

CRM works

The CRM Study 2004





Introduction

Customer Relationship Management (CRM) works. It is the answer to the key issues facing Chief Executive Officers (CEO) around the world: how to grow revenues and how to build a more responsive, customer-focused organisation. Far from being 'yesterday's fashion,' the implementation of CRM is a top item on today's agenda for many companies. A growing amount of research and evidence indicates that CRM works. The major roadblocks and the differences between success and failure in the use of CRM have been identified.

In late 2003 and early 2004, a study was conducted by the IBM Institute for Business Value, a part of IBM Business Consulting Services, among 373 companies worldwide, to highlight how companies drive CRM success and achieve a significant Return on Investment (ROI). The focus of the study was to gain perspectives on five principal topics: CRM initiatives; the definition of successful initiatives; the enabling steps that need to be taken; the roadblocks toward successful implementation; and the human issues surrounding CRM. Taken in context with IBM's recent Global CEO Study and CFO Survey, this report represents an important milestone in the resurgence of the strategic importance of CRM.

Executive summary

CEOs have renewed their focus on revenue growth. Many believe that it will come from new products and services, new markets, and greater customer intimacy. Successful CRM implementation thus represents the prime source for these opportunities for revenue growth.

Increasingly, business models need to be built around the virtues of flexibility, real-time responsiveness and an unerring customer focus. A CRM strategy is at the heart of this new business model.

Forward-thinking companies understand that CRM is a core discipline requiring process, organisational and technology transformation across multiple dimensions. It is not a single step, a single phase, or a single programme. Leading-edge companies are developing new capabilities that enable them to be dynamic rather than static businesses. Organisations underpinned by sound CRM systems are the ones who are sensing and responding to the needs of each individual customer; they are focusing on the successful management of the customer experience over the lifetime of their relationship.

Too much doom and gloom has been written about CRM. Contrary to myth and misperception, evidence from this new global study shows that many companies are investing in CRM and it is already yielding tangible benefits, particularly as the impact of intelligent and efficient customer management is driving revenue growth and profits. CRM is one of today's strategic imperatives.

The profound and tangible benefits of CRM are recognised: more than three out of four European businesses determine the success of CRM by its proven customer impact; 70 percent rate it by its contribution to revenue growth.

There are some important lessons from senior management. In nearly 40 percent of EMEA companies, senior management actually impedes the success of CRM because they view it as 'useful, not critical' thus sending a signal to middle management and front-line employees that it is not a strategic priority. Eighty percent of EMEA companies are not 'fully using' CRM once it is implemented and only 25 percent give ownership to corporate-level teams. Addressing these issues will greatly increase the likelihood of success.

IBM's research and experience shows that while successful implementation of CRM is not easy, it need not always be immensely complicated. It can be mastered. There are clearly defined activities that differentiate between successful and unsuccessful strategies; implementing this learning can be the difference between leading and following a market or industry. Similarly, there are ways to overcome the principal cultural and organisational roadblocks that can challenge successful change implementation. Unlocking this knowledge is the key to leading a positive change in how an enterprise approaches, manages and profits from its principal business relationships.



The CEO agenda – and CRM’s role in making it achievable

Growth is back on the CEO’s agenda. It’s a restrained, rather than full-blooded, kind of growth – but it’s there all the same. In the recent IBM Global CEO Study, four out of five CEOs believed that revenue growth is the principal way to boost financial performance over the next three years.

They stated that this growth would come from new products and services, new markets and greater customer intimacy. Successful CRM implementation thus represents the prime source for these opportunities for revenue growth.

But while today’s CEOs need to lead their organisations back onto the growth path, they must also maintain a tight control over costs. Global competition, changing market needs, and economic uncertainty continue to be key market factors facing CEOs. So, cautiously confident, CEOs are recalibrating their organisations to look upward and outward, while never forgetting to keep a sharp eye on cost reduction.

Yet growth won’t just happen by itself. CEOs all over the world have identified organisational responsiveness, agility and flexibility as necessary competencies. Developing the ability of the organisation to not just sense, but to anticipate and respond to the changing marketplace and subsequent customer requirements is one of the great challenges for today’s CEO.

