UNIVERSITY OF LJUBLJANA

SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

AN ANALYSIS OF THE CUSTOMER RELATIONSHIP MANAGEMENT IMPLEMENTATION IN A HUMAN RESOURCES COMPANY WITH SUGGESTIONS FOR IMPROVEMENT

Ljubljana, June 2021   MATEJ BRUKETA

AUTHORSHIP STATEMENT

The undersigned Matej Bruketa, a student at the University of Ljubljana, School of Economics and Business, (hereafter: SEB LU), author of this written final work of studies with the title "The importance of user-generated online reviews for companies, prepared under supervision of prof. dr. Mojca Indihar Štemberger, PHD

D E C L A R E

1.   this written final work of studies to be based on the results of my own research;

2.   the printed form of this written final work of studies to be identical to its electronic form;

3.   the text of this written final work of studies to be language-edited and technically in adherence with the SEB LU's Technical Guidelines for Written Works, which means that I cited and / or quoted works and opinions of other authors in this written final work of studies in accordance with the SEB LU's Technical Guidelines for Written Works;

4.   to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code of the Republic of Slovenia;

5.   to be aware of the consequences a proven plagiarism charge based on the this written final work could have for my status at the SEB LU in accordance with the relevant SEB LU Rules;

6.   to have obtained all the necessary permits to use the data and works of other authors which are (in written or graphical form) referred to in this written final work of studies and to have clearly marked them;

7.   to have acted in accordance with ethical principles during the preparation of this written final work of studies and to have, where necessary, obtained permission of the Ethics Committee;

8.   my consent to use the electronic form of this written final work of studies for the detection of content similarity with other written works, using similarity detection software that is connected with the SEB LU Study Information System;

9.   to transfer to the University of Ljubljana free of charge, non-exclusively, geographically and time-wise unlimited the right of saving this written final work of studies in the electronic form, the right of its reproduction, as well as the right of making this written final work of studies available to the public on the World Wide Web via the Repository of the University of Ljubljana;

10.   my consent to publication of my personal data that are included in this written final work of studies and in this declaration, when this written final work of studies is published.

Ljubljana, July/24/2021   Author's signature: _____

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF APPENDICES

LIST OF ABBREVIATIONS

CRM- Customer Relationship Management
HRM- Human Resource Management
HR- Human Resource
IT- Information Technology
ERP- Enterprise Tesource Planning
BPM- Business Process Management
CSF- Critical Success Factor
CPA- Customer Portfolio Analysis

MA- Marketing Automation
SFA- Salesforce Automation
SA- Service Automation
SAAS- Service As A Service
HCM- Human Capital Management
HC- Human Capital
SHRM- Strategic Human Resource Management
CV- Curriculum Vitae
KPI- Key Performance Indicators
CSAT- Custmoer Satisfaction Score
CES- Customer Engagement Score
NPS- Net Promoter Score
ROI- Return On Investment

INTRODUCTION

Nowadays, the impact of globalization has significantly changed many industries. The competition is not restricted to the geographic regions anymore. Instead, companies have to continually keep up with global trends and changes in order to stay competitive in their markets. Business and market expansion has forced companies to change their business strategies. One of them is, how to deal with customers. On the other hand, large market and strong competition have changed customers too. They are slippery, because they have an access to the huge amount of information about the goods and services. It is not only important to gain new customers, but also keeping them loyal since, they can provide some kind of stability. Thus, the concept of customer relationship has been established, with the main goals to strengthen existing customer relationships, but also to track the new and most reliable.

With the development of information technology many Customer Relationship Management (hereinafter CRM) systems have been introduced with the same purpose, as just mentioned above. Since its beginning, the CRM system's market has been rapidly growing, which indicates the fact, that CRM systems became an indispensable part of every business. According to Statista, CRM software revenues worldwide have grown from 13,65 billion $ in 2010 to almost 57 billion $ in 2019. On the other hand, Grand view research estimates that CRM market will grow by 14,2 % by the end of 2027 (Grand view research, 2020).

CRM systems enable various opportunities for managing customer relationships, efficiently; tracking customers by identifying patterns, managing contacts, managing transactions. CRM programs offer various tools, where the user can import or export data, it can then analyze it, such as customer segmentation, but can also make reports supported with visualized charts. Based on data received from CRM, the user can distribute lists of potential customers between sales department managers, plan promotions and subsequently analyze their effectiveness (Leonid & Artem, 2018). On the other hand, CRM impacts organizations core activities such as sales, marketing, customer service etc. and they consequentially need to adapt and prepare business environment for the upcoming changes.

Human Resource (hereinafter HR) companies are one of the many companies who should consider introduction of CRM systems, especially due to the nature of their business. As human resource core business activity being related to the identification, recognition and management of customers, introducing and having CRM systems is a must. Having a well-managed CRM system is especially important for the human resource companies since it enables companies to be seen as an expert in their fields. However, CRM is a complex concept requiring appropriate business process and integrated systems (Zamil, 2011). Furthermore, managing CRM successfully, requires an integrated and balanced approach to technology, process, and people (Chen & Popovich, 2003). Thus, in this master's thesis I

will address and analyze the problem of how to optimally introduce and use the CRM concept at the human resource company.

The purpose of this Master thesis is to contribute to the better usage of CRM system at human resource company. The goal of this master thesis is to analyze how a chosen company implemented CRM solution and suggest improvements. More precisely:

- To determine the reasons and motives behind CRM introduction (what business problems firm expected to solve, how did they configure CRM- what characteristic they wanted to have)
- To examine the performance of CRM implementation at given company (what was the process of integration, change of business process, organizational changes, employee's education)
- To examine a human resource company's sales process
- To examine effectiveness factors related to the CRM usage and based on these determine how successfully is currently using CRM; asses if and how they could improve
- To determine how firm involves top management in CRM-related activities
- To suggest how to better use the CRM software and other improvements

The research question of the master thesis will be: How is the human resource company currently using the CRM and how can they optimize the usage in order to increase the performance?

The master thesis will consist of three parts. First, I will provide an overview of the theory that is relevant for my thesis topic and which I plan to use as a theoretical base. More precisely, I will provide literature review regarding CRM concepts, but I will also write about Human resource business; business processes, organizational structure, etc. I will support the idea of CRM importance by relying on sources such as Statista.

Secondly, I will present the chosen human resource company for which I will do the case study in order to provide basic information about the company, such as history, financial numbers, organizational structure, presence on the market, their main business activities, business processes, but also CRM systems they are currently using. In order to do that I will gather secondary data from the sources I will get in the company. Beside that I will get an access in their current CRM system to use the information for the purpose of the analysis and thus this thesis.

Furthermore, in order to gather primary data, I will also conduct various interviews and surveys with members of management board of the company. Additionally, I will do interviews with the rest of employees as well. Since I was working in the human resource company, where I was able to get inside information and learn much about the industry, I will be also relying on my own knowledge gained from the experience.

Based on the gathered insights and information, I will analyze the utilization of the CRM in the given company by relying on CRM Iris methodology explained by R.Chalmeta. This methodology directs the process of developing and implementing CRM system that considers and integrates various aspects, such as defining a customer strategy, re-engineering customer-oriented business processes, human resources management, the computer system, management of change and continuous improvement. Besides that, I will also provide a case study of deep analysis of the human resource company's sales process, where I will present traditional sales process of the human resource company before CRM introductions, and then analyze changes, that have been made in the sales process, due to the CRM implementation.

Following these analyses, I will also propose suggestions for improvement for optimal use of CRM in order to increase company's performance.

1 CUSTOMER RELATIONSHIP MANAGEMENT

At the end of the 20th century, globalization changed the business. The core focus was strictly on the product itself and thus companies were using mass marketing techniques in order to maximize the sales and profits. However, the increased competition and reduced customer loyalty forced the companies to make some changes. Rather than focusing on products itself, the companies started to pay more attention to their customers. Consequentially, the need for in-depth and integrated customer knowledge was required in order to establish close customer relationships. With the purpose to get to know the customer and their needs as well as requirements, Customer Relationship Management (CRM) was established.

It originated in the United States in the late 1990's, and, to date, has been accepted by a significant number of companies worldwide. There have been many different definitions and explanations of CRM. This happened mainly due to the different understanding of each researcher. Therefore, CRM can today be understood either as a business process, business philosophy, business strategy, or even a technology tool. As a business philosophy Srivastava (2012) outlined CRM as a management approach that seeks to create, develop and enhance relationships with carefully targeted customers with the goal to optimize customer value, corporate profitability, and thus shareholders value.

On the other hand, as a business strategy CRM is an integrated approach to managing relationships by focusing on customer retention and relationship development (Chen & Popovich, 2005). CRM as a business process was defined as "a macro-level (i.e., highly aggregated) process that subsumes numerous sub-processes, such as prospect identification and customer knowledge creation (Rababah, Mohd & Ibrahim, 2011). Finally, one of the biggest consulting companies Delloite (Delloite, 2020) has described CRM as a technology tool for managing a company's relationships and interactions with all of its customers and potential customers, where the goal is simply to improve business relationships, help

companies staying connected to customers, and increase profitability. Similarly, (Fickel, 1999) described CRM applications as technology that links the front office (marketing, sales, customer service) and back office (logistics, human resources, financial operations) functions with company's customer "touch points", where touch points are related to Internet, e-mail, sales, call centers etc.

The expansion of information system technology and internet have even more contributed to the development of CRM since its primary aim is to utilize technology to implement relationship strategies. Through the years, various technology applications were introduced, in order to manage and support customer relationships efficiently. Mendoza has described that CRM systems can be seen as cross-functional business applications, including marketing, operations, sales, customer service, human resources, finance, information technology, and the internet to maximize company's interaction with customers (Mendoza, 2007). As described, CRM is today a very well accepted concept and can be implemented by any company and it represents an approach, how to develop full knowledge about the customer behavior.

1.1 CRM concept

As mentioned above, the main idea of CRM is knowing your customers. Having knowledge of them will allow companies to serve them better and even keep them loyal. Customer-focused strategies lead to a strong demand for CRM solutions by companies (Chalmeta, 2005). On the other hand, there is still a lack of understanding of CRM and there are many success factors that need to be fulfilled in order CRM can be successfully implemented. Otherwise, the likelihood of failure may be significant. Many authors have agreed that the main components of CRM are people, technology and business processes. In other words, implementing CRM's system within the organization requires a relevant balance of people, process, and technology. Below, all of the 3 components are explained in detail.

In recent years, the importance of information technology has been becoming more and more important. Rapid development of information technology has been a huge driver of new opportunities and CRM exploited it fully. There have been many innovations in the field of Information Technology (hereinafter IT), which have allowed CRM applications to be able of collecting and analyzing data, development of predictive models, interpreting and forecasting customer behavior. However, the effective data management plays a vital role in CRM, where importance of right information is crucial. Acquiring new customers may be far more expensive, than retaining current customers and this is why handling customer data in the right way gives companies key information regarding customer needs and expectations. In order to obtain accurate information, data must be properly stored and readily accessible when needed. In CRM relation data can be used for product tailoring, service innovation, consolidated views of customers, or calculating customer lifetime value (Peppard, 2000). Therefore, CRM can also be defined, as a strategy that puts together a

combination of IT, with business processes and services such as Enterprise Resource Planning (hereinafter ERP) Technology and Data Warehouse Technology.

A data warehousing technology can be specified as a collection of methods, techniques, and tools that support the so-called knowledge worker (one who works primarily with information or develops and uses knowledge in the workplace) (Golfarelli & Rizzi, 2009). The features of data warehouse are that it's subject oriented, meaning that all data related to the particular object are related and connected. Secondly, data warehouse is time-variant, meaning the history of a business can be tracked. Thirdly, non-volatility enables that data is read only. Finally, data is also integrated, which means the data from different applications are, as mentioned above, collected and made consistent. Data warehousing technology makes CRM possible because it consolidates, correlates, and transforms customer data into customer intelligence that can be used to form a better understanding of customer behavior (Chen & Popovich, 2003). More precisely, data warehouse enables organizations to develop different strategies based on relevant and consistent data such as customer profiling, cross-selling analysis, customer segmentation etc. In other words, data warehouse design has a direct impact, whether CRM systems are properly used. This being said, we can also add many other impacts, data warehouse has on CRM; they are capable of tracking and modifying marketing campaigns; user can easily access customer information when required and as already said it can provide quick data analysis.

Enterprise resource planning (ERP) refers to a type of software that organizations use to manage day-to-day business activities such as accounting, procurement, project management, risk management and compliance, and supply chain operations (Oracle, n.d.). At its most basic level, ERP integrates these processes into a single system (SAP, n.d.a). However, ERP systems are all but basic; they use the most modern technology like artificial intelligence or machine learning in order to ensure efficiency over every aspect of business. But how is ERP related to CRM? Both systems are capable of handling contacts, companies, orders, or perhaps forecasts. Furthermore, they are both capable of managing line-item configurations, bundles, delivery schedules. There are many ERP systems that actually offer the basic modules of CRM. Yet, these functionalities are usually not enough, since they do not enable the overview of all activities like typical CRM system does. This is why both technologies are usually required, where these systems are interrelated. But it is important to understand, there are also several activities, for which these systems are not interdependent. The key differences are provided in table 1 below. Additionally, Figure 1 represents an overview of CRM in the company, supported by ERP / data warehouse.

Table 1: Key differences between CRM and ERP software

Customer Relationship Management Software	Enterprise Resource Planning Software
Automate sales activities	Automate every redundant business task
Manage marketing campaigns	Automate employee life-cycle
Analyze purchasing patterns	Standardize critical business procedures
Track customer interaction with business	Distribution process management
Identify new leads	Update accounts
Manage sales pipelines	Process business orders

Source: Cybrosys (n.d.).

Figure 1: CRM applications supported by ERP/data warehouse link front and back-office function.
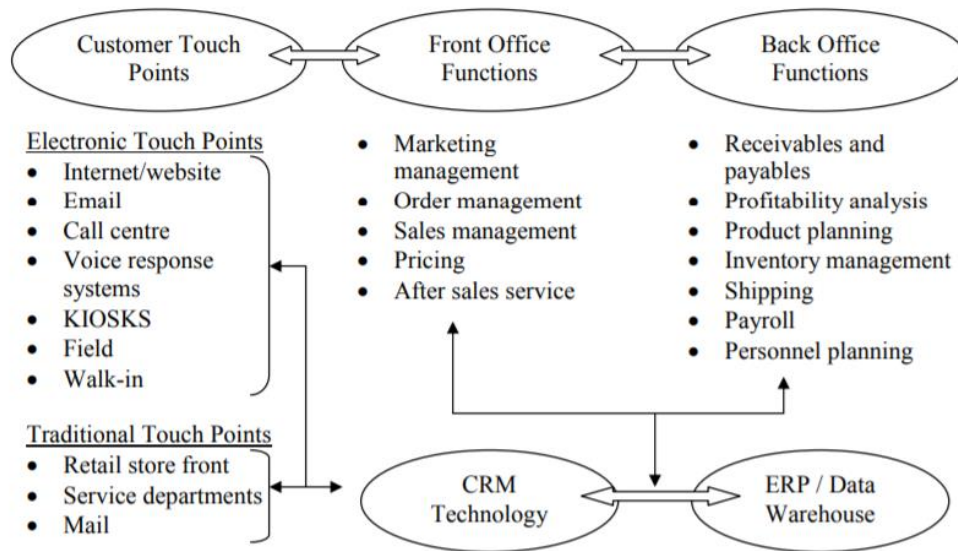
Source: Chen & Popovich (2003).

The second components of CRM are business processes. Taking into consideration the benefits of combining CRM with business process management is becoming progressively more important. Customer relationship management is an enterprise-wide, customer-centric business model that is built around the customer. It is a continuous effort, that requires redesigning core business processes starting from the customer perspective and involving customer feedback (Chen & Popovich, 2003). In other words, understanding customer needs leads to the increasing customer satisfaction, which should result in overall better company performance. Following this trend, many enterprises are nowadays taking into account Business Process Management (hereinafter BPM) built around the customer.

