only 14 percent said they *fully use* it. Both upfront in aligning stakeholders and later in ongoing adoption and use of CRM by employees, there are clear opportunities to improve commitment to CRM (see Figure 8C).

Figure 8C. Employee adoption and commitment to CRM today.



N = 369.
 Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.

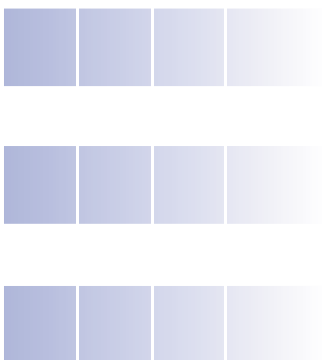


Conclusion

Ultimately, CRM must positively impact the bottom line or it is not worth any company's effort and investment. Translating the overall goal and value proposition of CRM – "to grow companies more profitably by serving customers more intelligently" – into realizing the full value of projected ROI is the clearest indicator of CRM success. These study results focus on how to make that happen, strategically and pragmatically. To succeed and realize full value from CRM, there must be a resounding focus on culture, manifested through the CRM approach steps of *change management*, *process change*, *CRM strategy*, *stakeholder assessment* and *governance*, while balancing *capabilities and risks* to enact the right plans and actions at the right times, given the impact of influencers such as *competitive environment*, *regulatory issues*, *size and scope of project*, and *company starting point*.

Technology provides the system infrastructure for CRM, the business case and ROI projections provide the means of tracking, yet it is the human-oriented steps that create and sustain the value of CRM. More than just putting in a technology system or gathering additional customer information, the human-oriented steps help employees adopt and fully use new technologies and verify that customer data is actually analyzed and used to build stronger customer relationships.

The human-oriented steps rely on establishment of and adherence to critical measures (such as incentive alignment and customer satisfaction) in order to visibly link the importance of CRM to the overall business, as well as to ingrain CRM in the day-to-day work of the company and its go-to-market approach. For CRM to fully succeed, everyone – senior management, middle management, and frontline employees – must be vested, not just in the implementation of CRM, but ultimately in embedding CRM as a long-term and integral piece of the company's value proposition to its customers.



About the authors

Melody Badgett is the IBM Institute for Business Value CRM Global Lead, Managing Consultant, IBM Business Consulting Services. You can e-mail Melody at mbadgett@us.ibm.com.

Steve Ballou, PhD., Senior Research Methodologist, IBM Institute for Business Value Associate Partner, IBM Business Consulting Services. You can e-mail Steve at seballou@us.ibm.com.

Steve LaValle, Partner, Global and Americas CRM Strategy Services Leader, IBM Business Consulting Services. You can e-mail Steve at steve.lavalle@us.ibm.com.

Contributors

Adam Klaber, Partner, Global and Americas CRM Services Leader, IBM Business Consulting Services. You can e-mail Adam at adam.klaber@us.ibm.com.

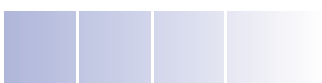
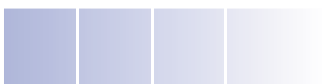
Ralph Schuler, EMEA CRM Services Leader, IBM Business Consulting Services. You can e-mail Ralph at ralph.schuler@de.ibm.com.

Rod Bryan, Partner, Asia-Pacific CRM Services Leader, IBM Business Consulting Services. You can e-mail Rod at rod.bryan@au1.ibm.com.

Christian Petross, Managing Consultant, EMEA CRM Strategy Services Leader, IBM Business Consulting Services. You can e-mail Christian at cpetross@de.ibm.com.

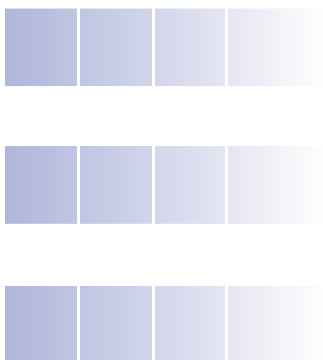
About IBM Business Consulting Services

With consultants and professional staff in more than 160 countries globally, IBM Business Consulting Services is the world's largest consulting services organization. IBM Business Consulting Services provides clients with business process and industry expertise, a deep understanding of technology solutions that address specific industry issues, and the ability to design, build and run those solutions in a way that delivers bottom-line business value.