The IBM Global CEO Study revealed that business models and rapid response were two of the major priorities for CEOs in the coming years. Increasingly, business models need to be built around the virtues of flexibility, real-time responsiveness and an unerring customer focus. A CRM strategy is at the heart of this new business model.

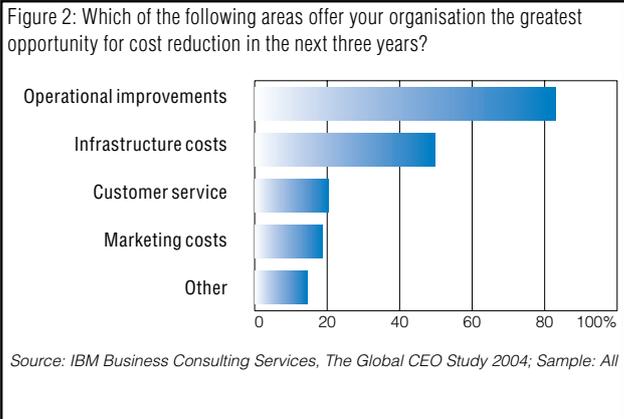
Having set their sights on agility and responsiveness, and ultimately growth, CEOs recognise that it is the skills of their people and their capacity for change that will ultimately determine the outcome. As CEOs look once again to transform their business, and fast, they feel ill-prepared to do so. They are at a critical juncture, and are keenly aware that their people can be their most valuable asset, or their most common roadblock.

“We need to improve our knowledge of our customers. We must improve our listening to our customers – by really hearing what they are telling us – and then having the ability to respond rapidly.”

CEO, quoted in IBM Global CEO Study 2004

This is a challenge for leadership: to raise employee commitment to CRM from its current moderate levels and to raise its importance in the eyes of senior management. The evidence is clear in this respect: that CRM is successful when it is viewed as critical by senior management.

This is the CEO's agenda – and it is one that places CRM firmly back in the spotlight. CRM will play a key role towards achieving the CEO's agenda. And, where CRM is not a driving force, employee and customer demand is pushing it to become so.



“We have to ask ourselves: how can we be different? We have to find out what we can be best in the world at. In our case, that is understanding what customers need. We can be best at that.”

CEO, quoted in IBM Global CEO Study 2004



The current role of CRM – the perceptions and the realities

The perceptions

There are some common perceptions among business leaders about CRM. These are: that it is *'just another craze'* which has had its day; that most of the implementations and projects have simply failed; that it is simply *'another system'* that only succeeded in contributing to an expensive information technology (IT) mess.

But managing customers is a strategy, not a technology. CRM is not about technology; it is about managing the customer relationships that are at the heart of business performance.

There certainly was a time when CRM was labelled as the big new thing. Much-vaunted improvements to customer service and widely espoused concepts such as 'one-to-one marketing' were heralded as ways in which to improve the bottom line. CRM technology had many bad stories in the press. Leading organisations are still recovering from the scars of failed, and widely publicised, implementations. Many differing points of view have been pitched to business about what CRM can do.

Such perceptions and experiences have led many business executives to ask: can CRM deliver on the promise?

The answer is a resounding 'yes.' After all, the overarching goal of CRM is the same as it always been, to serve customers more intelligently and, consequently, make enterprises more profitable.

CRM is linked to business performance

The secret is out: companies have been successfully implementing CRM strategies for several years and are investing heavily in CRM today. It is no coincidence that these are the same companies that set the bar for levels of customer experience and for speed in responsiveness. The leading exponents of CRM are the companies that are transforming both themselves and the markets within which they operate.

Forward-thinking companies understand that CRM is a core discipline requiring process, organisational and technology transformation across multiple dimensions. It is not a single step, a single phase, or a single programme; on the contrary, it is many capabilities coming together to enable positive, fundamental change in how an enterprise approaches, manages and profits from its key relationship. This is recognised by many of the CRM study respondents: 52 percent of executives believe that CRM is relevant or highly relevant to improving shareholder value; nearly 90 percent recognise CRM's positive impact on driving value in sales, marketing and customer service.

Leading enterprises know that customer management can pay. In an increasingly commoditised world, customers' experience of a company can make or break the business; and a small number of CEOs understand how good this experience is.