Business process management (BPM) is an organizational discipline where a company takes a step back and looks at all of these processes in generally and individually. It analyzes the current state and identifies areas of improvement to create a more efficient and effective organization. (Kissflow, n. d.). This is why, BPM is closely related to the CRM and helps to improve customer experience and consequently increase business efficiency, by focusing on business process optimization. Handling business processes management successfully with CRM software can make noteworthy improvements, which sooner or later can pay off in positive results. Mendoza further described CRM as a strategy within the organization that aims to satisfy and create a long-term relationship with the client (Mendoza, 2007), where the key to the success is to analyze the processes, which in any way encompass interaction with the customer. This being said, the most common processes related to the client are: Sales, marketing, services.

As mentioned before, to adapt more conveniently to the customers companies revise their processes, including sales. In order to adapt more successfully and improve the success rate of closed sales opportunities, organizations need to have a full access to quality information, with which they can have better control over the sales processes. CRM solutions are at the heart of modern sales processes that depend on capturing, analyzing and using data to make decisions (Stafford, 2017). CRM software is seen by salespersons as a precious tool which shortens the time for searching for the potential customers and increases the time available for gaining new customers (Krajnc, 2016). Introduction of CRM enables many improvements in the field of sales such as automatization and improvement of lead management, making possible to centralize data which simplifies, and also shortens the research process, facilitating the pipeline management that helps salesperson plan effective strategies and finally assisting in sales forecast that enables to plan accordingly to optimize performances. All these characteristics of collecting, and using information about current and potential customers have thus never been as important as it is in the time of information technology.

Despite the fact, that marketing is a process, primarily focused on the customer needs, CRM has significantly impacted the way in which the process needs to incorporate the rest of the company. The results of the analysis of authors Hsiao, Shen and Chao (2015) showed, that if the company is able to meet customer expectations, it will directly influence satisfaction. Similarly, Heskett argued that the customer loyalty is the result of the complete customer satisfaction (Heskett, 2008). As a result, customer commitment towards the particular brand is very likely. Lawson-Body and Limayem (2004) stated, that understanding customers' expectation is critical in-service delivery and building profitable customer–business relationships because it exposes the imperative to identify specific needs of customers. Yet, in order to know the needs of the customer, knowing the customer is crucial. Having data about client profile, their buying profile, or buying preferences is the way how to adapt the marketing strategies and processes and the role of CRM systems to help by gathering information and recognizing customer patterns is significant.

Besides, marketing and sales companies also put a lot of attention on the quality of their services. Customer service is the support offered to the customers- both, before and after they buy and use company's products or services- that helps them have an easy and enjoyable experience with their vendors (Salesforce). Superior customer support is vital for the company to be competitive. According to PWC survey that was conducted with a sample of 15.000 clients across 12 countries, 73% of respondents answered in favor of customer service, by saying customer experience is important factor, before purchasing products or services. On the other hand, analysis made by Statista, with more than 5000 respondents showed, that the 3 most important aspects of good customer service are: A knowledgeable customer service representative, and resolved issue in a single interaction. All other most important factors for good customer service are provided in Figure 2 below.

Figure 2: What is the most important aspect of a good customer service experience?
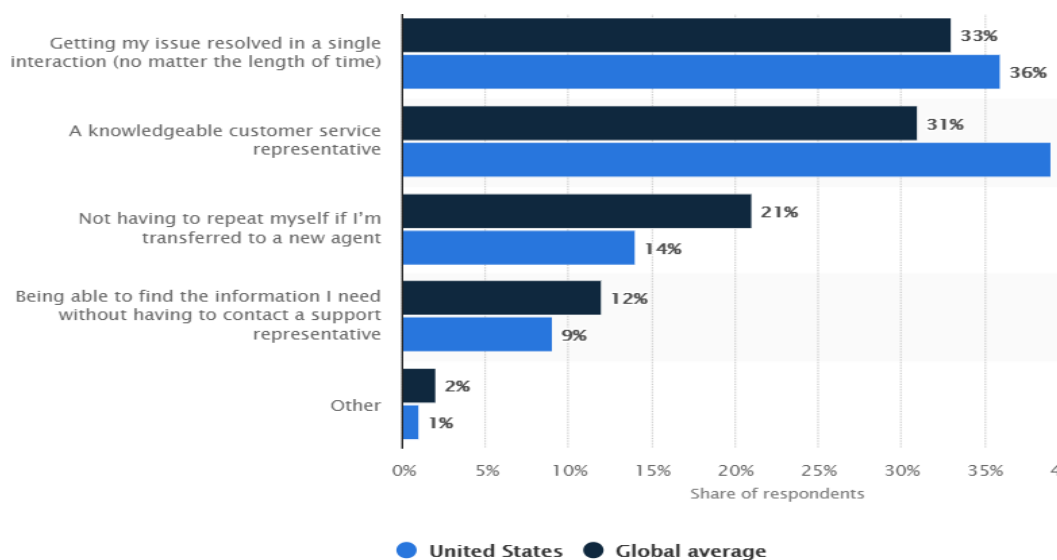
Source: Statista Research Department (2018).

CRM is contributing, by offering the companies the key elements for better customer service. For example, CRM systems have a tool called help ticketing system, that enable customer service teams to be able to prioritize consumers. This function in a way, where managers can assign accounts to their employees. This ticket can be organized and cases can be made on them, so that issues can be communicated more easily and problem solved quicker.

Implementation of CRM also brings cultural changes, within the organization. Besides, adding new technology and understanding of business processes, people are the third, and perhaps the most important component required, in order CRM concept could be accepted and used in the right way in the particular organization. Ghotbabadi emphasized the people component is the most difficult one in order to adjust employees/staffs to the changes

(Feiz, Ghotbabadi & Khalifah, 2011). Crosby and Kavanagh went even further by claiming, that failure in CRM is most often the result of resistance on the behalf of employees to adjust to the new CRM procedures (Crosby, 2002 & Kavanagh, 2003). This is why clearly defined vision is essential, so each employee can understand the upcoming changes. Similarly, Ahearne, Rapp, Mariadoss and Ganesan in their analysis described that many employees, including sales representatives, were not comfortable with the CRM implementation, as they did not have freedom to communicate with the customers, as they thought it was the best. In other words, as mentioned above, building customer-oriented strategy supported by optimally set CRM system, requires organizational changes. This usually results with job positions changes, meaning people may quit their jobs, or will be let go by the organization. In order to manage changes successfully, CRM must be pervasive through the entire organization, in order to be accepted. To achieve that, top management role is crucial, as CRM requires full leadership support. Management responsibility is to inform all employees about changes, that is about to happen, but also communicate the purpose and objectives of it. After that, it must also ensure education of all employees. As mentioned above, it is very common, that people do not like changes. Thus, management should also provide rewarding system in order to maintain commitment and motivation, towards the move to the more customer centered organization. On the other hand, Chalmeta added, that despite management support, CRM implementation may fail if there is a lack of vision. Thus, CRM should be thought of as a philosophy to be understood and adopted by management and conveyed to the organization as a whole (Basahel, 2016).

Table 2: CSFs classification according to human factor, processes and technology

CSFs classification according to human factor, processes and technology

ID	CSF	Human factor	Processes	Technology
1	Senior management commitment	X		
2	Creation of a multidisciplinary team	X	X	
3	Objectives definition	X		
4	Inter-departmental integration	X	X	
5	Communication of the CRM strategy to the staff	X	X	
6	Staff commitment	X		
7	Customer information management			X
8	Customer service		X	X
9	Sales automation		X	X
10	Marketing automation		X	X
11	Support for operational management	X	X	X
12	Customers contacts management	X		X
13	Information systems integration			X

Source : Mendoza, Marius, Pérez & Grimán, (2007).

The analysis of (Mendoza, 2007) approached closely to the understanding of the keys of the CRM concept. The mentioned authors in their study analyzed all the critical factors related to the successful CRM implementation. They considered as crucial factors of CRM strategy those, which manifestation guarantees, the implementation of this strategy will be successfully undertaken. Categorically, each of the critical factors provided by these authors

has, either direct or indirect impact on the components of CRM (technology, processes, and people). A more precise look of critical factors, impacting these 3 components are provided in Table 2 above. They identified 13 critical success factors where, as we can see, the people-human factor is most impacted by the critical factors.

Introduction of CRM can bring many advantages to the acquiring company. Shanks, Jagielska and Jayaganesh divided the benefits of CRM on different management levels; operational, tactical and strategic. Authors suggested the benefits of CRM on the operational level can be improved customer data management, improved process management, better customer service as well as empowerment of staff, higher productivity and better responsiveness to trends. On the other hand, benefits on tactical level could also be improved analysis and channel management, facilitated market segmentation and key account management. Finally, authors also pointed out benefits on the strategic level of management which should result in improved customer satisfaction based due to the innovative use of CRM systems, as well as improved value-added partnerships, and better business performance.

1.2 CRM models

This section contains detailed description of how CRM strategy can be described in the company through several models. In order to enable the smooth functioning of the customer relationship management, four models will be presented. These models will be illustrated as they precisely describe the usage and benefits of CRM.

1.2.1 The value chain model

The CRM value chain model was developed by Francis Buttle, the professor of CRM, from Manchester Business School. He described the CRM value chain as a model, companies can follow, when they are facing with the issues in regards to development and implementation of their CRM strategies, where the main purpose of this model is to ensure long term, mutually -beneficial relationships with the customers. CRM value chain is composed of 5 different stages: Customer portfolio analysis, customer intimacy, network development, value proposition development, manage the relationships as shown in the Figure 3 below.

Figure 3: CRM value chain
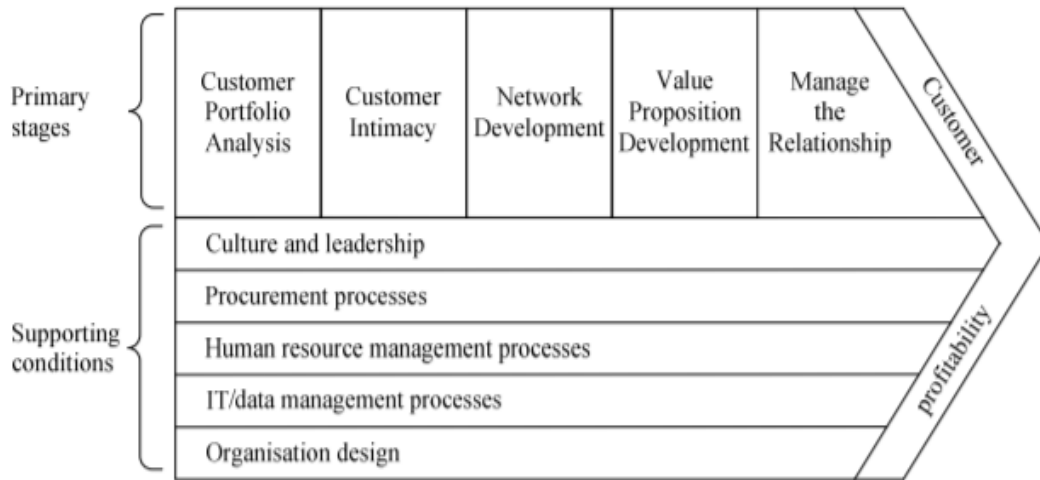
Source: Buttle (2001).

In the Customer portfolio analysis (hereinafter CPA) author is suggesting, not all customers have equal values to the company. Thus, the question should be addressed: which customers are strategically significant to the companies. It is important to mention customers should be analyzed by profit potential, rather than the volume. After CPA filters the actual or potential customers into different groups, they can be approached by company's different value propositions. CPA for its purposes uses customer and market data to make decision, which customers to serve. More precisely, there are 4 different strategic CPA groups customers into: sack, invest, re-engineer, and nurture. Sack customers are those, who have neither current or future profit potential. On the other hand, invest are the group of customers who have both present and future value for the company. Re-engineer groups are the customers, who are currently not really profitable, but have a high value for the future, in the case relationships are re-engineered. Finally, the nurture group of customers, who are currently profitable, but is very likely they won't be in the near future. In the stage of Customer Intimacy companies get to know their selected customers, by collecting customer data. As Buttle pointed out, the real challenge here is, how to use the data in order to better understand customer behavior.

The third step is building network development, which consists of suppliers, partners, investors, and employees, who understand chosen customers' expectations. CRM is a long-run process and thus requires investors and owners to commit to the long-term investment into CRM concept (technology, process, people). On the other hand, employees probably need to adapt to the changes, and will very likely need to obtain a new set of skills. Value proposition development- at this stage, companies know their customers and are in the process of building their development network. Knowing customers enables firms to be able to develop solutions for their customers problems. The fifth and final step is managing the relationships. In order to successfully manage the relationships with strategically significant

customers, companies usually need to adapt their processes. In other words, managing customer relationships is about implementing CRM by acquiring and retaining customers and developing their value.

1.2.2 IDIC model

The IDIC model was developed by Peppers and Rogers, back in 1995. The aim of this model is to evaluate the customers' expectations and their value to the business. The IDIC stands for identify, differentiate, interact, and customize, which is actually the sequence of all of the steps necessary for organizations, in order to build quality customer relationship. The precise sequence of the IDIC model is provided in Figure 4.

Figure 4: IDIC model
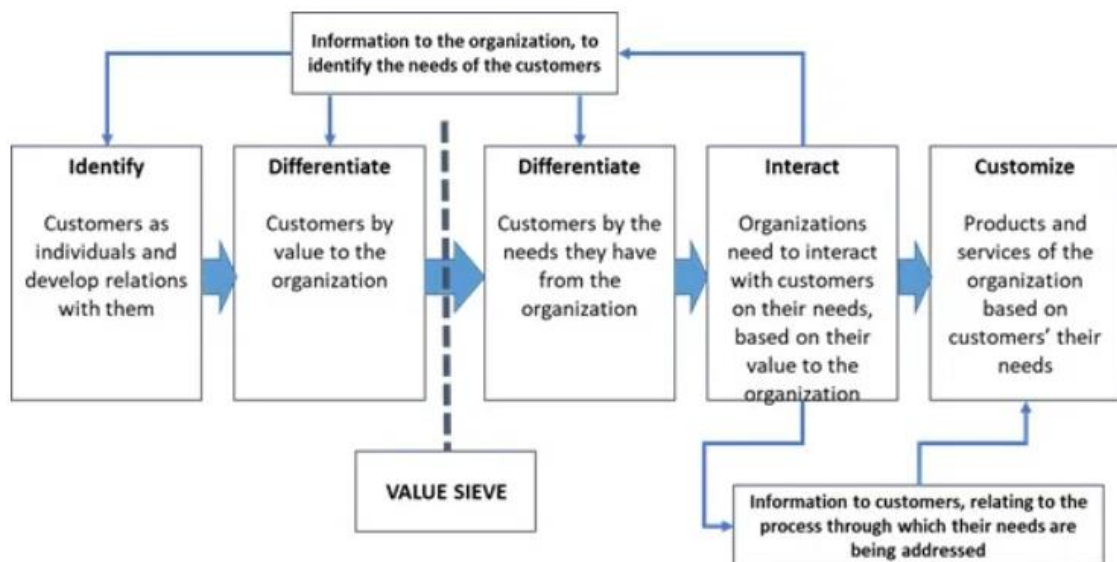
Source: Thakur (2020).

The first step towards building successful customer relationships is identification. In order to be able to identify customers and their needs, data must be collected. The goal here is to collect as much data as possible. That results in knowing customer and their preferences better. After customer identification, the second step of IDIC model is to differentiate customers based on their value for the company and their needs. This helps to have more realistic customer expectations to be able to realize strong customer relationships. Differing by values enables companies to distinguish loyal customers, from one-time clients, so they pay more attention to the potentially long-term customers.

In the phase of interaction, the businesses try to understand customers and their expectations correlated to their products or services. By interacting with their clients, enterprise have an opportunity to obtain different opinions, feedbacks, or desires. By doing so companies are able to adjust their services or products accordingly. Once companies know, what are the needs and expectations of their customers, they are able to customize their offer

appropriately. This is permitting the company to make more efficient, and effective strategies in the future.

