Customer Relationship Management
done right: sponsorship, governance
and change management

Building and maintaining support for CRM programs

Americas-drivers of CRM success
Percent of CRM initiative success predicted by
performing the key CRM approach steps

<table>
<thead>
<tr>
<th>CRM strategy and value proposition development 22%</th>
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<tbody>
<tr>
<td>Budget process management 20%</td>
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<tr>
<td>Process 12%</td>
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<tr>
<td>Governance 9%</td>
</tr>
<tr>
<td>Change management 7.1%</td>
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<tr>
<td>Stakeholder assessment 6.6%</td>
</tr>
<tr>
<td>Organizational alignment 6.0%</td>
</tr>
<tr>
<td>Technology implementation 5.7%</td>
</tr>
<tr>
<td>Metric development 4.4%</td>
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<tr>
<td>Business case and ROI 4.0%</td>
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<tr>
<td>Prioritization of company initiatives 1.6%</td>
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<tr>
<td>Implementation roadmap 1.0%</td>
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<tr>
<td>Customer data integration and data ownership .12%</td>
</tr>
<tr>
<td>Senior executive and opinion leader buy-in .10%</td>
</tr>
<tr>
<td>Customer needs analysis .07%</td>
</tr>
<tr>
<td>Capabilities and risk assessment .03%</td>
</tr>
</tbody>
</table>

Statistical Values: N = 101, results include only Americas Respondents. Our acceptably low sample distribution indicates that at the 95% confidence level the obtained scores are reasonable reliable. The $R^2 = .79$ indicates that 79% of the variance of the dependent variable (Contribution to Success) can be explained by the independent variables (CRM Approach Steps). Note: *The 19% is the highest of the percents of respondents reporting to have had “Complete Success” with a CRM initiative.*


For more information
To learn more about IBM Business Consulting Services contact your IBM sales representative, or visit:

ibm.com/bcs

Or contact Steve LaValle Global and Americas CRM Strategy services leader at steve.lavalle@us.ibm.com

References available at ibm.com:
2004 Doing CRM Right Study –
Global Executive Summary

2004 Doing CRM Right Study –
Americas Group View

2004 CRM Done Right:
Executive Handbook for Realizing the Value of CRM

Related CRM Strategy capabilities:
- CRM value case
- CRM value proposition
- CRM operational blueprint
- CRM implementation roadmap
- CRM FACTS diagnostic

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Sponsorship, governance and change management are the key processes and structures that build and maintain support for new Customer Relationship Management (CRM) programs and implementations. By building support for your CRM efforts, you help ensure that the entire organization stays committed throughout the deployment of the new operations. Here we answer the question, “is everybody on board and are we aligned to ensure effective design and implementation?”

Through this process, the organization engenders cooperation and collaboration, leadership consensus, and a formal policy for making decisions and guiding project efforts. Additionally, the population of the organization is engaged and guided through the change.

Build sponsorship from the top and the bottom
Sponsorship and agreement are essential to starting and sustaining significant CRM transformations.

Organizations build support and sponsorship differently. Some organizations do very well with top-down, centralized management mandates and hierarchal structures. Others enable many small, more decentralized entrepreneurial teams that form results on their own. Still others operate more like communal systems. More than likely, multiple models are used among the different constituencies of a company. Use methods of building support that work best with your organization and culture, and vary that approach to meet with specific groups or situations.

Establish an empowered governance structure quickly
Companies undergoing CRM transformation should establish an empowered governance structure early in the process with clear roles and responsibilities. The governance structure should be a group (or groups) that have been assigned to oversee requirements, design and implementation, as well as measure results, provide guidance, champion the efforts, and represent the projects to senior management.

The governing body or bodies should also be empowered with decision-making authority and control over resources and funds to make that authority real.

The governance structure should establish guidelines and procedures for its own operations. This includes regular meeting intervals, formal communication mechanisms, and a set of metrics and review “gates” by which it monitors progress of the change as well as their own performance.

Through all of this, be sure that an enabling organization is formed and not a layer bureaucracy that hinders progress.

Change management
Change management may very well be the greatest contributor to successful CRM projects. Change management is the process by which constituents such as employees, customers and partners adopt new ways of doing things and includes changing their attitudes, skills and patterns of behaviors.

Success in change management is very difficult, as people are naturally resistant and fearful of change. Change management activities should be very formal and planned, and should represent a substantial portion of the effort and investment made in CRM transformations. Some important activities to consider:

- Capture and sustain the imagination and support of the people who are to be affected by the changes
- Clearly communicate short- and long-term victory conditions to your people. Openly communicate and celebrate victories as they are achieved
- Rally people around your business objectives and “point of arrival” operating model vision
- Explain what is in it for them
- Communicate regularly and often through different channels, media and formats
- Adjust individual rewards, measurements, and compensation to drive change
- Drive user adoption through skills development, introducing the proper incentives and metrics, and selective recruitment as necessary.

Our approach to sponsorship, governance and change management
IBM utilizes a comprehensive, strategic approach to building sponsorship, governance and change management with our clients. We actively participate in these activities, bringing the depth and reputation of IBM to each effort. During sponsorship, governance and change management projects, we will:

- Conduct stakeholder mapping and management activities to gain an understanding and navigate through your specific sponsorship environment
- Co-build sponsorship with key stakeholders and decision-makers
- Create a governance plan and strategy that is put in place at the beginning of strategy development and evolves through implementation and beyond
- Build comprehensive change management programs and strategies that involve all necessary staff and stakeholders. Programs include skills development, user acceptance, incentive planning, and communication strategies.

Getting started
Sponsorship, governance and change management programs should be started at the very beginning of any new CRM projects.