CRM is driving corporate growth

CRM is thriving: companies are pursuing and executing multiple CRM initiatives, and they are succeeding. On average, approximately one-third of European companies are gaining benefits from CRM, particularly in the areas of customer service, brand management and loyalty. In customer service and brand management, close to 50 percent state that they are achieving 'some' or 'full' success.

It is creating value, particularly through improving customer experience and underpinning the retention and growth of existing customers. The profound and tangible benefits of CRM are recognised: more than three out of four European businesses determine the success of CRM by its proven customer impact; 70 percent rate it by its contribution to revenue growth. In a world that is refocusing on the top line, CRM has a critical role to play.

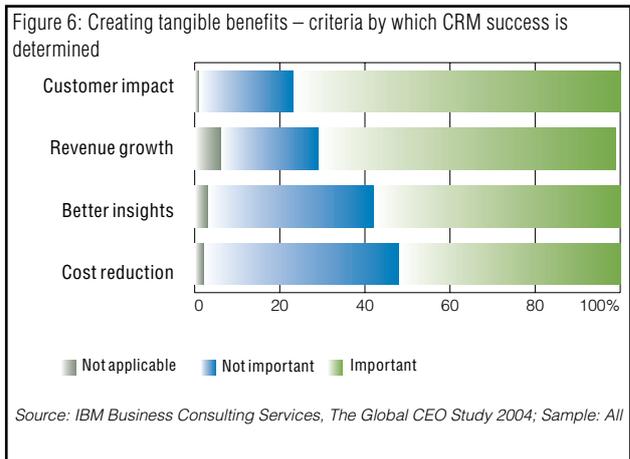
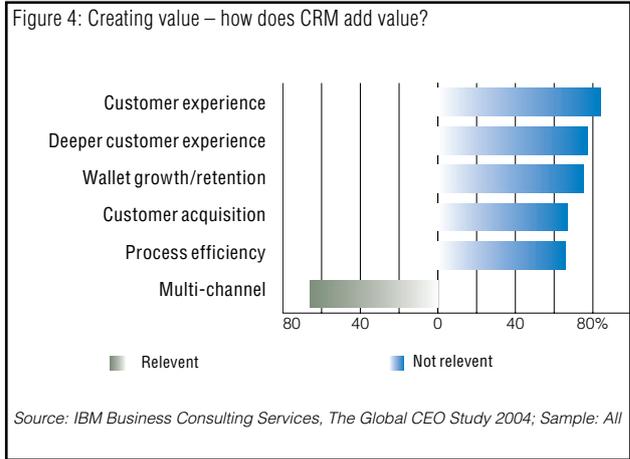
CRM unlocking opportunities

Most of the benefits that have been achieved by CRM are in the traditional fields, improving the retention and satisfaction levels of customers, enhancing revenue growth and improving customer insight. But there are benefits that many companies recognise that they have yet to tap.

Segmentation, for example, which up until now has tended to result in a batch-based labelling of customers according to needs, is moving in the direction of on demand. Companies can now fuse real-time deployment with 'what if?' scenario planning, resource optimisation and complex clustering. This is being driven by the complexity of doing business when goals are often conflicting and constraints can be found at all levels of customer communication and the enterprise. Some leading banks have had to transform their marketing and offer-allocation so that it works for several hundred propositions, in real-time. Entirely new types of capability are being developed in order to ensure immediate customer relevance and marketing effectiveness.

Customer insight is becoming more than simple analysis and reporting. Comprising elements such as data gathering, data warehousing, analysis, data mining and predictive modelling, the results are then being made available at the point of contact with the customer, so that it can be modified according to what the customer says or does during the transaction.

Such advanced uses of marketing and analytics are reaping rewards for leading-edge organisations. One North American provider of roadside assistance and auto services, seeking to protect market share while growing and improving customer marketing, has seen its campaign revenue increase by 68 percent and produce an ROI of 442 percent.





CRM is thriving – companies are doing it and succeeding

Almost half of the EMEA participants in the survey were pursuing enterprise-wide CRM efforts. It is a major strategic focus for many companies. So the importance of getting it right is crucial.

Yet one of the greatest myths of CRM is that 'most initiatives fail.' Nothing could be further from the truth. While different CRM initiatives do have different success rates, the IBM study shows that there is less than a seven percent chance of failure for most initiatives. But a focus on failures is not as instructive as studying the many success stories, especially those 15 percent most successful.