1.2.3 The five-process model

The five-process model was developed by Adrian Payne and Pennie Frow back in 2005. The aim is to recognize and assess business processes applicable to CRM. Authors have emphasized the relevance of several sub- processes in relation to their CRM model: strategy development process, value creation process, multichannel integration process, performance assessment process, and information management or analytical process in CRM, as can be seen in Figure 5 below. It is important to point out, that each process mentioned above is process-oriented and cross-sectional.

Figure 5: Five-process model
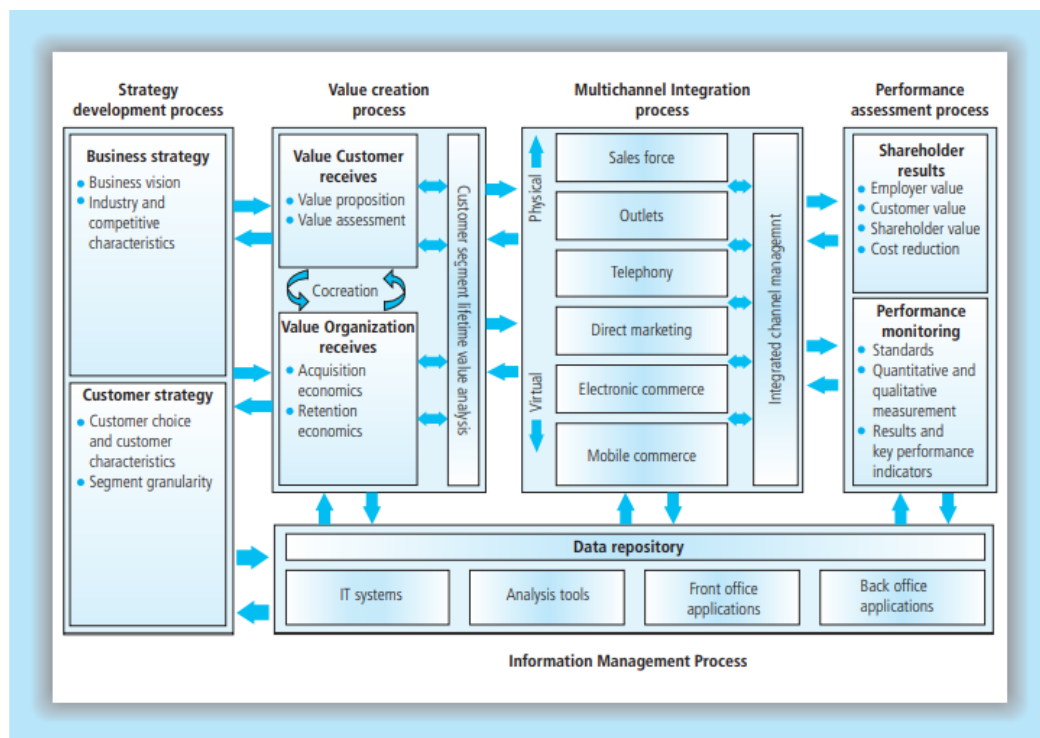
Source: Thakur (2019).

Strategy development process: As shown in Figure 5, strategy development process is composed of two different parts; business strategy, and customer strategy. The strategy itself describes goals and parameters in relation to the organization CRM action. The business strategy is addressed being part of the CRM strategy, with the purpose of determining company's strategy for customers that should be developed. On the other hand, customer strategy is about identifying key customer segments, and based on that, building customer strategies accordingly, in order to build strong relationships.

Value creation process: As the name of the process suggests, the value creation process identifies the value of the business to a customer, as well as the value and expectations of the customer to a business. The purpose of value proposition and value assessment for organizations, are to enable them having a clear picture, which customers are the most valuable to them. On one hand, business should identify relevant processes, that could be value creating for the customer. On the other hand, it should also recognize potential customers, who could be beneficial to the organization itself. Finally, the companies should find a way, how could they maximize the value from primary desirable customers.

Multichannel integration process: Authors have pointed out multichannel integration process as extremely important since it includes many evaluations about the best combination of channels; how to make sure the clients can experience positive experiences with these channels. This includes managing all contacts between a business and a customer. In other words, this MIP helps organizations to pay attention to those decisions, that integrate all channels and by doing so ensure positive customer experience. Furthermore, in order to further assess value proposition as well as strategy, companies should also take into the account feedbacks from the existing processes. This process suggests the business conduct tasks to engage customers, understand their perspective and retain them for a longer duration (Labus & Stone, 2010). This results in better CRM implementation.

Performance assessment process: At this point, the performance assessment process makes sure that the company's strategic goals related to the CRM are met. In other words, authors are suggesting, that business performance assessment should involve analysis of key performance indicators as well as customer satisfaction. By doing so, company can estimate how successful the implementation of CRM processes is.

Information management or analytical process in CRM: As can be seen in the Figure 5 above, information management has the analytical role within the model, and its job is to assist to the other processes. In order to identify customer behavior, collecting, organizing, analyzing and using the data should be done. Predicting the customer behavior with the support of analytical process, help the companies to prepare themselves with relevant marketing strategies and improved value propositions.

1.2.4 Gartner's CRM model

Gartner is the leading research and advisory company in the field of information technology (Gartner, 2021). Their CRM model suggests companies need to focus on 8 different areas in order to be CRM successful. These 8 areas include: building CRM vision, creating CRM strategy, making valued customer experience, having organizational collaboration, managing CRM processes, handling CRM information along CRM technology, and finally creating appropriate CRM metrics, that determines, whether is success or failure. More detailed description of each issue is provided in Figure 6 below

Figure 6: Gartner's CRM model

1. **CRM vision:** Leadership, Social worth, Value proposition
2. **CRM strategy:** Objectives, Segments, Effective interaction

3. **Valued customer experience**	4. **Organizational collaboration**
Understand Requirements Monitor Expectations Satisfaction vs. Competition Collaboration and Feedback	Culture and Structure Customer Understanding People: Skills, Competencies Incentives and Compensation Employee Communications Partners and Suppliers

5. **CRM processes:** Customer life cycle, Knowledge management
6. **CRM information:** Data, Analysis, One view across channels
7. **CRM technology:** Applications, Architecture, Infrastructure
8. **CRM metrics:** Cost to serve, Satisfaction, Loyalty, Social costs

Source: Buttle (2009).

1.3 Types of CRM

There have been many attempts to define different types of CRM. Firstly, 3 different types of CRM were identified: Collaborative, operational, and analytical (Buttle, 2009). However, Payne and Frow additionally proposed strategic form of CRM, which is composed of five cross-functional processes- their model was already described above. In the following section I will provide an overview of each of them.

1.3.1 Strategic CRM

Strategic CRM, as its name suggests, focuses on building a customer-centric strategy within a particular organization (Buttle, 2009), where the goal is to win and keep customers over the competition by creating added value. This is why, strategic CRM is usually dealing with questions like: "What business is our organization in?", "What customers does the business serve?", but also "How to create a value for our clients?". Similarly, Su and Lin back in 2003 argued, that strategic CRM present a chance to leverage customer knowledge and create value for customers. In the end, this can help businesses to understand their potential or current customer needs (Su & Lin, 2003). Strategic CRM is directed at evaluating customer profitability and defining short, medium, and long-term customer objectives (Curry & Curry, 2000). This enables enterprise to segmentize their customers, determine their value towards customers, but also calculate profitability for each customer segment. Due to the fact, that customer centric organization emphasizes sufficient support of the leadership, who promotes

employees to strive to improve customer satisfaction, strategic CRM is one of the pillars to understand the CRM concept.

1.3.2 Operational CRM

The operational component of a CRM system deals with the design, planning and implementation of operational CRM activities and offers tools which support day-to-day business in the areas of marketing, sales and service (Torggler, 2008). Operational CRM is in particular focused on automation and thus improvement of customer related business processes. Operational CRM component thus includes various applications such as sales-force automation, marketing automation, service automation. These applications are all automated and integrated and have various functionalities. Most CRM systems have sales and marketing features integrated, meaning that sales & marketing users work together in the single system. Initially, it is the marketing department task to develop successful campaign strategy (marketing automation) with the goal of obtaining as much leads as possible, which are later turned into opportunities by the sales department (sales-force automation), whose job is also to acquire sales through emerging opportunities. Once the sales go through, customer service is provided (service automation). Figure 7 below, describes the whole CRM record life cycle in the Salesforce CRM system.

Figure 7: Salesforce CRM record life cycle
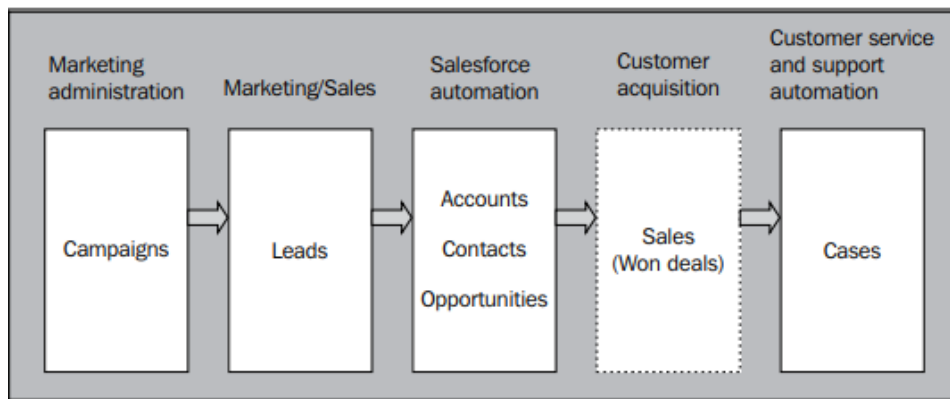
Source: Troggler (2008).

Marketing automation (hereinafter MA): The aim of marketing automation applications is to support marketing processes. The most essential component of marketing automation is campaign management, where the goal is to create awareness of the products or service among the targeted customers. CRM applications are made, so they can support the planning of marketing campaigns, by allowing the users to define their objectives of the campaigns, but also to follow milestones. The most common types of campaigns are: direct mail, online advertising, e-mail etc. MA also provides automated customer segmentation and event.

Salesforce-automation (hereinafter SFA): SFA is today vital element of almost every CRM system. SFA software is normally used to manage all activities within the sales process, by automating repetitive and manual tasks, but also providing information about existing or protentional customers. Thus, the aim of SFA is mostly to help the companies to be exclusively customer-oriented. SFA provides many functionalities, that can make sales person's life easier and of course more efficient. Firstly, it automatically assigns leads, meaning that the task will be automatically assigned to the relevant and predetermined personnel, within the sales department. Secondly, opportunity management within the SFA allows the companies to identify, but also manage opportunities, as they progress through the sales tunnel. Most CRM software have a task management tool, letting the employees know about their upcoming tasks, but also about already completed job related to the opportunities. Moreover, SFA also enables contact management, meaning that sales person can manage, either their contact, or accounts, pipelines. Finally, SFA also provides possibility of product configuration, meaning that applications automatically design and price customized products, services or solutions to problems (Buttle, 2009), which is mostly used for IT solutions.

Service automation (hereinafter SA): Most of CRM systems also contains SA, that is used by the companies, so they can manage their service operations. These services are most typically handled through the contact center, call center, web, or perhaps face to face. The role of SA is to help, reduce service costs, increase productivity, but most importantly improve customer experience. SA enables customer service department to easily track workload. Moreover, it also permits the option to prioritize the services. On the other hand, SA also ensures, that each customer requirement is routed to the relevant customer service agent (according to the agent skills). Most systems automatically communicate with the client at what stage is their issue.

1.3.3 Analytical CRM

Analytical CRM refers to supporting business decision, based on customer data. In other words, analytical CRM is, by relying on modern technology focusing on capturing, storing, integrating, interpreting and using customer data. Its goal is to develop an automated way to obtain insight about a company's best opportunity. Customer data can be found in many different ways; sales data can provide information about customer purchase history. On the other hand, it can tell business for example, what is customer credit score. Moreover, marketing data can provide customer information, on whether the customer is responsive on marketing campaigns. However, business intelligence also provides information about the customer lifestyles. All this information will help companies to determine, which customers are the most valuable to the company, but also who is most likely to respond to a particular offer. This is why, there is a high correlation between operational and analytical CRM, as operational CRM efficiency highly depends on the data, from analytical CRM. The relationship between operational and analytical CRM, as analytical CRM provides all relevant data necessary, so operational CRM can adjust its automation processes

accordingly, is provided in Figure 8 below. Furthermore, Analytical CRM systems can increase revenue in many ways, such as through cross-sell and up-sell campaigns, predicting which customers are most likely to buy, identifying high value customers, increasing brand awareness, and promoting customer satisfaction, loyalty and referrals (Buttle & Iriana, 2006).

Figure 8: Relationship between operational and analytical CRM


Source: Ayyagari (2019).

1.3.4 Collaborative CRM

Collaborative CRM is an approach that enables to collect and share customer information across multiple departments such as sales, marketing, or perhaps technical support. There are two significant aspects of collaborative CRM; Interaction management and channel management. Interaction management process deals with creating a contact or interaction channel process within a company that is unique to customer interaction and eventually increases the level of communication between the two parties (Trujay, 2020). Yet, the contact channel is determined by the customers' preferences, about how they want their interactions treated. For instance, some consumers prefer rather to be contacted by email, whereas some of them instead want direct communication with the agent. It is important for companies to meet the needs of consumers and collect knowledge through these channels of interaction. This knowledge must later be incorporated into the CRM. On the other hand, channel management is about improving the channels through which the consumer communicates. Using the most up-to-date technological aspects to improve channel interaction will assist organizations in contacting customers and collecting information from them to better understand their customers.

1.4 Leading CRM' s software vendors

There are many advantages of using CRM systems, in order to help companies at their performances. Some of the benefits of acquiring CRM systems, have already been mentioned above, such as automation of sales, marketing processes, but following are the most common contributions of CRM systems. Yet the main idea of having a CRM system is to improve business relationships with their customers. A customer relationship management system (CRM) keeps track of all of the interactions and collects essential customer data such as profiles and purchasing history. Furthermore, it makes it available to everyone in the organization. In other words, CRM software can create a centralized database of all customer information, making it easily available to all employees. This means that the staff have access to everything they need to know about the customer and can have a better customer service, which increases customer satisfaction. This is done by relying on CRM analytics, which can be shortly described as a variety of systems and processes aimed at capturing and analyzing all relevant customer data and presenting the results in a user-friendly manner, where the aim is to use the analyzed data to make more accurate, customer-focused business decisions. On the other hand, CRM applications can help automate key tasks, but also evaluate all of the sales data within one centralized location, which can lead to increased sales and productivity. Additionally, CRM applications are designed in a way to support internal communication in the company, meaning that sharing customer data can enrich team work. Finally, the power of CRM platforms is its ability to build applications declaratively using clicks and not code (Shrivastava, 2017).

Figure 9: Customer relationship management (CRM) software market revenues worldwide from 2015 to 2024
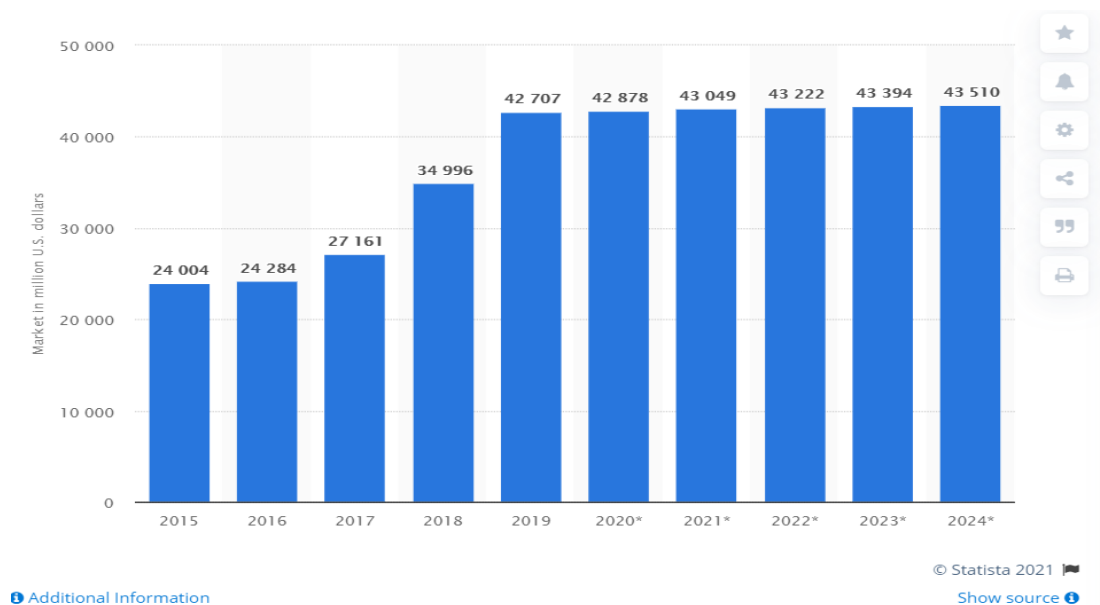
Source: Statista (2021).