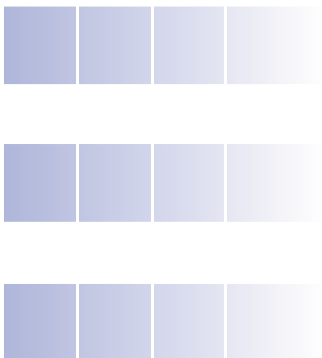
Appendix

CRM initiative descriptions	
Sales programs and effectiveness	Identifying and acquiring attractive new customers; creating targeted up-selling, cross-selling and service-to-sales programs; increasing efficiency of the sales force.
Campaign management	Developing innovative marketing campaigns and the required infrastructure to reflect the company's customer focus.
Channel integration and optimization	Integrating and optimizing existing and new channels to enable the company to provide an optimal customer experience, encourage customers to use low-cost channels and media.
Product optimization and management	Optimizing product usage; refining, migrating and phasing out current products; developing new products and services.
Strategic brand management	Developing a consistent brand image built around the strategic goals of the CRM initiative.
Loyalty and retention programs	Creating loyalty programs and retention schemes (customer cards, bonus systems) and building the required support infrastructure.
Cost reduction	Introducing programs to reduce marketing, sales and service costs; restructuring programs to reduce head count, closing branches, consolidating infrastructures.
Customer service and after-sales support	Standardizing customer service; optimizing customer service programs, channels and call centers; using customer satisfaction tools and complaint resolution processes; creating win-back programs.
CRM outsourcing	Giving part of your CRM IT infrastructure, business process, or application to an outsourcing partner to lower costs and increase focus.



Approach step descriptions	
----------------------------	--

CRM strategy and value proposition development	Assessing industry, business context, customer viewpoint and stakeholder environment as it relates to CRM. Developing an integrated marketing, sales and service CRM strategy and value proposition. Verifying CRM strategy aligns with corporate strategy.
Business case and ROI	Developing business case for change and quantifying ROI of planned CRM initiative/effort. Conducting benefits-realization management.
Change management	Developing programs to ensure employees and management fully adopt CRM and customer focus. Setting specific CRM-related performance measurements, incentives, bonuses and targets. Creating a plan for communicating CRM strategy and implementation plan to all stakeholders and providing regular status/progress updates.
Implementation roadmap	Developing an implementation plan and transformation roadmap that details necessary process, organizational and technology-related steps.
Process change	Analyzing, optimizing and aligning marketing, sales and service business processes to become a customer-focused organization. Including aligning existing projects and processes such as marketing campaigns, lead generation sales pipeline management and customer service with CRM business objectives.
Prioritization of company initiatives	Prioritizing and coordinating CRM initiatives with other non-CRM corporate initiatives (ERP implementation, cost cutting). Verifying CRM initiatives have adequate visibility and resources for success.
Internal stakeholder assessment	Identifying and understanding individual needs of executives, frontline personnel and other key opinion leaders. Determining how to position initiative to align with needs of these stakeholders.
Senior executive and opinion leader buy-in	Securing senior executive sponsorship and support for CRM.
Governance	Establishing ongoing management of CRM initiatives.
Organizational alignment	Changing responsibilities and organizational structure of marketing, sales and service departments to support optimized processes and CRM business objectives.
Budget process management	Adapting CRM plan to company's capital allocation process. Verifying CRM plan is optimally aligned with company's project/initiative funding structure.
Capabilities and risk assessment	Identifying and prioritizing necessary capabilities and business requirements for a successful CRM initiative/effort. Identifying and addressing risk factors in order to increase likelihood of success and reduce likelihood of failure.
Metric development	Developing metrics to track progress and impact CRM initiatives.
Customer data integration and data ownership	Consolidating/aggregating customer, product and partner data. Cleaning and updating customer records. Addressing who owns customer data.
Customer needs analysis	Analyzing and understanding customer needs, values and buying behaviors. Reflecting analysis in CRM strategies and processes and in the new customer experience.