These include airlines such as Lufthansa that have implemented a world-wide CRM solution which is reducing costs, streamlining processes and achieving better time-to-market. The German airline is equipping its salesforce with consistent, high-quality customer information, opening the door for cross-selling activities as well as enabling a more personalised service.

Or take Poland's national telecommunications service supplier, TPSA, which is making progress in productivity, enhancing customer satisfaction and reducing churn rates as the result of its CRM customer-centric service transformation.

CRM creates greatest value for customers and companies. So where are companies focusing their priorities? And where are they achieving the greatest success?

The answers will be welcome to chief marketing officers. In a separate study conducted in 2003 among large UK corporations, marketing effectiveness was found to be their biggest business challenge. CRM is at the heart of the marketing agenda.

CRM has provided the highest positive impact in the areas of improving the customer experience (88 percent) and in helping companies to retain and expand their customer base (75 percent). Those remain the core business value areas.

Customer service and after-sales support is the area that has provided the greatest degree of success: this encompasses the provision of standardised levels of customer services; the optimisation of customer service programmes, channels and call centres; the use of customer satisfaction tools and complaint resolution processes; and the creation of win-back programmes. (This last point may well be a blind spot in many companies that are often embarrassed to go back to previous customers. Yet such initiatives can have a high ROI – as competitors frequently provide a worse service.) In our study, nearly half of the respondents stated that this had been a complete or partial success.

“Customer information is important. What is also important is that we share it better.”

CRM manager, Scandinavian financial services company

Companies also believed that CRM had been successful in their strategic brand management, as they seek to develop a consistent brand image built around the goals of the CRM initiative. Just under half described this initiative as a complete or partial success.

At IBM, we have termed this convergence of CRM and marketing as marketing transformation; by this, we mean the extension and transformation of the customer value chain by its integration with back-end applications, thereby leveraging data and customer insight to be more reactive and responsive to the customer in real time.

It is not just in the fields of customer service and brand management, however, where CRM is creating value. Forty and forty-two percent of respondents respectively said that they had enjoyed success with product optimisation and management, and loyalty and retention programmes.

At the other end of the scale, the success rates of CRM outsourcing are low – 25 percent – and the failure rate higher than average, 17 percent, reflecting perhaps the greater complexity and scale of such projects. There is a key lesson to be drawn from the low success rate of CRM outsourcing: that it is not a process that should be outsourced without a commitment to business transformation.

Case study: HSBC

Banks and financial entities are now managing more business and customer segments than ever before, juggling an increasing number of customer interaction channels and evaluating an ever-growing cast of business partners.

HSBC Bank plc knew that it had good CRM solutions in place but did not have any way to benchmark externally against other companies. IBM undertook a project to assess the bank's customer management capabilities.

The bank was compared against companies within the finance sector, versus institutions in different regions and against firms noted as being 'best in class.'

HSBC believes that it now talks to customers when it has identified a real need, when the timing is right and when the bank has something to offer. Products are not pushed at random. Moving forward, the bank will be reviewing data mining capabilities and looking at various tools that can be applied across its entire range of branches.



Key activities: Performing the right activities in an initiative can triple the chance of success

There are some basic steps that are usually taken, such as securing buy-in from senior management, analysing customer needs, and managing the initiative budget. So far, so good.

But there are enabling steps – ones that will spell the difference between successful and unsuccessful initiatives. These steps are taken less often, and are realised insufficiently. Yet focusing upon and executing the right steps in an initiative can triple the chance of success.

Five key activities were cited as the steps that most contribute to CRM initiative success. They are what European companies believe that they need to do to get CRM right.

They are:

- Capabilities and risk assessment – identifying and prioritising of the necessary capabilities and business requirements for a successful CRM initiative/effort; identifying and addressing of risk factors in order to maximise the likelihood of success and minimise the likelihood of failure.