With the idea of enhancing customer relationship one on hand, along with increasing revenues and reducing costs on the other, companies can choose among many different vendors of CRM systems, especially as the CRM market is growing continuously. The projected growth of CRM software market is shown in Figure 9 (Statista, 2020). As the market grows, having a CRM system, that effectively support company's business processes with the goal of assisting customers, becomes increasingly important. In this section, the list and description of CRM systems market leaders is provided.

According to Gartner research conducted in 2018, which was presented by Nix United, there are 5 major CRM vendors. From Figure 10, it can be seen, that Salesforce had the in 2018 and 2019 the biggest revenues wot the total of 9.420.5 million dollars, followed by SAP, Oracle, Adobe, Microsoft and others. Similarly, Salesforce had the biggest market share in both years with 18.3%, followed by SAP (8,3%), Oracle (6.0%), Adobe (4,8), Microsoft (2,7%) and the others.

Figure 10: CRM market share

CRM Software Spending by Vendor, Total Software Revenue Worldwide, 2018
(Millions of U.S. Dollars)

Company	2018 Revenue	2018 Share (%)	2019 Revenue	2019 Share (%)
Salesforce	9,420.5	19.5	7,648.1	18.3
SAP	4,012.2	8.3	3,474.4	8.3
Oracle	2,669.0	5.5	2,492.9	6.0
Adobe	2,454.8	5.1	2,017.2	4.8
Microsoft	1,302.0	2.7	1,132.1	2.7
Others	28,371.7	58.8	24,962.0	59.9
Total	**48,230.2**	**100.0**	**41,726.7**	**100.0**

Source: Garther (June 2019)

Source: NIX United (n.d.).

1.4.1 Salesforce

Salesforce was founded by Marc Bebioff, Dave Moellenhoff, Frank Dominguez, and Parker Harris as a software as a service (SaaS) company back in February 1999. Today, Salesforce is the world's number one Customer Relationship Management (CRM) platform, used by more than 150,000 companies worldwide (Thompson, n.d.). Gartner was one of the many analysts, who put the Salesforce as number one CRM software. Salesforce's services enable companies to communicate with, whether the consumers, partners, or potential customers in more efficient way, by using cloud technology. Cloud technology enables enterprises to monitor live data, manage analytics anywhere with continuous updating accuracy. In fact, Salesforce is one of the first enterprises to successfully use cloud-based CRM applications. In other words, Salesforce has been able to take advantage of cloud technology in order to

develop number of applications, that help companies to better communicate with their customers and provide them with meaningful findings into their services, using analytics and applications. As a cloud technology company, Salesforce today offers various cloud-based services including sales cloud, marketing cloud, service cloud, analytics cloud, community cloud services, and so on.

1.4.2 Microsoft

Microsoft is today one of the leading software solutions providers, founded by Bill Gates back in 1975. The company offers variety of software solutions, whether it is for an individual consumer´s needs, or for a business purpose. One of their solutions is also Microsoft CRM solutions, which was firstly introduced as a "Microsoft Business Solution Customer Management 1.0" in 2003. The next generation of Microsoft CRM called CRM 3.0 was released in 2005. The same year, the company decided to rebrand their CRM system to Microsoft Dynamics (version 3.0) under the same name, as we know it today. The system was at that time intended mostly for middle and big size companies. This generation was extremely well accepted, because it was based around Microsoft Outlook and Office and most of the people were already familiar with these tools. The second generation of Microsoft CRM was released in December 2007, as the Microsoft Dynamics CRM 4.0. The new systems had variety of changes expressed in new features such as possibility of data importing, improved security, the systems allowed multiple users to access the program through a single server. On the other hand, the Microsoft Dynamics CRM 4.0. also enabled CRM online. Microsoft´s 3rd generation of CRM was released in 2010 and it enabled new features such as introduction of dashboards allowing the user better visual representation. Microsoft released 2 more generations of their CRM systems in 2013 and 2014, before finally introducing the CRM Dynamics 365. Microsoft 365 stands for all software with cloud-based technology and Dynamics 365 is one of them. Mohta defined Dynamics as the next generation of intelligent business applications in the Cloud (public and private) as well as on premises, expected to transform how businesses use technological solutions to achieve their goals (Mohta & Kasat, 2017). Dynamics today is integrated with Office 365 as well. The main Microsoft advantage is that all infrastructure can be integrated by one vendor.

1.4.3 SAP

SAP (System Analysis and Program Development) was founded in 1972. The company with the headquarter in Walldorf, Germany has during the years expanded from a five-person business to a multinational organization, with more than 101.000 employees. SAP is today one of the world's leading producers of software for the management of business processes, developing solutions that facilitate effective data processing, and information flow across organizations (SAP). SAP holds the same name for one of their main products; ERP. With the launch of SAP R/2 and SAP R/3, the company started their dominance over the ERP market, which continues to this day. SAP has currently over 230 million of cloud-based service customers and over 100 applications covering all business functions. The company

has over the years developed different modules, which can be added, or integrated to the newest central ERP system called SAP S/4HANA. One of them is SAP CRM and is a part of so-called SAP business suite. As part of the SAP Business Suite SAP CRM allows dynamic and transparent solutions that can support either applications, databases, operating systems or hardware platforms from the most of major suppliers.

1.4.4 Oracle (Siebel)

Thomas M. Siebel and Patricia House started Siebel systems in 1993. Their company was growing rapidly by the end of 1996. Oracle, one of the most successful software solution firms, especially in the field of databases, acknowledged Siebel's performance and potential by acquiring them in 2006 for 5,8 billion $. During the time, when the biggest competition was dealing with research and development of ERP systems, Siebel was already offering CRM products and investing in its development. Sibel was therefore considered as a pioneer of CRM sales automation solutions. Before that, Oracle also bought PeopleSoft, one of the major CRM suppliers, in 2004. Today, Oracle CRM solutions are still selling as Siebel CRM. Most of the Siebel CRM solutions are based on Oracle databases and offer similar packages of CRM solutions are the rest of the competition. Oracle provides robust market intelligence and analytics as well as data processing tools that are all integrated with the CRM on demand platform. Furthermore, the latest version of Oracle CRM platform has also a possibility of mobile sales solution.

1.5 CRM methodologies and implementation

CRM implementation is a challenging process. It necessitates qualified technical staff, well-designed business processes and flows, and adequate technology. Any plan could fail to achieve the company goals if the processes are not well designed; according to researches of Gartner group, around half of all CRM projects fail to meet their expectations (Coltman,2006). Because of this high number, many researchers started developing different methodologies and guidelines for CRM implementation with a goal to find a solution to this problem. In this section I will present several of these frameworks. One of the well accepted methodologies, that I will also rely on in my further analysis is the methodology for customer relationship management presented by Ricardo Chalmeta, known as the CRM- Iris methodology.

This methodology was developed by the IRIS Group at the Universitat Jaume I in Castellon, Spain. They have worked on the CRM-Iris project, since the year 2000. The project's goal was to establish and validate a systematic methodology for guidance of the creation and implementation of a CRM system. Lately, the demand for customer-centric approach in CRM systems is increasing. Because of that, the methodologies and solutions proposed by providers are drifting from the traditional information technology infrastructure to a more personal one, that will allow them to expand their resources, by using a model that is more aligned with the business needs and demands of their clients. Having this in mind, the

methodology exhibited by Chalmeta focused on creating an integrated methodology, that starts with identifying the organization strategy, review of the strong and weak points of customer-focused operations, information technology, and lastly financial control.

Figure 11: CRM-Iris methodology.
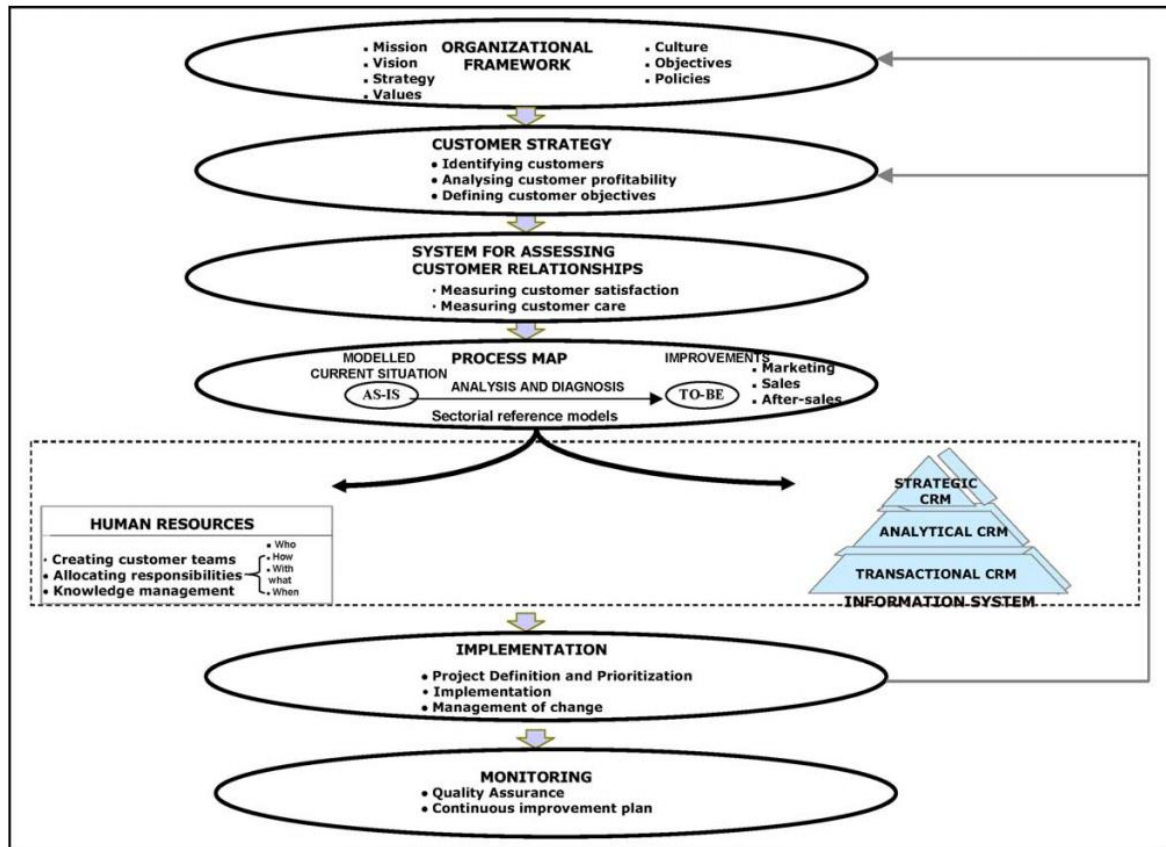
Source: Chalmeta (2006).

CRM- Iris methodology presented in Figure 11 is composed of the following activities: project management and prerequisites, definition of the organization framework, definition of customer strategy, designing a customer relationship assessment system, process map, human resources organization and management, construction of the information system, implementation, and monitoring.

The project management and prerequisites emphasize, that the CRM project should be created as a collection of activities, which are required to yield results within a specific time frame. Therefore, at the start it is necessary to raise management awareness, identify the project´s goals, form a committee, appoint a coordinator, and receive approval on the project plan. Moreover, it is important to track the project´s implementation to prevent time slippage, prevent resistance to change, and evaluate the degree of participation of the employees. To accomplish this, project management must rely on engineering techniques to assist with the formulation, assessment and monitoring phases.

As we can see in Figure 11 the first step is the organizational framework, where the vision, mission, strategies, culture and aim of the company are defined. After that, companies should clearly define their customer strategy, by identifying and categorizing their customers. Yet, they should also analyze, how profitable are the customers, and based on that define its objectives. The following activity is designing a customer relationship assessment system, where in order to increase customer satisfaction, firms need to identify the needs and expectations of the consumers and measure them, in order to be able to meet them accordingly. This involves a measurement system creation, that is fed with data, either from direct feedback from the customer, or from company's computer system. Following that, the process map is developed, which entails redesigning business processes to become more customer-centric, by evaluating the current state (AS-IS) and planning the future state (TO-BE). The human resource department must then be informed about the CRM initiative, its relevance, and how to use it. Yet, it is critical to have the right technologies for automating and improving business processes, associated with managing the company's relationships with its clients available.

CRM technology (computer systems) should address 4 major areas: operational, analytical, strategic, and e-CRM. The implementation stage follows, which entails determining, how to transition from the old (AS-IS stage) to the new (TO-BE stage) by prioritizing operations, executing short-term initiatives, and effectively handling the change, that will sooner or later go, with the conversion. Within the organization's physical and financial capacities, the implementation strategy can be divided into a set of feasible projects. Finally, it is important to keep an eye on the metrics, that were established during the initial project management stage, and to appropriately respond if there are any mismatches.

Another methodology that was recommended for CRM implementation is the Six Sigma framework for software process improvements and its implementation, developed by Zhedan and others in 2007. They suggested the most important Critical success factors (hereinafter CSF) for CRM implementation, through measurement, management engagement, CRM concept training, time and budget management, but also minimizing customization. Then, taking into account the revealed CSF, they devised a strategy to incorporate the Six Sigma's Define, measure, analyze, improve, and control also known as the DMAIC methodology, with the CRM implementation process. Moreover, the authors also defined Six Sigma as a business management approach aimed at enhancing customer satisfaction, business process improvement, delivery on time.

We can also present the framework for CRM implementation, developed by Jun-Wu (2008). Taking holistic approach, the goal of this methodology is to find a major factor influencing the CRM implementation. Based on this approach, the implementation of CRM is divided into six connected stages; exploring and analyzing, visioning, building business case, planning and designing solution, implementing and integrating, and finally realizing value.

Similarly, as have been already described above, this methodology also emphasizes people, process, and technology, as the key components of CRM.

All the methodologies presented above, point out the importance of selecting the right CRM framework, different measurements are established in order to achieve CRM project objectives, as well as monitoring activities to increase the effectiveness of the implementation. The study of the company's vision, purpose, goals, strategies and culture are the first step in the Iris -CRM approach. On the other hand, Six Sigma begins by identifying the CRM project's priorities and aligning them with the organization's goals. Jun-Wu, however starts by conducting a CRM audit.

Even though, all these methodologies are similar, they differentiate themselves by several characteristics. Comparing to the other two methodologies, Iris-CRM expresses the need for a business to establish and define a customer strategy, where the company's customers are described, their profitability is measured, but also their goals are defined. Furthermore, Iris builds a measuring scheme for evaluating customer relations, including customer relations and customer care. The same cannot be said for the other two methodologies. In the rest of this paper, I will use the Iris methodology as a reference for success of CRM implementation.

2 HUMAN RESOURCE MANAGEMENT

2.1 Definition of Human Resource Management

Economy has changed over the last few decades, where the development of it is not based just on natural resources. Rather than that, its development today increasingly depends on knowledge (Desai, Nijkamp & Stough, 2011). From this reason, Human Resource Management (hereinafter HRM) has been recognized, as having an essential role of corporate strategy development. Many companies have realized the importance of human resources, as being one of the most important assets for their business. In order to support this statement, many researches have been made. For instance, Arthur, Delery and Doty in their study proved the positive tradeoff, between superior firm performance and high performance of human resource practices. Similarly, studies have also demonstrated, how HR practices lead to greater performance of a particular organization. (Becker and Gerhart, 1996; Delery, 1998 & Wright and Sherman, 1999).