Survey methodology

The global “Doing CRM Right” survey had a response rate of 20 percent with a total of 373 responses.

Panel

- Teamed with the Economist Intelligent Unit (EIU) to gain access to their panel
- Panel was global; focusing on respondents from Americas, EMEA and Asia Pacific
- Panel was comprised of CRM decision-makers from EIU’s executive Global 2000 database.

Survey

- 29 question online survey
- Used the WebSurvey online survey tool.

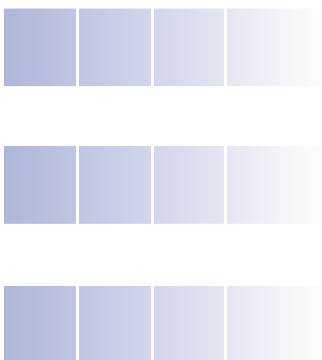
Response rate

- Survey sent to 1600 panelists from EIU global database
- Survey was promoted indirectly on EIU Website and in EIU newsletters
- Received 373 responses (estimated 320 from direct mailing)
- 20 percent response rate.

Sample size distribution by region

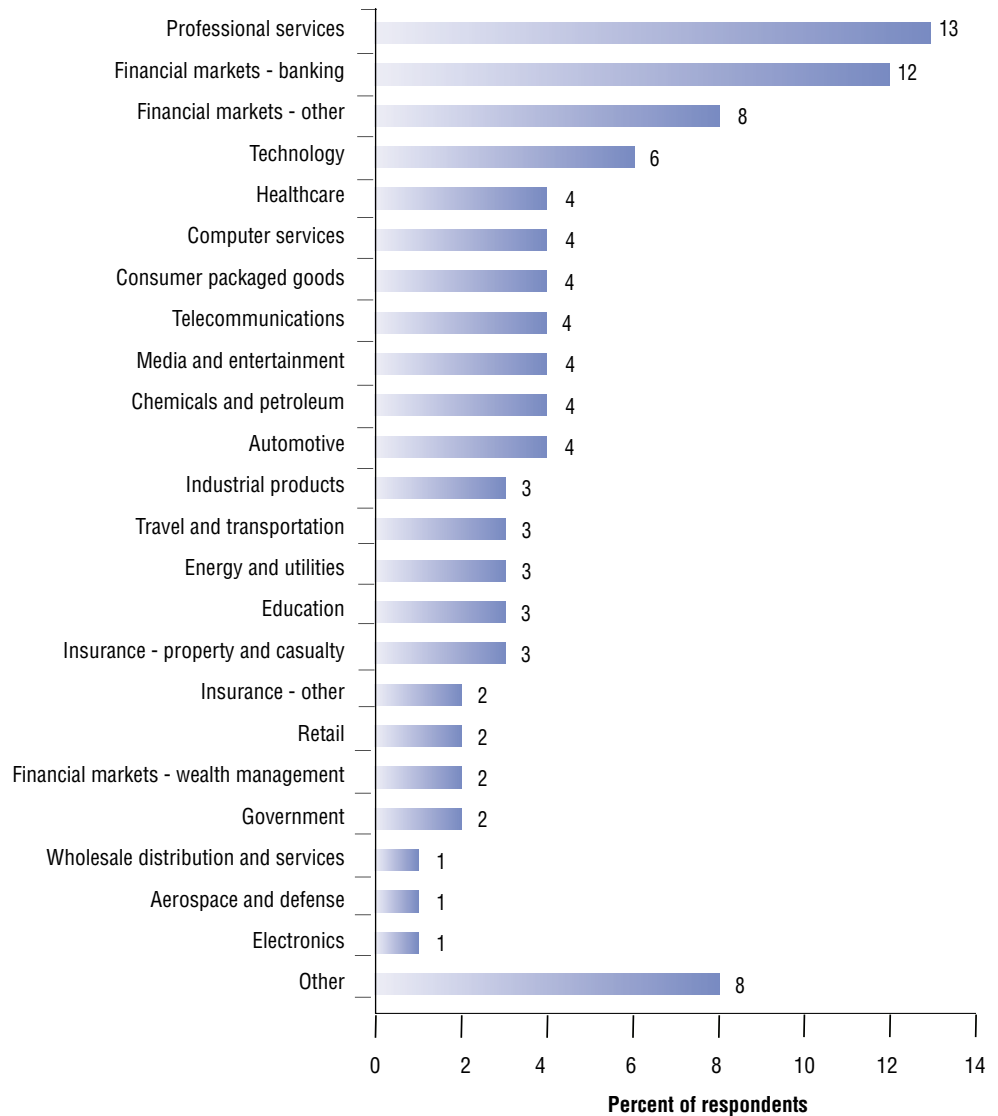
Global sample size = 373 companies

- Americas = 101 companies
- EMEA = 153 companies
 - Western Europe = 101
 - Eastern Europe = 22
 - Middle East = 30
- Asia Pacific = 92 companies.



Respondent profile

- Over two-thirds of respondents are either decision-makers or influencers of CRM-related decisions
- Respondents in senior management functions account for almost half of respondents
- Respondents span all levels of the organization, with about 90 percent of respondents being manager level or above
- Respondents represent a mix of small, medium and large enterprise companies; 56 percent were over US\$50 million and 28 percent were over US\$1 billion.



Source: IBM Business Consulting Services, "Doing CRM Right" global study, 2004.

For further detail

Executive briefs in this IBM CRM global study series:

Badgett, Melody, Steve Ballou, PhD. and Steve LaValle. "Doing CRM right: What it takes to be successful with CRM – Executive summary view, CRM global study." IBM Business Consulting Services, 2004. www.ibm.com/services/bcs

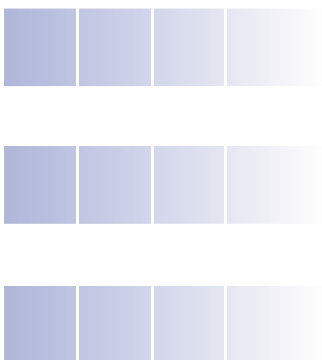
Badgett, Melody, Steve Ballou, PhD. and Steve LaValle. "Doing CRM right: What it takes to be successful with CRM – Americas view, CRM global study." IBM Business Consulting Services, 2004. www.ibm.com/services/bcs