- Customer data integration – the consolidation and aggregation of customer, product and partner data; the cleaning and updating of customer records; and addressing the issue of who owns the customer data
- Change management – the development of programmes to ensure employees and management fully adopt CRM and customer focus; the creation and setting of specific CRM-related performance measurements, incentives, bonuses and targets; the creation of a plan for communicating CRM strategy and implementation plan to all stakeholders and providing regular status/progress updates.
- Programme governance – the establishment of an ongoing management of CRM initiatives.
- Organisational alignment – changing the responsibilities and organisational structure of the marketing, sales and service department to support optimised processes and CRM business objectives.

It is interesting to note that the study indicated that geographic regions had clear differences in focus. There may be common success factors that underpin CRM implementation but there are different ways in which projects are approached.

“Clear sponsorship by our executive team was the factor that enabled cross-functional co-operation.”

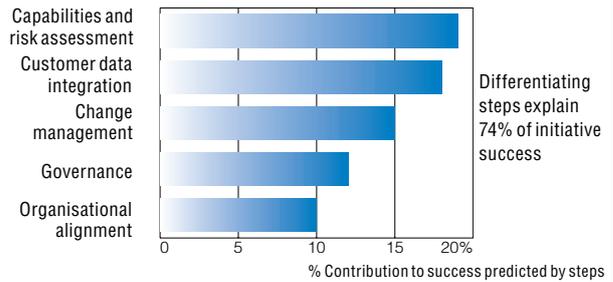
CRM project leader, Italian subsidiary of US pharmaceutical company

Change management

At its heart, CRM is a change management issue. And that is never easy. Over 60 percent of respondents said that 'change management' was either a difficult or very difficult approach step for CRM – it was the most difficult criterion. When asked which was the most problematic roadblock while completing CRM initiatives and performing CRM approach steps, an 'insufficient focus on change management' was (by some margin) the most frequently encountered. It will be hard for companies to change their CRM processes without adequately investing in change management; simply increasing the number of change management efforts will not necessarily yield the results.

It has been a widely-held view that the 'soft' factors are the hardest ones to crack when it comes to successful CRM implementation. Once again, this view has been validated. As well as change management, 'organisational alignment' and 'a siloed structure' were also cited as important roadblocks.

Figure 9 – Which of the following technology factors will have the greatest impact on your business in the next three years?



Source: IBM Business Consulting Services, The Global CEO Study 2004; Sample: All

CRM has to be followed through and it needs its champions. Yet 80 percent of EMEA companies are not 'fully using' CRM once it is implemented. Globally, only 25 percent give ownership to corporate-level teams. Yet, when corporate owns CRM, there is a 25-50 percent greater chance of success than with other ownership models.

Case study

A leading digital mobile phone company aimed to link its incentives to CRM goals and corporate goals. It tied new compensation plans to the CRM goal of improving customer satisfaction at each point of contact. This had an impact upon employees – through commissions and bonuses – from the front line all the way up to vice presidents.

The company also created awards to provide recognition to those who excelled in meeting CRM goals, where representatives were rated on the number of transactions and the quality of service.

A second guiding principle was to involve employees to drive the adoption of CRM-related changes. Employees were receptive to CRM because it was highly visible. A 'customer interaction pain points' chart was distributed to several business and IT groups; all involved contributed to the CRM requirements plan, which in turn fed the new design (including process and change management requirements).



Leadership

In a recent customer management research project,¹ two-thirds of senior managers were not thought to give clear, visible leadership in achieving excellence in customer management. Only 13 percent of senior management have regular contact with customers.

CRM is a leadership issue. Currently senior management takes a pragmatic view on CRM. In nearly 40 percent of EMEA companies viewed it as 'useful, not critical.' Indeed, more were likely to see it as a technology function – an IT tool – than as a critical function – 'a way of life.' Such attitudes actually detract from success; it is this mindset that sends a message to employees that the CRM effort is not a company priority.

Employee commitment

As a result of these factors, employee commitment to CRM has been historically tepid in many organisations. In order for CRM to take root in the hearts and minds of employees, some critical stakeholder issues need to be addressed.