Human resource management as a term is often used interchangeably with the term human resources (HR). HRM can be defined, as a discipline of finding the right people, placing them in the right jobs, training and developing them for better performance, providing for and sustaining their motivation through the quality of work life (Putti, 2015). HRM activities includes conducting job analyses, planning personnel needs, recruiting the right people for the job, orienting and training, managing wages and salaries, providing benefits and incentives, evaluating performance, resolving disputes, and communicating with all

employees at all levels (Ivanova, 2015). Similarly, Armstrong described HRM as coherent approach to the management of an organization's most valued assets- the people working there, who individually and collectively contribute to the achievement of its objectives (Armstrong, 2006). (Storey 1995) added, that HRM as a distinctive approach to employment management, seeks to achieve competitive advantage through the strategic deployment if a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques.

2.2 Aims and roles of HRM

The overall purpose of human resource management is to ensure that the organization is able to achieve success through people (Armstrong, 2006). Similarly, Henarath described the goal of HRM is to generate and retain an appropriate and contented human (employee) force, which gives the maximum individual contribution to organizational success. Many authors have discussed different views of the aims and roles of HRM. Armstrong pointed out several aims of HRM; organizational effectiveness, human capital, knowledge management, reward management, employee relations, meeting diverse needs, and bridging the gap between rhetoric and reality.

HRM objective is to provide organizational effectiveness in the company. They do this, by implementing policies in areas, such as information management, talent management, and building a great place to work. Another field HRM is concerned with is Human Capital Management (hereinafter HCM). As being mentioned above, human capital is one of the most important assets of the companies, besides of physical assets (equipment, buildings), intangible assets (designs), and financial assets (stocks, securities). This being said, it is important to emphasize, that human assets are most essential for the organizations, since they manage, guide, but also control the use of other assets in order to achieve companies long and short- term objectives.

Human capital can be defined as the sum of people (employees) experience, knowledge, skills, and talents. The companies can invest in human capital through several activities such as recruiting of workers, training them or building their work experience. One of the many authors that have discussed people being the firm's primary source of competences and capabilities, are Hamel and Prahald, 1994. More precisely, they pointed out, that human capital (hereinafter HC) can be attributed to the majority of a company's capabilities, making it crucial asset for establishing competitive advantages. On the other hand, HC may be having various uncertainties. For instance, performance of employees may not be efficient as it was, over some time, there can be different job responsibilities. Furthermore, the workforce required can vary depending on situation on the market, or there may be unforeseen demands for skills that employees lack. Finally, human resource cost, such as employment, pensions, and insurance can also be unpredictable and are trying to be foreseen by HR department.

HRM is also dealing with knowledge management. In today's knowledge-based business, companies must constantly adapt. That adaptation process means, that they explore and assimilate new knowledge – knowledge generation – and exploit existing knowledge – knowledge sharing to foster innovation and, consequently, survive (Ergazakis, Metaxiotis & Psarras, 2006; Vrontis, Thrassou, Santoro & Papa, 2017). HRM's goal here is to try to help employees acquire firm-specific expertise. Reward management is one of the basic areas of HRM responsibilities. It is associated with the methods and practices, which are necessary to make sure, that people's worth and contributions to the achievement of corporate, departmental, and team goals are appreciated and, thus rewarded.

People are at the center of reward management; firstly, workers who are rewarded for their hard work and time invested as well as directors and managers or others, who manage and attribute rewards. The rewards schemes are based on a reward strategy, that derives from the company strategy, such as gaining a competitive advantage, as well as the HR strategy. The role of HR here is to focus on satisfying the people, but also business's needs. HRM is also in charge of directing relationships. Through collaborations, between management and workers, the goal is to establish an environment in which healthy and positive relations can be sustained. Companies today are enhancing the importance of diversity, as it enables the different set of talents, skills and expertise. Therefore, it is HRM responsibility to deliver diverse workforce, taking into account differences in jobs, personal needs, expectations, but also to ensure equal opportunities for everyone.

On the other hand, (Mathis & Jackson, 2006), have summarized the roles of HRM on three different parts; administrative, operational or employee advocate, and strategic role. HRM's administrative position is primarily responsible for clerical task, as is for example record keeping, which is still key function of HRM. However, HRM administrative function has been highly influenced as a result of most recent technological advancements and outsourcing. The new technology enables the users in HRM to perform some tasks, such as recruitment or job posting electronically, allowing their work to be more efficient and productive. On the contrary, the outsourcing trend is increasing, and thus some HRM basic operations, such as recruiting, selection, and training are outsourced.

HRM operational or advocate role refers to the highly visible, day-to-day tactical operations, that are required to keep a workforce running (Balance Point, 2017). Sometimes operational HRM can be regarded as top-level administrators as interviewing, recruiting, and hiring are all the activities they are responsible for. In other words, HRM specialist are required to define and execute required policies in coordination with operating managers, when performing operational roles. However, it is also operational HRM (advocate) responsibility to ensure better work conditions, where all workers are treated fairly and equally.

Strategic human resource management (SHRM) is the comprehensive set of managerial activities and tasks, related to developing and maintaining a qualified workforce (Fried &

Fottler,2010) and is focused on putting in place different strategies, that can contribute in achieving the long-term objectives. In other words, through handling human resource in a business-like manner, managers can become strategic contributors to the organizational success. Their work includes long-term planning, meaning that, they need to create long-term HR strategies for the company, support for other departments with HR tasks, so that HR policies can be implemented efficiently etc.

2.3 Business processes of typical Human resource company

HRM business process includes different stages, from workforce planning, to promotion and training. The Figure 12 below, represents typical business process of the human resource companies including workforce planning, recruitment, selection, determination of wages and benefits, professional orientation, as well as adaptation, training, coaching, evaluation of work, management training, and promotion/ demotion. At the same time, these activities are the main source of a HRM firm's income. Depending on the company and their strategy, several of these activities are grouped as offers to be marketed to potential clients. Planning, recruiting, and selection are often suggested, as a package of services. Activities, such as training/ coaching, evaluation of work are in most cases offered as additional services. Workforce planning recruitment, and selection from the Figure 12 will be described in detail in this section.

Figure 12: Human resource Business process
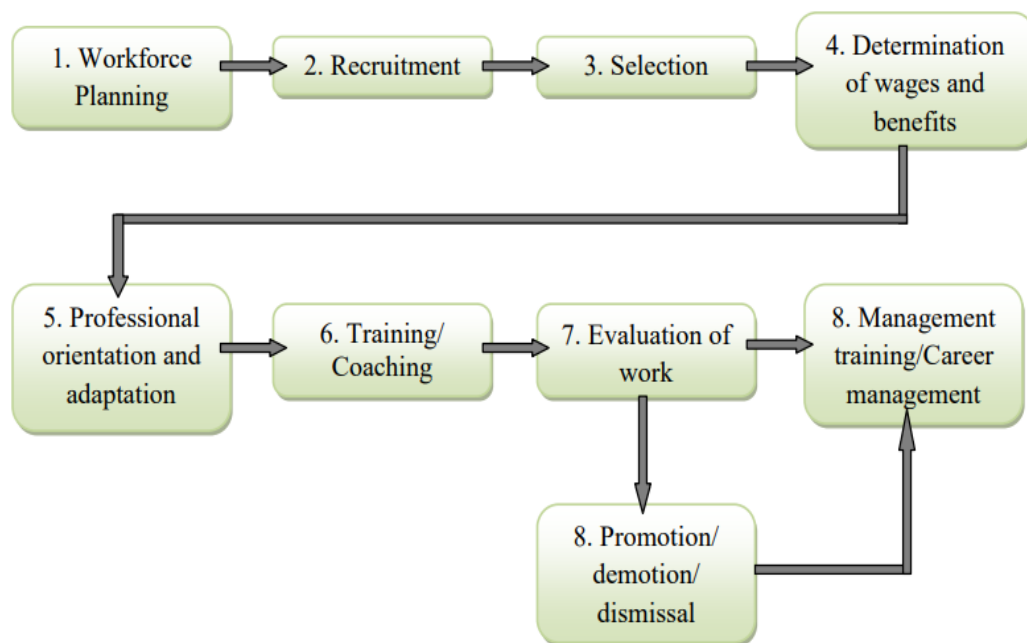
Source: Ivanova (2015).

28

2.3.1. Workforce planning

People are the most important capital of the companies. They are heavily investing in identifying those, that can add value to, and lead, their organizations effectively into the uncertain future in today's highly competitive global market (O'Meara & Petzall, 2013). Workers are replaced on regular basis for a number of reasons, including business growth, firing of employees, due to poor results, retirement, promotion etc. On the other hand, the demand for workforce is constantly changing, due to market expansions, increased investments, or perhaps introduction of new products/ services. Yet, an organization's efficiency, success, and profitability are all highly dependent on providing a high-quality workforce. In order for companies to successfully perform recruitment and selection processes, a good workforce strategy is required. In other words, HR must understand the organizational needs; what types of staff does the company need, or how many do they need. This is why, human resource planning is required and is the first activity in HR working process. It can be summarized as a strategy for acquisition, utilization, improvement, and retention for organization's human resources (Joshi, 2013).

The same author also suggested, that workforce planning is dealing with an estimation and forecast of labor. In order to make a proper estimation, the companies need to go through careful examination of their current workforce at all levels. More precisely, companies and especially HRM want to know, what amount of work is performed by particular employee and, what is the quality of his work. By doing so, companies can evaluate, how workforce is used at given moment, but can also identify, whether there are any gaps. Based on the goals and objectives on one hand, and data obtained on the other, the forecast for the future can be made.

Putti also emphasizes the importance of forecasting, being part of human resource planning and suggests several forecasting methods, that can be used by the companies, such as survey method, econometric method, or ratio analysis. The survey method actually means questionnaires or survey tools, as well as interviews are used to probe the respondents selected for the survey. On the other hand, econometric method is focused on statistical data analysis and prediction techniques. They assist in determining the historical relationships, between employee strength or sales and many independent variables. Similarly, ratio analysis entails examining the relationships between any two variables, with the assumption, that there is relationship between them. By using the relationships, future human resource requirements are forecasted. Once the estimation and forecast are developed, HRM must come with the plan how to reach their objectives. In order to achieve the goals, the strategy should include all activities required whether, for recruitment or hiring. Yet, companies must also take into consideration labor law and be careful not to violate any employment contract. Planning, however also involves developing strategies and plans to make sure, the appropriate number and type of manpower is educated.

Joshi M. had further categorized; what kind of decisions must be taken considering workforce planning. He explained, that different decisions are made based on the workforce category; Existing, employees, new employees, potential employees, leavers. A deeper look into his analysis is provided in Figure 13 below.

Figure 13: Workforce planning

| Category	Decisions to be taken regarding:
Existing employees	• Performance appraisal • Productivity • Deployment • Equal opportunities • Education and training • Remuneration • Promotion and career development
New employees	• Recruitment – sources and methods • Selection procedure • Terms of employment • Induction • On-the-job and additional training
Potential employees	• Recruitment – sources and methods • Public relations • Remuneration levels • Employee benefits
Leavers	• Dismissal for inadequate performance, etc. • Retirement • Redundancy procedure • Employee turnover

Source: Joshi (2013).

2.3.2. Recruitment and Selection

HRM companies work on activities including identifying, attracting, interviewing, selecting, hiring, and onboarding employees. The recruitment and selection process of a company includes everything, from identifying a staffing requirement, to filling it (Smart Recruiters, n.d.) and are therefore considered as one of the most important aspects of HRM. Devi and Banu, 2014, have simplified the definition of recruitment by explaining it, as the process of searching the candidates for employment and stimulating them to apply for jobs in the organization. Yet, the main goal of any recruitment strategy is to attract high-quality candidates in the most accurate, price, and time- efficient manner possible. After the companies determine, what type of workforce they are looking for, they need to find them and persuade to apply. On the other hand, selection is the process of picking or choosing the right candidate, who is most suitable for a vacant job position in an organization (Tutorials point, n.d.).

There are numerous ways, how companies can find potential employees, but normally, recruitment can be divided into two categories; internal sources and external sources recruitment (Figure 14). As internal sources of recruitment are considered all employees, who already work in the company and may be transferred or promoted to another position. Under the same category also falls the former workforce, who may perhaps rejoin the company. This is why, internal recruitment is used to fill vacancies by promoting, re-hiring, and transferring employees, within the company. Internal sources recruitment may feel much more optimal and cheaper, than external ones, especially because HRM knows the capabilities of their employees, but also on the other side, the employees are more aware of company's working methods. Beside internal sources of recruitment, there are many different ways, how companies can get potential new employees. Recruiting companies are considered as an external source of recruitment, who directly work with their clients (organizations) to acquire workforce, who best fits the client's needs.

There are many reasons, why companies are looking for a workforce through external recruiting companies. Most often these may be because of lack of time, due to the primary focus on every day operations. Yet, the main argument for choosing an external source of recruitment may be, that the employment companies have already established a workforce network meaning, that they can quickly and efficiently provide the required manpower. Most of the employment companies also offer service of payroll meaning, that a selected workforce is under their payroll. Advertisement is also considered as an external source, either if it's done by HRM itself, or through employment companies. Part of external sourcing are also educational institutions, who offer jobs to their students. The rest of the external sources are represented in the Figure 14 below.

Figure 14: Sources of recruitment
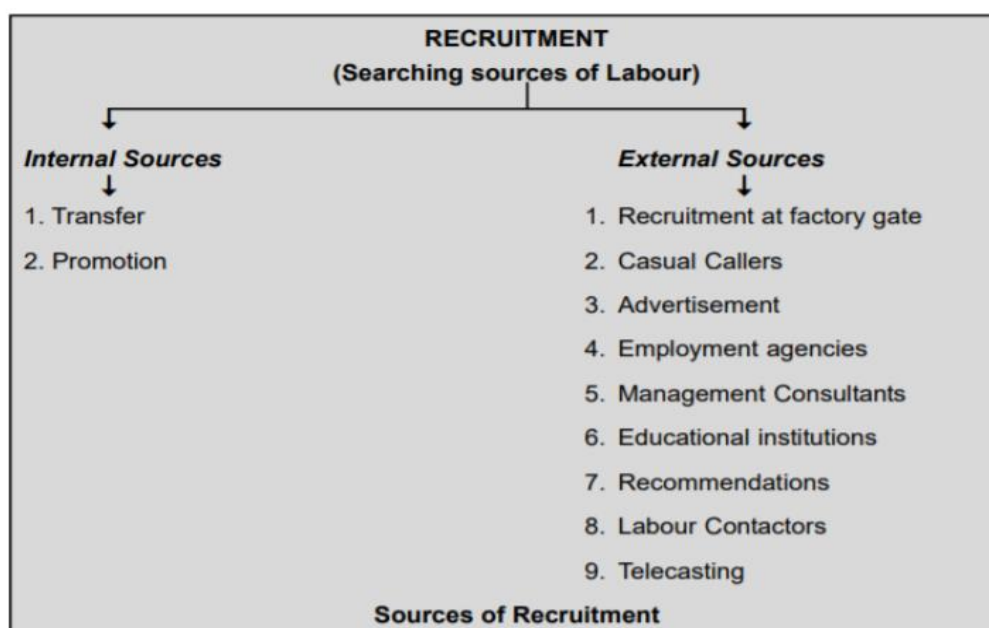
Source: Toppr (n.d.).

Companies compete for the candidates to fill similar vacancies, making recruitment extremely competitive. Both employers and employees can negotiate for the best possible result for themselves, which often results in higher competition. Therefore, it is vital for the companies to have structured and well-defined recruitment and selection process.

In order to have a clear picture of how, the process of selection and recruitment functions, we need to understand all their activities. Figure 15 below, demonstrates the typical recruitment and selection process of a company. At this point it is crucial to understand the difference, between recruitment and selection. Recruitment is the process, by which potential applicants are identified and encouraged to apply for a current or anticipated vacancy, whereas selection stands for choosing the right employees from among the shortlisted candidates and providing them with a job in the organization (SpriggHR, n.d.). After doing a job analysis, which has already been explained in the workforce planning section above, the very first step the HRM should take is to look internally, and perhaps make internal changes, before making any job-related advertisements.