Badgett, Melody, Steve Ballou, PhD. and Steve LaValle. "Doing CRM right: What it takes to be successful with CRM – Europe, Middle East and Africa view, CRM global study." IBM Business Consulting Services, 2004. www.ibm.com/services/bcs

Badgett, Melody, Steve Ballou, PhD. and Steve LaValle. "Doing CRM right: What it takes to be successful with CRM – Asia Pacific view, CRM global study." IBM Business Consulting Services, 2004. www.ibm.com/services/bcs

References

- ¹ The 15 percent success pertains to the approximately 15 percent or less of survey respondents that reported "Complete success" for each CRM initiative. The 80 percent is from the R^2 of the analysis that resulted in Figure 1. The analysis was based on a Regression of the relationship between status of initiatives and frequency of performing the key enabling steps. The regression tells us that these 16 CRM approach steps explain 71 percent ($R^2=.71$) of the likelihood of having CRM initiative success. The percents total to 100%; each percent indicates the percent of the 71 percent likelihood of success that is explained by that individual approach step. Number of responses = 372. Our acceptably low sample distribution indicates that at the 95 percent confidence level the obtained scores are reasonably reliable.
- ² Percentages are Nagelkerke R^2 's. Nagelkerke R^2 's can be interrupted like linear regression R^2 . Higher percents indicate that there is a stronger, positive influence of a particular CRM ownership situation on overall CRM initiate success.
- ³ Percents are Pearson Correlation Coefficients. Higher percentages indicate that there is a stronger, positive influence of a particular alignment on overall CRM initiative success.
- ⁴ Ibid.





© Copyright IBM Corporation 2004

IBM Global Services
Route 100
Somers, NY 10589
U.S.A.

Produced in the United States of America
04-04
All Rights Reserved

IBM and the IBM logo are registered trademarks of International Business Machines Corporation in the United States, other countries, or both.

Other company, product and service names may be trademarks or service marks of others.

References in this publication to IBM products and services do not imply that IBM intends to make them available in all countries in which IBM operates.