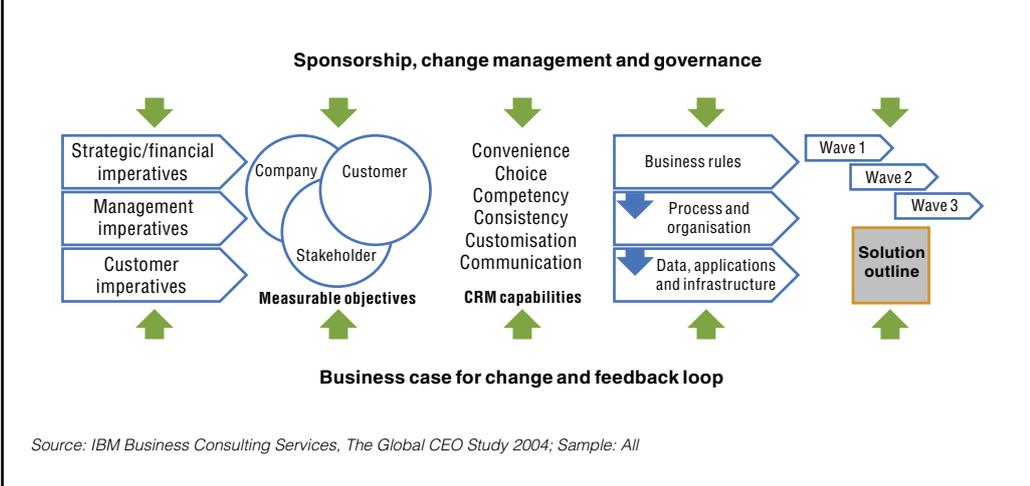
A CRM strategy forces an organisation to rethink its functions, roles, performance metrics and, most importantly, emphasises the inter-dependencies between functions and people. CRM implementation will suffer unless employees are trained and empowered to manage customers within an organisational structure that is customer-focused and flexible.

The importance of a strong governance structure cannot be over-estimated.

“CRM has to be embraced as a cultural issue. It is an opportunity to introduce a new, shared language that everyone – from a sales rep to the chief executive – can both understand and use.”

CRM project manager, French automotive company.

Figure 8: Successful CRM strategies follow a logical path that affords checks and measurements along the way



Overcoming the roadblocks and problems

A correct and careful series of approach steps underpins successful CRM initiatives. However, there are also many roadblocks and problems that companies need to understand in order to avoid.

The first message is clear: get the basics right. A recent piece of benchmarking research¹ indicated that many companies do not understand their current position in relation to their customers, discovering that nearly two-thirds did not know how many high-value customers they lost and that three out of four did not know the reason why key customers were lost. Only one in ten could measure the 'cost to serve' at a customer level. Although 52 percent looked at the quantity of customers acquired; only eight percent looked at the quality. Hardly any – four percent, had an enterprise-wide customer information plan. The message is clear: drive with your headlights on.



The future

CRM and corporate strategy

For companies to realise the full benefits of CRM, CRM strategy must be linked closely to corporate strategy.

Market leading organisations have already understood this message. Their business performance is improved as customers become more committed because they enjoy dealing with the business because its employees deliver the right customer experience within an organisation framework that is customer-centric.

CRM is here to stay. Its principles underpin successful companies and can significantly increase a company's wealth.

The CEO and the CRM message

Customer management competence is becoming of increasing importance to investors. They want to get behind the headline figures of customer satisfaction, churn rates and customer numbers, all of which can be misleading. They are not looking for a simple growth message but one that communicates a complete transformation, including CRM and generating real returns from it.

This is not an issue that is confined to companies and their stakeholders. It can be seen just as evidently in the relationship between government and citizen.

Customer satisfaction is no longer sufficient. Research¹ and experience demonstrates that customers will pronounce themselves 'satisfied' or 'very satisfied' – and promptly switch suppliers or brands.

There is a greater need to share customer management information – and analysts will probe deeper in the years to come. In future, the CEO will need to shout about it – and not just to employees, but also to brokers, analysts, bankers, market researchers and the media.

“The board has to push this from the top-down to ensure that every element of the business contributes to the road map. Then you get buy-in from employees who will see CRM as enhancing their job function, rather than distracting from it.”

CRM senior executive, German engineering company

The convergence with branding

The old regime, where customers were segmented into groups that fitted a brand, is over. Brand development and customer management approaches are converging, as it is increasingly understood that the quality with which the brand is delivered (and how the delivery backs up the promise) impacts greatly on customer commitment. In this increasingly commoditised world, the emotional and sensory experience is likely to become even more important than the rational issues, such as product quality and price.