As already mentioned, attracting of existing employees may be more simple and cheaper, as they are already familiar with the policies of the company. The only thing required is usually additional training. In case, internal movement does not bring the desired results, companies focus on recruitment from external sources by writing a job post. By doing so, the companies inform people about the availability of a specific job position. Advertisement must be made in such a manner to target and attract the perfect candidates for a specific open job position. By focusing on that, companies save their time and money. More precisely, the advertisement should contain the job tittle, job location, job responsibilities, job requirements, benefits of joining the company, and at last, the applying instructions. Once a job advertisement is written, it also needs to be published. Today, internet has become the primary advertisement channel and therefore companies can use their own webpage, social medias (LinkedIn, Facebook), or job portals (Mojedelo) for the purpose of recruitment.

Next phase is called selection panel. The panel symbolizes a group of employees and managers, who work together to interview, but also choose a candidate for a certain job position. The selection panel may be useful, since it can create diverse viewpoints on one hand, but can also eliminate possible errors and benefit the department by engaging other employees in the hiring process on the other. First screening of the candidates is based on their Curriculum Vitae (hereinafter CV) and motivational letter. For this selection step it is very helpful, that the employer has already stated the job requirements in the previously published advertisement. In most cases, companies receive a high number of applications. Thus, in order not to waste valuable time, the candidates with incompatible CV's and motivational letters don´t make it to the next step. To those, usually a letter of rejection is sent. To applicates, who have passed these steps, a 1st interview is scheduled.

Once, the first interview is completed, companies usually make a quick reference check to make sure the information from CV is true. However, they need permit from the candidate first. Then organizations invite applicants for a second interview, if they are still on the list. The 2nd interview is more about trying to get to know the candidate. In most cases, especially for a higher-level position, which also brings higher responsibly, the applicant usually needs to take a test so the HRM checks his skills. Sometimes, especially when there are many candidates with similar set of skills, HRM needs to determine, whether they have a need to take an extra selection method. After that, the company needs to make final decision. Business must recognize, who fits best in the company, has the best skills, and is the most valuable addition to the company. Once the candidate is chosen, offer is made and by that, recruitment and selection process end.

Figure 15: A typical Recruitment and Selection process
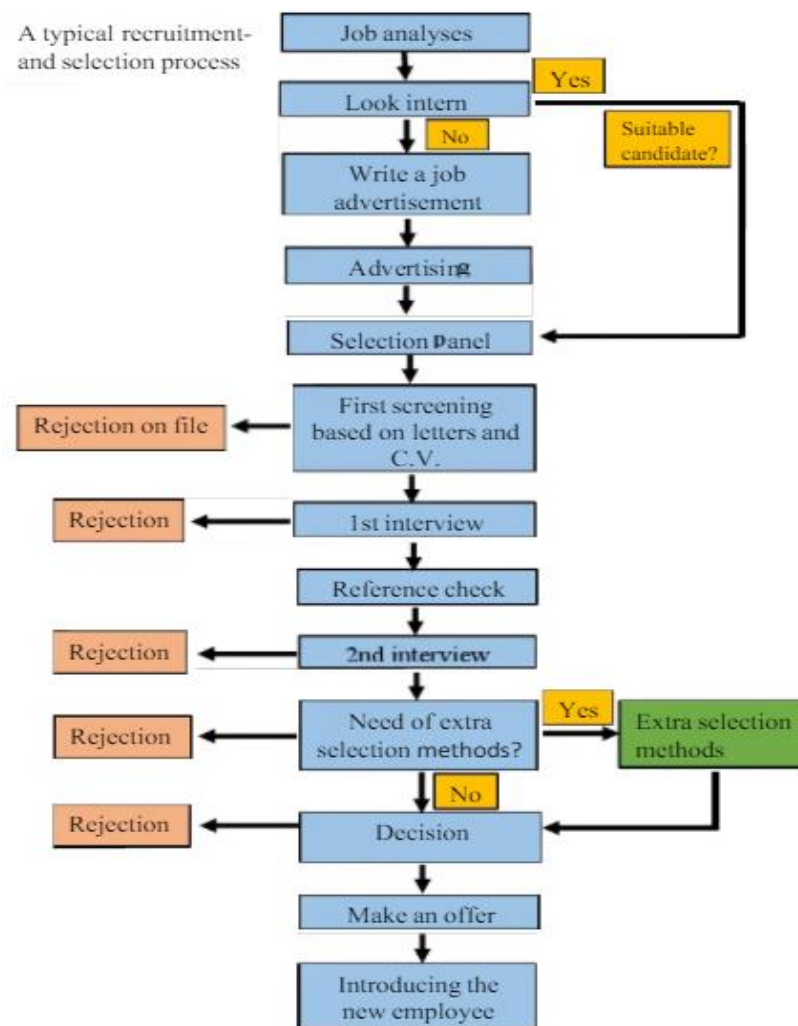
Source: Dayal (2017).

3 ABOUT THE COMPANY

3.1 Company presentation

The chosen HR company was founded as an engineering consulting firm in Schwadorf, Austria, in 1985. Over three decades it has grown into an international company, that provides comprehensive human resource services, and it is now one of the leading companies for the provision of employment and personnel consulting services in Central and Eastern Europe. The company currently operates in 14 countries; Austria, Bulgaria, Croatia, Czech Republic, Germany, Greece, Hungary, Liechtenstein, Poland, Romania, Slovakia, Slovenia, Switzerland, and Turkey. This company developed a huge international network with more than 7000 partnering companies, from all economic sectors and currently has around 40.000 employees and serves over 10.000 customers, across 200 different branches. Because the company is part of an international group, there are many procedures and processes related to the central administration and owners, but they are tailored to the local legislation, culture, and societal conditions.

The corporation has been present in Slovenia since 2001, has been registered as medium-sized limited liability company, and has their business units located in Ljubljana, Maribor, Celje and Novo Mesto. The company in Slovenia has recorded over 26 million euros of revenue. With assets of 6 million and equity of 3 million euros in 2019, the firm has reached net profits of almost 300 thousand euros the same year. In 2019, the chosen company counted around 1 thousand employees, domestically. A summary of their financial performance is given for the year 2018 and 2019 in the table 3 below.

Table 3: Financial data of the analyzed HR company in Slovenia (in EUR)

	2018	**2019**	**Index**
Net revenues from sales	28.888.643	26.755.521	0,93
Net profit or loss for current period	461.149	299.173	0,65
Assets	5.595.748	6.378.376	1,14
Equity	2.842.330	3.141.503	1,11
Short-term Liquidity Ratio	1,6	1,8	1,13
Net return on capital	16,22	10	0,59
Working capital	1.582.928	2.036.903	1,29
Financial debt/EBIDTA	2,9	5,4	1,86
EBIDTA	596.295	490.446	0,82
EBIDTA ratio	2,06	1,83	0,89
Number of employees	1.328,75	1.086,00	0,82

Source: Bizi (2021).

3.2 Organizational structure

The chosen Human resource company currently employs 36 people internally in Slovenia. The company's management is based in Ljubljana, whereas the recruitment and selection of candidates takes places in different business units across Slovenia; Ljubljana, Maribor, Celje and Novo Mesto. As it is represented in Figure 16 below, there is head of business development, marketing and employment, as well as head of sales and business units. Lastly, there is also a head of finance and accounting. Head of sales is working directly with the recruiting department, who is responsible for recruitment and selection, once the agreement is reached by the head of sales with a third party. As demonstrated and already mentioned before, recruiting has different units across Slovenia. Besides that, there are also marketing and employment department, who is mostly responsible for administrative tasks and documentation required for the employment procedure. Finally, there are also the payroll department, as well as the department for finance and accounting, who report directly to the head of finance and accounting. The department, who performs candidate selection consists of 15 employees. More precisely, 6 of them are in Ljubljana, 4 in Maribor, and 5 in Celje.

Figure 16: Organizational structure of chosen HRM company
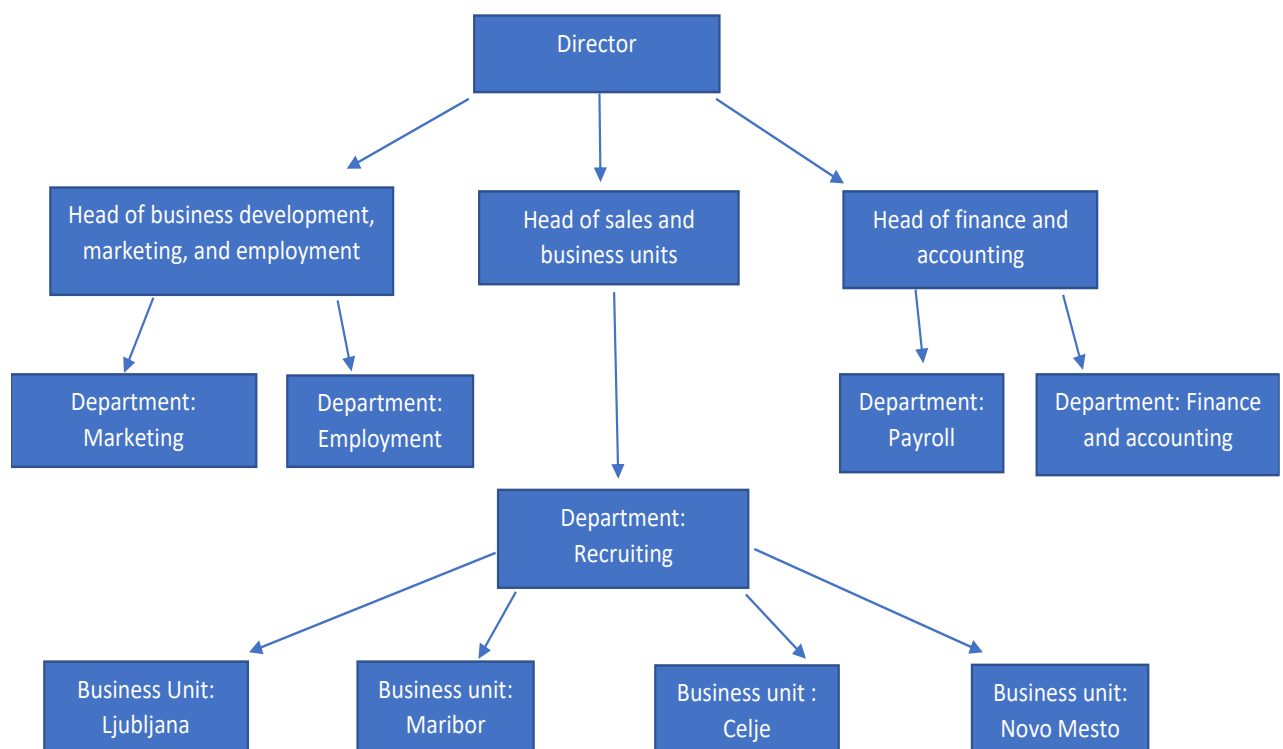
Source: Chosen HRM company (2021).

3.3 Company's main services

The main focus of the company is to provide employment at the other organizations (user/ client) by finding and selecting relevant candidates. The workforce provider hires workers based on the needs of the client and then sends them to work for the client. The chosen company solutions are categorized into 3 main parts; staffing, HR, and "other" services.

Staffing solutions consists of 3 different services; temporary placement, permanent placement, and international recruitment. Temporary placement is a service in which workers, who have a regular employment relationship with chosen company are referred to another employer / user. As a result, the company assumes all labor and legal responsibilities, as well as deadline adherence. On the other hand, permanent placement is a service, where employers to which chosen company sends workers can eventually after certain period of time re-employ or take over them in their company. However, in both cases the HR companies do recruitment and selection process. Lastly, they also offer international recruitment meaning that they provide an analysis of needs, search implementation, selection process, transportation and lodging regulation, and management of all related administration.

Company also offers different HR services. One of them are payroll services. At the request of the employer/user, the chosen HR company takes over their employees and includes them in a regular employment relationship. Yet, these workers remain part of the collective in the user company. The user pays the cost incurred for them (sick leave, leave, holiday pay, etc.). Due to today's dynamics business environment, many companies are forced to make decisions, related to reorganization or downsizing of their workforce. Therefore, in case of redundancies company also offer service called "outplacement", meaning that the programs are tailored to the requirements and need of employees re-entering the labor market. In other words, by implementing outplacement the HR company encourage employees on their way to a new job. On the other hand, more and more new skills are required of employees. Therefore, the HR company also enables effective employee training through their e-platform, which represents comprehensive support for corporate e-learning. It is tailored, according to the needs of each company and employee. The platform can be accessible anytime and anywhere. Moreover, HR firm also provide administration service, meaning that they take care for the entire personnel administration, keep records etc. Additionally, they also offer psychological testing.

Other services of HR firm include advertisements, job market place analysis, headhunting. Job market place analysis helps the companies to have a good knowledge of the competition, the current labor market situation, and changes in business's working conditions, which are prerequisites for successful business, satisfied employees, and increased business productivity. On the other hand, HR company also creates the entire advertisement, from the ad's content to the appropriate media, where the ad is published. Lastly, company offers also

their headhunting solution, or in other words direct search, which enables to obtain candidates form the desired group goals as efficiently as possible and present only those candidates, who are the best fit for the client.

3.4 Company's CRM system

The chosen HRM company is for their needs using Salesforce CRM system. Salesforce currently offers many different products, which depends either by needs, industry, or size of the company. Depending on the client needs, Salesforce offers different modules within their platform. Customer 360 is a Salesforce CRM product, that includes all their modules, such as sales, service, marketing, commerce, engagement, analytics, communities, productivity, and more. In Figure 17, we can see the list of all of their products, that are currently offered.

Figure 17: Salesforce functionalities
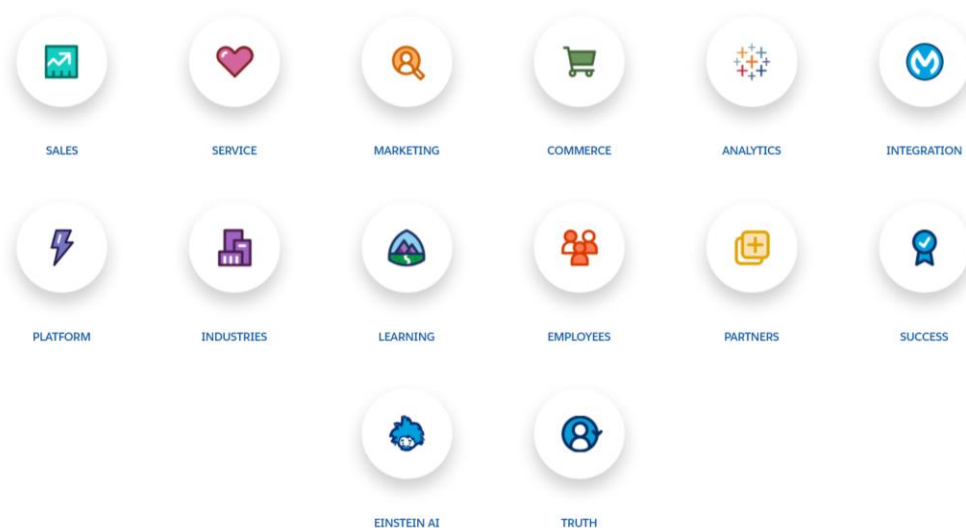
Source: Salesforce (2021).

Sales, service, and marketing are the 3 basic modules offered by every CRM system. By having the sales module clients can manage their leads, monitor pipelines, but also automate their tasks, in order to optimize their sales process. The service module is useful for the customer service aspect, delivering better customer experience and after sales support. The marketing tool is also very important for a company, enabling more successful advertisement and brand image. Salesforce also offers commerce cloud tool, which is mostly used by e-commerce companies. Analytics may also be very important, because it enables the users to have clearer picture of their previous performances, as well as the forecasts. Integration is also very useful functionality, which allows the users to connect their data, applications, and devices in one place.

The Salesforce platform permits the development of enterprise-quality applications, that assist businesses in achieving their objectives from anywhere. However, Salesforce is capable of offering different customizable modules for different industries. Improving the learning experience, engaging the employees, expanding partners network and building success plans are also options, that can be added within the platform. Finally, Salesforce can include Einstein AI (artificial intelligence) to automize the time-consuming activities and Truth, enables better customer experience and customization. The HRM company is currently, for the purpose of their everyday operations using Sales module. Additionally, they have also developed tailored made recruiting module for the purpose of recruitment and selection. The main functionalities they obtained were centralized database for candidate's management, analytics and reporting of candidates and their projects, interview scheduling, as well as a general dashboard analytics view.

4 ANALYSIS OF CRM USAGE IN THE COMPANY

For the purpose of the analysis of this Master thesis, I have conducted an interview with the head of business development, marketing and employment, as well as with head of Sales of the selected company. Both interviews were conducted in May 2021 and lasted approximately 1 hour. The questionnaire can be found in appendix 2.

I provided them with the questioners, followed by deep discussion in regards to CRM implementation. The choosing and implementation processes were discussed, as well as the future expectations and additional expansions expected.

4.1 Analysis of CRM implementation

The HRM company decided to bring Salesforce in 2017 and finalize the implementation at the beginning of 2019. In this part I will analyze the step-by-step implementation of CRM of this selected HRM company. Their implementation will be compared to the reference methodology CRM IRIS for successful implementation, which was described above.

Because the first step of selecting the right CRM vendor is challenging and is a decision, that will affect the performance of the company on the long-run, the HRM firm has predefined the most important criteria, which were later taken into account for the final vendor selection. The very first and most important features the HRM company was expecting from the CRM system, were appropriate functionalities of the system itself. Secondly, they also wanted a system, where customization could be done easily. Yet, before they made a final decision, they also wanted to make sure, that CRM system is indeed subject of good practice. In other words, the company has made some inquiries with their business partners, who were already CRM users, whether or not, they are satisfied with their CRM system; in this case, Salesforce. On the other hand, the price of the CRM system also needed to be aligned with their budget.

The main reasons, why HRM company decided to invest into CRM system were mostly, because they wanted to optimize and digitalize their two major processes; sales and recruitment & selection, which would eventually lead into a better business performance and higher productivity. Digitalization would enable them shorter and faster processes, because it would eliminate some time-consuming steps in the processes, such as paperwork. More precisely, with the CRM introduction, this HRM company wanted to find a solution for their main business problems. They needed to accelerate the process of selection and recruitment to be more efficient. The digitalization of the processes would help find the best candidate in the most efficient time. Additionally, they also wanted to increase the customer satisfaction and improve the forecast.

According to the IRIS methodology, the project management and prerequisites CRM projects should be designed as a group of activities, that are expected to provide results within a certain time period. The company on a Group level has carefully planned their implementation for 1 year and a half. They started by defining their goals, and timeline for implementation in each country, where the company operates. Along with that, they also prepared a budget plan and determined, which resources are going to be used in the process of implementation. One of the most important assets, that had to be carefully considered was human resource, especially IT personnel, who were involved during CRM introduction. Moreover, the company created additional position for the sole purpose of this project, by employing a project business manager to coordinate and lead, towards a successful implementation. Starting the process, by identifying the projects goals and later on forming a well-planned sequence of activities, specifically for the purpose of this CRM project, indicates that the company understood the main challenges of a proper integration, since a similar approach was suggested by the IRIS methodology, which is today recognized as a good practice of CRM execution.

In the previous section all Salesforces tools were described in detail. However, the company uses only Salesforce's sales module and have additionally developed customized functionality for the selection and recruitment process. Yet, one of the most important features of CRM, the company obtained with Salesforce is lead management. Today almost every CRM system offers this feature and lead management is especially crucial for this HRM organization, as system serves as a database, where all data about their clients, as well their candidates, who apply for certain position gathers. Despite the fact, that candidates may not be selected, their data is still stored in Salesforce. This gives recruiters an opportunity for easier and faster recruitment, as the candidates can be easily filtered, and identified in the database. The team has direct access to their clients' profiles, demands, and previous activities. One of the options, that the company is using is Salesforce statistics to measure, the performance of their own employees. They can easily access and check the key performance indicators of the performance for particular worker, such as number of 1st and 2nd interviews they have made, numbers of calls, and of course number of workers they employed at the client. By doing so, they managed to optimize their recruitment and

selection process. This data can be easily analyzed and updated and enables the firm to provide more personalized services to each client.

Still, the HRM firm has not fully integrated all their activities into the system. Besides CRM, they are currently using several others operational systems. For the purpose of employment and payrolls of all external employees, as well as for accounting purposes, they are still relying on other systems, that are independent from Salesforce. On the other hand, for promotional purposes the HRM company is using external marketing platform, yet all marketing applications are integrated into the Salesforce and this is, how the data are collected and added to the CRM system. Obviously, CRM system is also being used by the sales department to manage their leads and, by that creating new opportunities. However, the company's sales process will be analyzed in the next section.

The duration of CRM integration lasted for one year and six months. Yet, preparation lasted a little bit longer. Implementation itself was executed by the vendor's local certified business partner. However, a smooth and successful implementation also required HRM company' members to collaborate, simply because of their knowledge of the recruitment firm business and the processes within it. This means, that the company had to make some organizational changes. They employed a CRM expert with strong knowledge of recruitment. Yet, one of the most important things was the inclusion and motivated collaboration of several different departments (sales team, marketing team, customer service team) during the implementation, so they can state their views and opinions, as well as, follow and be aware of the changes and opportunities, that come along with CRM systems.

According to IRIS methodology, the most fundamental part of CRM strategy, that also determines, whether the CRM project is subject to success or failure, are people. In order to successfully implement CRM, the company needs to include their employees by spreading awareness of a change, so they understand the importance for a change. But most importantly author suggests, that the people must be trained. The chosen HRM organization has more than successfully aligned with this recommendation.

According to the head of employment and business development, the issue of employee's participation was one of the biggest challenges for them, during the project. Namely, people do not like changes and new technology, such as CRM systems brings reorganization of work and employees usually, rather stick to their routine tasks and thus, that required full top management support. More precisely, they were facing challenges during the testing phase, because they needed to get users used to the Salesforce, in order to for them to work more efficiently and to stay motivated. To achieve this goal, they put a big emphasis on internal communication meaning, that they were informing employees about upcoming change, that was coming along with the CRM introduction. They wanted to make sure their employees are ready and prepared for it.

For security and effectivity reasons the HRM company has also divided users' access to the CRM system throughout the company. Users have access to the different functions, depending of their job requirements and position. Every user has its own login username and frequent password changes are required. They were aware, there can be possible resistance from the employees, that were became users of the CRM system and they tried to avoid it. That is why, they often had presentations about CRM, where they presented the advantages, that employees can gain from this project. Six months before the implementation the company organized a practical training program, where they shared an access to a test version of the application, in order for employees, to get used to the new system and get to know the Salesforce environment. Additionally, regular assistance was provided by the trainer.

Moreover, they provided training and teaching materials, which during the pandemic were also virtually available in live form or recordings. This material is even today accessible for their new employees, in order to quickly adapt into the new role. To keep and develop the knowledge and motivation of their employees using the CRM, the firm is organizing the meeting every 2 months to share updates and potential improvements within the platform. This is how, the HRM company, successfully spread a vision among their employees, which is another key point for the successful CRM implementation. The company has also determined different Key performance indicators (hereinafter KPI), that according to them, helped to measure the effectiveness of the CRM system. At the beginning of the implementation, they were constantly performing various check-ups, in order to make sure the users were entering the data, according to the instructions; in most cases, exports of various files were made to ensure the relevance. Once the files had been checked by the leadership, the users were given feedback, on what need to be corrected. This is how, the HRM company was, by following the instructions and by constant support of top management, able to improve the usage of the Salesforce system.

According to IRIS methodology one of the most common reasons, why the CRM strategy fails, is poor quality data and information. In this case, the HRM company have put a lot of effort to manage their data properly, which allowed them, not just to know their customers better, but also enabled them to improve their recruitment and selection process. Speaking of this, shortening and digitalizing their processes, the HR company has also successfully redefined their recruitment processes, which is another key point of the suggested methodology.

Business process changes happened, due to their optimization. Before the CRM, all job applications went through their e-mail. From there, the recruiters needed to download all the data and move it into an old operational system. By doing so, the work was not as organized and, as optimal, as wanted and consequently the users of the system lost a lot of their important time, dealing with these operational tasks. Now, the applications data is transferred into the Salesforce database. The history of activities, that are stored into central CRM

database, allows the HRM firm to know their applicants and clients better. They have direct access to their profiles, demands, and previous activities. This data can be easily analyzed and updated, and enables the firm to provide more personalized services for their client.

It is important to note, that the company took an approach, which is also aligned with Six Sigma framework for software process improvements and its implementation, since they put a lot of their attention to fulfil critical success factors for CRM implementation, by engaging their top management, training of their employees, as well as, measuring of success rate of implementation. On the other hand, they also included a customized module, that was required for the purpose of their business.

One of the most important things at CRM implementation, that many authors have emphasized, including Chalmeta, is full top management support. Based on the conversation and interview with the head of employment and business, who is also a member of the management board of the selected HRM company, it is clear, that the company's top management was interested, committed, and offered a strong support during the implementation and transfer to the new system, considering CRM as a strategically important for their company in the future. As discussed before, the role of top management during the CRM projects are mainly to inform employees about the change, to spread awareness, why the change is necessary, but also to ensure education of employees. From this point of view, we have previously seen, that HRM company had a strong vision in regards to CRM concept and top management successfully spread awareness of importance of the CRM implementation. The leadership identified the business problems, they wanted to solve and improve, as well as, how CRM implementation could benefit them. Moreover, the members of top management were initial users of the CRM, in order to spread the CRM culture on one hand, as well as, to easier control the process of implementation. The leadership has put its biggest focus on providing training to their employees. However, as suggested in description of CRM concept, the HRM company could also introduce rewarding systems in order to maintain the motivation and commitment.

4.2 Analysis of Sales process

The sales team in the given HRM company is composed of a sales director, 3 sales managers and 2 assistants. Each sales manager is responsible for their own geographical area and reports directly to the sales director, who is in charge of international sales as well. The firm's typical sales process begins with extensive market research, in which they attempt to identify potential customers through various channels. One of the most common methods of obtaining potential customer is through sales meeting, in which the manager attempts to learn about the needs of a client. On the other hand, the HRM company also monitors business portals, such as "Moje Delo" or "Bizi" to track and determine, which companies are the most active in recruiting employees, in a given moment. They are also interested in, which type of employees are in high demand on the market, at any given time.

Another way for business opportunities are public tenders, on which the company applies. However, this HRM firm uses some other approaches to increase their sales as well. During the interviews with the candidates, they identify their former employers, to whom they later on approach. After conducting market research and determining, which prospect to target, the HRM company makes its initial contact with potential clients. Once both parties agree on the business terms and selected services, the sale is closed, and the HRM company completes the sale cycle once follow-ups are established.

The sales process, in terms of the set of activities, has not changed significantly, since the implementation of CRM in a given company. Yet, according to the head of sales, the new Salesforce is much more useful, comparing to the old operational system, that they used before. The company found Salesforce much more user friendly and interactive, but most importantly the new CRM system provides a set of functions, that are much better linked, but also categorized. From the sales perspective, CRM system is mostly used to track and note all company activities with their customers. In other words, CRM helps sales people to optimize their daily schedules and prioritize their tasks to make sure a proper communication is established with the customers, as well as, to ensure, that key prospects are contacted on time. This gives the managers an opportunity to prioritize and organize their tasks.

On the other hand, the Salesforce also helps the company to keep records of their performance. Before that, data was stored in excel sheet, but with CRM system implementation, this is now saved in single CRM database. All users have also a possibility to personalize their Salesforce profiles; such as adding the important contacts on their dashboard. This is how, CRM can help sales people to spend more time with their customers, which leads to a stronger customer relationship. Similarly, as in recruiting the company also measures the performance of their sales department and its members by relying on analytics available in Salesforce. CRM system is being used for detailed statistic, of how many offers, contracts and sales meeting were done by each member. The CRM's detailed reports of the performance of their employees, is making possible to easily calculate the variable part of their salaries, that would realistically represent the additional effort of the employees and motivate them to deliver stronger future results. At the same time, this tracking available through the system is engaging the users to willingly handle their daily operation, exclusively through CRM, which is at the same time making their work more effective.

Salesforce is also used for identification of business opportunities, which is most often done, by segmenting the customers through Salesforce database. Their strategy for customer segmentation is a result of years of experiences working with human resources. Yet, they needed to adjust to the changes from CRM implementation. According to the head of employment and business, they mostly divide their customers by the relationship status; as actual, potential, or former clients, meaning they were working with and had a contract with them in the past. An analysis of their potential clients is in most cases based on different

indicators, such as revenues, number of employees, credit ratings, discipline of the payment etc.

Finally, they also separate their clients according to their size. The size of the potential client gives the HRM firm an information, of how much of their services and labor force would the company, they are targeting, need. For example, organizations with a production usually have much higher flow of incoming and outcoming workers, than the others. Consequently, these firms require much more workforce and is therefore much more likely to be in the need on a HRM service. The CRM system which they have implemented, thanks to its storage and analysis tools helps them segmentize their customer very easily, and by a simple export from Salesforce database the company can process their data and make a sales decision in a quicker time frame. With quicker data processing, the company can allocate more of their resources into attracting new customers, as well as, minimizing the loss of their current ones, through the opportunity of building and maintaining a stronger customer relationship constantly following the data on customer needs at a certain period.

The CRM has also influenced the collaboration between the departments. The HRM company reports an improvement in the internal cooperation, between the sales and recruitment department. Once the sales convert a lead to a customer, the recruitment department is ready to take over by starting the recruitment process, as it was described in chapter 2. At this point, the development of a customer relationship begins, where the main focus is on collaboration with the other party and servicing them appropriately. In case, the other company does not have any need for their service anymore, the HRM company still engages with them via e-mail once per year to notify them about possible services they might need in the future.

Salesforce CRM successfully supports the communication between the above-mentioned departments through workflow rules. The workflow rules actually permit the organization to automate and streamline their key business processes (Goodey, 2013). The workflow rules generate automated actions and once, when the sales department make the agreement and obtains the clients, Salesforce CRM automatically alerts recruitment about the needed upcoming actions. In case of HRM firm, these actions are mostly expressed as Salesforce tasks assignment and e-mail alerts. As a result, the process of sales and recruitment is much faster and efficient.

One of the IRIS main points was also the process map, which is over high importance for a proper and effective implementation of a new system. It suggests, that the company should divide its activities into "AS IS" and "TO BE "categories to be able to allocate a proper resource, towards desirable changes and monitor intendent improvement. In the case of our HRM firm, we will provide an example of the process map, of the firm's sales department. Since the company has already established CRM concept, we will consider "AS IS" term as the one before the implementation, and "TO BE" after.

ACTIVITY	AS-IS	TO-BE	FIT	RESTRICTIONS
Data collection	All data was obtained through meetings, phone calls, business portals, emails and all data were stored in excel documents	All sales data should be recorded and processed through CRM Salesforce	NOT OK	Data in "AS-IS" is not organized well, and therefore the reports are not consistent
Collaboration with Recruitment department	Weekly meeting to discuss the progress of recruitment and selection	The progress can be followed in the CRM system as the set of completed or active tasks in real time	NOT OK	"AS IS" situation required flexibility of both departments. Priority task are not timely coordinated between departments
Customer segmentation	Through well thought customer segmentation, focus groups are determined and targeted more easily.		OK	

Source: Own work.

5 SUGGESTIONS FOR IMPROVEMENT

The HRM company performed CRM implementation with great care. Their implementation process was in accordance with good practices mentioned in different methodologies, especially IRIS methodology, explained above. However, in the following section I will provide several recommendations for medium- and long-term improvements.