CRM is no longer just about call centres (if it ever was). It is about the full optimisation of a company's service – from field service engineers, sales and marketing, all the way up and through to corporate strategy. The brand of a company has to 'live' in all of its processes, not just in the advertisements and marketing collateral.

The rise of 'insight'

Companies are starting to integrate information about customers' needs and wants, obtained through primary research, with information gained from analysing behavioural and demographic data. The word 'insight' is more than a consultant's buzzword. It means more than just customer data and more than research; it now relates to integrating and summarising all relevant data. A new role – customer insight management, taking responsibility for extracting value from data – is emerging.

With insight comes empathy – knowing not only what to market when, and to whom, but also how. Companies that are fulfilling their customers' needs better are therefore keeping their customers happier and so retaining them better. Customers feel that their behaviour and preferences are acknowledged and understood, not overlooked.

New channels

Organisations are developing their channel strategies, using the Web as a serious (but not the only) route to market. In the best cases, the Web is integrated with other channels, with clear costs and benefits. SMS is emerging rapidly in specific markets; interactive digital television is making great strides.



IBM and CRM

CRM is a true business discipline. For leading-edge organisations, it is a core asset.

The clients of IBM – businesses worldwide, across industries, are today reaping the rewards of a self-sustaining approach to CRM that enables them to accurately assess their strengths and weaknesses, calculate risks, control investments, manage change and set reasonable expectations from the start.

In the on demand enterprise, channel capabilities and customer access are improved; customer analytics drive marketing processes; contact centres are efficient and customer-focused; revenue is enhanced through access to new customers and markets; staff location is flexible; legacy systems are integrated with new technologies; and high-value customers receive preferred care.

With CRM on demand, self-service customer-interaction centres deliver automated business processes. Interactive voice response and other automated systems can reduce agent costs. Sales and marketing executives are able to focus on growth strategies and new markets. CRM strengthens its role in managing risk and opportunity. CRM on demand can also provide you with a flexible utility computing solution which reduces your fixed cost base and allows to pay as you use.

IBM CRM practitioners assist enterprises in understanding the measurable impact that CRM will have on the business, including investment requirements. We have specific services that answer the key transformation questions and the calls for help: What should I do? How should I do it? Help me do it. Do it for me. Am I doing this right?

IBM Business Consulting Services offers a 'one-stop' resource that ensures a consistent set of services and proven methods for enterprises. Its comprehensive set of offerings cover the entire CRM value chain. As one of the world's largest consulting organisations, IBM employs a team of business, industry and IT professionals that includes IBM CRM strategy practitioners supported by the vast resources of IBM Global Services and IBM Business Partners across the globe.

IBM offers a range of CRM services including:

Customer relationship management strategy

Using visioning and diagnostic tools, our CRM strategy offerings can help you design a customer-centric business approach and build a CRM road map that will transform the way your company interacts with its customers.

CRM business transformation outsourcing

Business Transformation Outsourcing (BTO) services can make the on demand enterprise happen for you by implementing solutions that unlock business value and helping you develop the attributes of an on demand business. Management of relationships with all customers is key to the on demand enterprise. We know ways to improve customer access while enhancing revenue and giving high-value customers preferred care. We can also help you move from fixed to variable cost to gain flexibility and scalability. We will act as a full business CRM transformation partner sharing in the implementation gains and risks through the combination of IBM CRM professional services and CRM process outsourcing. These services afford a transformational on demand CRM solution supported by an IBM infrastructure and software from leading IBM alliance partners.

Marketing and customer intelligence

Understanding behaviours and trends demystifies the art of keeping your customers satisfied and loyal. Using cutting-edge marketing and customer intelligence techniques, our experts can uncover customer motivations and measure campaign success. marketing and customer intelligence focuses on solutions for improving the effectiveness and efficiency of marketing professionals to help organisations utilise customer-related data.

Contact centre optimisation

Every customer interaction is an opportunity to increase revenue. Our contact centre optimisation offerings help reduce customer service costs, increase selling opportunities across channels and improve overall customer satisfaction. We concentrate on solutions that heighten the efficiency and effectiveness of contact centre operations.

Sales productivity

A knowledgeable sales force is a profitable sales force. Our sales productivity offerings ensure that your sales force is informed, skilled and equipped with critical account information. Sales productivity focuses on solutions for improving the effectiveness and efficiency of a company's internal and external salesforce. The emphasis is on driving revenue while enhancing customer value.

Field service effectiveness

Let our field service effectiveness offering empower and mobilise your field sales team to deliver optimum customer service. We bring a blend of best practices from various industries, with a strong focus on driving ROI.

ODIS

IBM Research is the largest information technology (IT) research organisation with more than 3,000 scientists

and engineers at eight laboratories in six countries supported by more than two dozen development labs strategically located worldwide. With IBM Research as its key differentiator, On Demand Innovation Services provides customers with unique and substantial value from its leading-edge know-how and innovative assets. Web Fountain (enabling analysis of the worldwide Web in real-time), advanced call centre speech and voice recognition, and advanced predictive customer analytics, are a few examples of how IBM research can be leveraged for CRM transformation.

Institute for Business Value

The IBM Institute for Business Value develops fact-based strategic insights for senior business executives around critical industry-specific and cross-industry issues. It generates many white papers and thought leadership pieces around CRM-related topics.

CRM Technology Hosting and Application Maintenance

For many companies, buying software as a service is an attractive alternative to installing and managing new applications. Now, IBM e-business Hosting and key software partners are working together to deliver application services that customers can tap into quickly and cost-effectively. Application maintenance for e-business provides offerings for the ongoing management, maintenance and support of all custom-developed applications.

IBM Global Financing

IBM Global Financing provides attractive financing that allows companies to spread investments and lower initial cash outlays. With IBM's easy, flexible payment options, organisations can bundle and finance their entire IBM CRM solution on a 'per-user' basis or can defer payments until benefit realisation starts.

The study

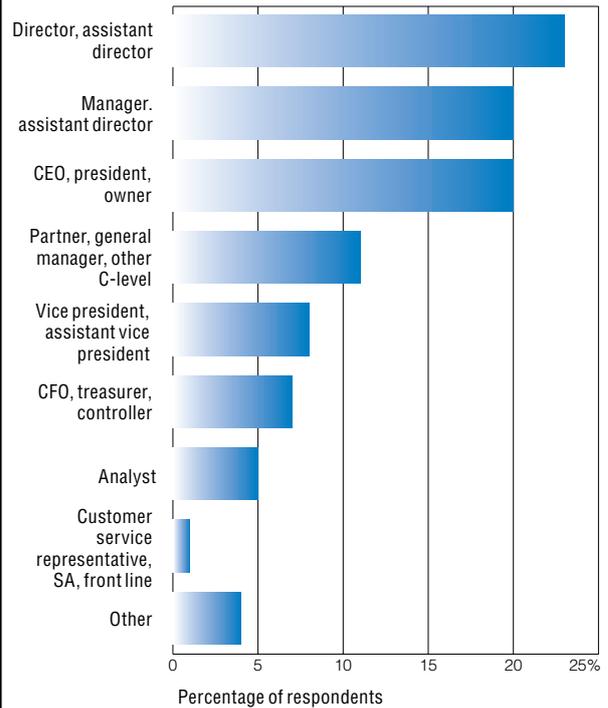
The study was conducted by IBM's Institute of Business Value, a part of IBM Business Consulting Services. It explored the experiences of CRM initiatives with 373 companies worldwide. Participants comprised top-tier and small/medium businesses across industries including: financial services; retail banking; technology services; healthcare; telecommunications; aircraft and automobile manufacturing; media and entertainment; and others. Leading companies from every major industry in Europe, Middle East and Africa (EMEA) participated.

Respondents spanned the CRM spectrum; some employed their CRM initiative as a functional or divisional task while others approached it as a strategic, enterprise-level undertaking. Nine out of ten of the interviewees held senior management, or sales and marketing positions within their organisations.

While the majority of the survey was conducted online, IBM consultants carried out 71 of the interviews face-to-face, providing a compelling view of the key issues surrounding successful CRM implementation.

IBM would like to thank all the respondents for giving generously of their time and contributing their valuable insights.

Figure 9: Respondents span across all levels of the organisation, with about 90 percent of respondents being manager level or above.



Source: IBM Business Consulting Services, The Global CEO Study 2004; Sample: All



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