The HRM company has carefully planned the selection of CRM systems. They have considered many vendors. When they were choosing among them, they were prioritizing the features of the platform, customization, and price. Beside, they wanted to make sure a vendor is a subject of good practice. Still, the features and pricing of CRM may be relevant, but the company should also pay attention, whether the system is easy to use. Therefore, the company should also verify customer experience of preferred CRM solution, before making the final decision. With better user experience the system would be more easily accepted by the users and the training time would be much shorter, which would result in higher and faster productivity of employees. Another important point, that should be taken into

consideration, while choosing a CRM system is the after sales support from vendors. The HRM company should check the responsiveness and effectiveness of their supplier's customer service, that they would require in situations of need. Because the time spent for repairing technical problems may be very expensive, the HRM company should inquire about the capability of suppliers, in regards of this matter.

Putting in place metrics of CRM effectiveness is another idea, that would contribute to better CRM system usage. Despite the fact, that the HRM company established different KPI at the beginning of implementation to make sure the data was properly entered by their employees, it would be beneficial for them to add others measurements of effective CRM usage. One of the most relevant metrics, that they should include is customer satisfaction, especially, because as mentioned before, they put a lot of attention into building strong customer relationship. Salesforce CRM offers many different tools to measure customer satisfaction, such as Customer Satisfaction Score (CSAT), Customer Engagement Score (CES), Net Promoter Score (NPS). Using these tools would give the HRM company vital information directly from their clients. As a result, the company could make some changes to make the relationships with their clients even more personalized. Besides, gathered data would also identify possible problems in their business, as well as, receive insights, how to improve business. However, in order to successfully track the metrics, the company should also define the customer satisfaction measurement goals. In most cases Salesforce recommends to focus on are isolating areas for improvement, review of performance of specific functions, as well as, segmenting of user experience phases and identification of possible issues.

Another important metric, that CRM system could help to the chosen organization is customer acquisition cost. The company should use the power of CRM system to measure, how much it cost to turn a lead into a sale. By reducing the cost, their net profit would increase, as a result. Most of their cost of customer acquisition are coming from marketing activities and therefore, this metrics could help them to understand, which marketing techniques are most efficient.

Similar related measure of effective CRM usage, is marketing return on investment (hereinafter ROI). Despite the fact, that they did not implement the Salesforce marketing module and they are currently using the external marketing platform, integrated with Salesforce database, the HRM company should still measure the marketing ROI. To calculate this parameter the source of the lead must be known. The ROI is calculated by taking the net return and dividing it by the total investment expense. Additionally, the HRM company should be aware of the reasons of different ROI coming from different marketing campaigns and be able to adjust further marketing exposures accordingly. Yet, to be able to measure the marketing ROI successfully, the HRM company should first have organized marketing data, as well as, clear link between customer activity and business outcomes. By tracking all related information within CRM, the HRM organization would have a clear

picture of all about mentioned requirements. Tracking metrics would allow the HRM company to improve their overall results, but also align employees and processes with their organizational objectives, as well as, providing them with beneficial results. These metrics can easily be put in place, and therefore they should be established as soon as possible.

The HRM company has successfully installed the Sales module of Salesforce CRM, as well as, customized functionality for the purpose of recruitment and selection. Despite the fact, that the CRM Salesforce system offers a combination of basic modules for the purposes of marketing, sales, and customer service, which are perfectly coordinated and supported with workflow rules and enables great organization of work, the company has decided to only implement the sales functionality. It is important to note, that according to head of business development, marketing, and employment company have a vision to digitally transform all their business on CRM platform. Besides, the company is also using 3 other external applications for the purpose of employment, payrolls of external employees, but also accounting, which are not fully integrated with the current CRM platform. Because of that, the members of the organization need to import and compare data from different sources, which firstly can cause a possibility of an error, as well as, it may be time consuming. Moreover, having different operations system usually demands technical proficiency. Chalmeta and many other authors suggest, that the full integration should include integration of all main business areas and its applications.

Since the organization has decided to implement a CRM system and focus on customer-based business, they should consider expanding CRM to all of their primary business activities, in the long run. This would allow them to work more efficiently and, as their original intention was, entirely digitize their business. Moreover, processes would be automated and interconnected, which would enable easier overview and management over their business. By doing so, the organization will be a fully customer centered.

The only external application, that they have integrated to their existing CRM system is for marketing purposes. They create and publish advertisement through this external platform, but all collected data are then automatically stored in their CRM system, where it can be further analyzed. It is important to mention, that the HRM company was considering adding the Salesforce marketing module, but decided to rather integrate an external application, due to their current budget restriction. Despite the fact, that they did not decide for the marketing module, in the middle or long run, it would be worth to consider adding a fully integrated marketing package. By including marketing functionality their campaigns would be customized, but also automated. An automated email campaign is created once and then sent to a specific audience, when they fulfill a set of criteria, which is set at the beginning. On the other side, the HRM company would have an option of relying on social CRM, that would provide more deep interactions. Since at this time their social media awareness on social networks, such as Facebook or LinkedIn is not really high, this would be a great addition to their social media marketing management. Similarly, marketing module would

provide them with better audience segmentation, which would result in personalization and ensures greater customer loyalty, as discussed above.

Besides, the company is also using some other software for the purpose of payroll calculation and accounting. This HRM company should also consider to enlarge their Salesforce by firstly, expanding the existing customized module and secondly., think of adding another for accounting. By investing into expanding CRM, they would avoid of double work, as well as, possibility of error, since they have a similar old software for employment, that they are still using. Salesforce has a large network of business partners developing different software, that can be easily integrated with their CRM. They have actually developed a website called "*Salesforce appexchange*", where all Salesforce business partners are listed.

In the case of HRM company, the solutions, that could help to optimize their CRM implementation even more, could be the integration of the platform called *TargetRecruit*. It is a cloud-based applicant tracking system offering different services for recruitment, but also sales purposes. This solution is built on the Salesforce platform and can easily be integrated to existing CRM of HRM company. This solution could be an effective extension to the firm´s existing CRM sales and recruitment functionalities. The services offered include CRM for sales, tracking of applicants, automatization of the onboarding process, advanced analytics, candidate portals, as well as, automated invoicing. TargetRecruit enables an integration of the recruitment process with sales and marketing connected tools.

Figure 18: TargetRecruit Automated Email Generation
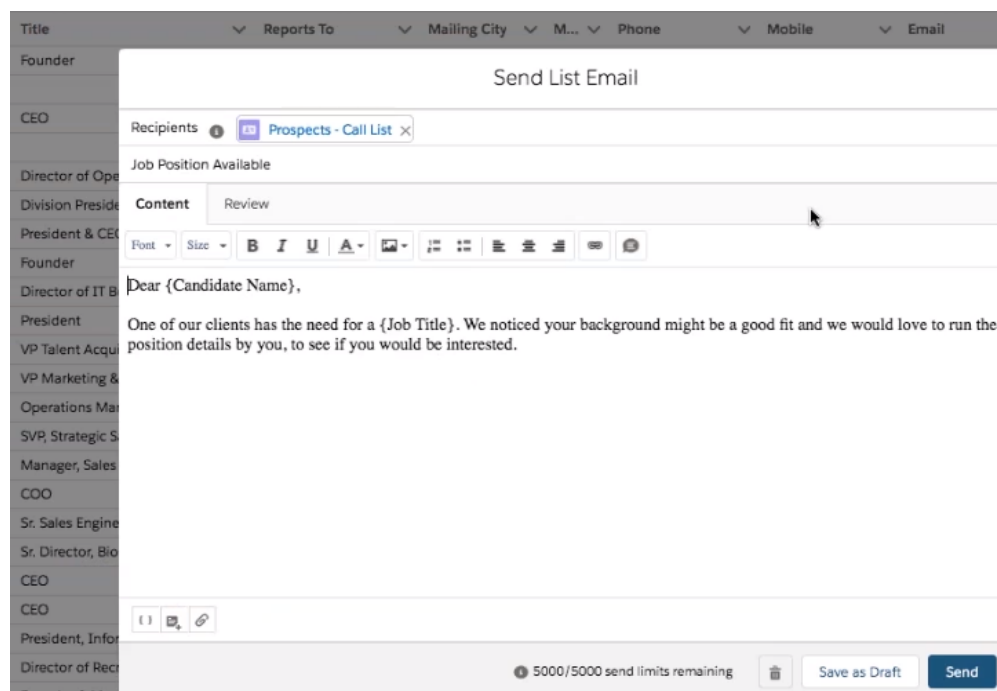
Source: TargetRecruit (2021).

Within the application, the HRM company can create posts for new job openings and can be directly posted to external websites and job portals. Being integrated with the Salesforce CRM, this application is powerful enough, so it can extract for certain job opening positions the current and former candidates, who are already in CRM central database and are most suitable for the opening role. After it recognized the potentially relevant candidates, the system automatically recommends the best profiles. Additionally, for the purpose of marketing campaigns or job propositions, a personalized e-mail can be sent to one or more selected candidates. An example can be seen in the Figure 18 above.

On the other hand, this application enables advanced analytics, where one of the most essential features is, that reports can be made within the system, without having to export the data into other applications, such as Excel, which is currently a common practice in the firm. Based on these reports, summary tables and charts can be produced and added to different visual dashboards. Dashboards in TargetRecruit are also different form general dashboards, since they enable different departments and job positions within the company to have different visual analytics presented to them, according to their needs. Similarly, the software solution automatically provides information, that can be used for reporting and forecasting, since it allows to calculate the estimate profit expected from a certain client, taking into consideration duration of the contract as well as the gross margin.

Figure 19: TargetRecruit overview of activities

Source: TargetRecruit (2021).

The program also helps the HRM company to organize their recruitment activities by having a clear overview of the recruitment & selection process. As demonstrated in the Figure 19 above, the candidates are allocated in categories from "new applicant" to "hired". From the decision, that is made for a certain candidate, he/she can be moved by a simple drag and drop option to another category. With the change, the program can pull all necessary information from the applicant record and job record, and require additional information to be added according to the needs of that step.

Once a candidate is hired, the onboarding process begins. This process in TargetRecruit is fully automated by having a list of digital documents assigned to the new employee, that he has to read, check the information, and sign. Deadlines for each document are preassigned and the whole process can be tracked. When the employee starts with his work, the HRM company can also measure and determine their total working hours and the system automatically calculates their monthly or weekly income. This would be extremely helpful for the HRM company, since one of their services after selection and recruitment is completed, is also providing payroll. The example of timesheet is provided in Figure 20 below.

Figure 20: Targetrecruit Timesheet

Week Total : 0.00
Billable : 0.00 / Non Billable : 0.00

Task	M 02/17	T 02/18	W 02/19	T 02/20	F 02/21	S 02/22
> Overtime Hours	0.0	0.0	0.0	0.0	0.0	0.0
> Regular Hours	0.0	0.0	0.0	0.0	0.0	0.0
Total Billable Hours:	0.00	0.00	0.00	0.00	0.00	0.00
Total Non Billable Hours:	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours:	0.00	0.00	0.00	0.00	0.00	0.00

DATE UPLOADED   ACTION

| Attach Document | Save | Submit For Approval |

Source: TargetRecruit (2021).

Lastly, the system would also benefit sales department, since it can automate invoice as well. Dates, timing, and frequencies of payments can be selected, as well as, different types of sheets and templates on how the invoice would look like.

The addition of this application to the existing Salesforce CRM would enable the HRM company to even more digitalize and optimize their recruitment process, which would eventually improve mainly their recruitment process and make it more efficient. By relying on automation of tasks, as described above, the whole selection process would be much more

reliable and faster, since the company would have a clear overview of all profiles of candidates. This is how, they would avoid of long processes of going through active and ongoing applications, which in practice take the longest time. As a result, the projects of the company would be much faster, which would make them much more reactive and efficient comparing to the competition. The cost of TargetRecriut is 150$ per user per month, which would be mostly used by marketing, and recruitment departments. Since the license with the external marketing platform, they are currently using can be terminated by switching to this application, the company can without changing their budget limits continue to operate more efficiently on the same network of interconnected applications. Moreover, training for the additional integrated functionalities would be much easier since most of the employees (except new-coming) are already familiar with the existing CRM.

Similarly, the HRM company could also move their business into Salesforce environment by integrating accounting related activities. As TargetRecruit is an option for recruitment and selection, there are plenty of accounting applications available in "*Salesforce appexchange*" that can be easily linked to Salesforce. One of them, that we can mention and is appropriate for HRM company business needs is "Accounting Seed". This application is online accounting software and is most applicable for small and medium-sized firms. Besides, it is also cloud-based, and extensive, with complete ERP features, making it the greatest option for businesses looking for an all-in-one accounting and ERP system, that simply interfaces with Salesforce. More precisely, accounting, ERP, and sales functions are linked for a comprehensive perspective of the firm. By that platform provides 360 degrees view of the accounts right next to company's sales opportunities all related accounting data is visible including orders, invoices, receipts etc.

With that all kind of information related to everyday activities of HRM company, as well as, projects can be tracked giving HRM company an opportunity to have a complete and easy control over every aspect of their business. Besides, offering all basic accounting tools and reports, Accounting Seed is more flexible by being able to adapt all different functions to the customer requirements. There is a possibility for each company to add their own data, change the interface, as well as, automate every desired component of their business process. This platform enables easy transaction entry and reconciliation with bank direct connect functionality within a secure environment. It also offers multicurrency general ledgers with unlimited amount of custom data tags, which enables flexibility in grouping and organizing the company's accounting. Moreover, the program enables to automatically calculate sales tax, create sales orders, as well as, single and recurring invoices, which can be set to weekly, monthly, or yearly payments. Before sending the invoices, it can be easily previewed and if necessary edited, as well as, customized e-mail can be generated and be sent. Despite the pricing being a little bit high in amount of $3960 per year, the HRM company should consider it as a long-run investment, as it the only available Salesforce extension, that can be easily and quickly integrated and offers full customization, depending on the company, while other vendors offer different levels of grouped general functions.

CONCLUSION

In this Master thesis we have seen, that CRM is not just about adding another technological tool to a company, but is rather a long process, that needs to be carefully planned and supported by the top management. Besides the technology, important components of CRM concept are also people and processes. With the goal of CRM to better understand customers and their behavior in order to build strong customer relationships, many different models have been developed. All of these models suggest similar approaches to enable smooth functioning of CRM.

Customer Relationship Management can be strategic, allowing businesses to segment their customers, determine their value to them, and calculate profitability for each segment, as well as, operational involving the design, planning, and implementation of operational CRM activities, and analytical, allowing businesses to make business decisions based on customer data. All of these types of CRM are interconnected in one platform, which is normally offered by different vendors. Besides, many methodologies were presented suggesting key success factors for optimal CRM implementation and the focus remained in the IRIS methodology.

Going through the main process and activities of Human Resource Management we then introduced a targeted HRM company, to which we analyzed its CRM implementation. Through conducted interviews with the members of top management of the chosen company, we have identified the main reasons and needs for CRM introduction. Analyzing their process of implementation, the changes and challenges we have seen, that the company has focused on most of the key success factors mentioned by IRIS methodology. Involving the top management, increasing the awareness of employees, adjusting their business processes, but also setting the realistic goals and timelines indicates, that the company was aware of complexity of CRM introduction.

The main focus of the company was to digitalize their recruitment and selection process and by so, to become more competitive and reactive on the labor market. For that reason, they have developed tailored made recruitment module to help them improve their existing processes. Having most of their work based on cloud-based CRM they have managed to reduce the amount of time-consuming paper and excel managed activities. From the sales perspective, CRM system has been used for easier customer segmentation and enabled collaboration with other departments. Besides, the HRM company's sales department took advantage of CRM properly, as they improved communication with their clients in order to build a strong customer relationship, which is also one of CRM's primary benefits. By using this new system, after an adaptation period form the employees, the organization is starting to more efficiently manage their activities and contacts.

Even through, the HRM company had a solid implementation of its CRM system, we need to comment, that they have not took into consideration all aspects, when choosing their

vendor, as the practicality of the system and the after sales flexibility was not taken into account. Furthermore, the focus shouldn't be put on the implementation itself, but also on the current and future effective use of the CRM system. Taking that in mind, several suggestions were made for the HRM company.

The company should first introduce several metrics to measure the success rate of the CRM usage, that will allow them to have a clear overview of their operational results, as well as, give them valuable information to make changes if required. Later on, as mentioned in the IRIS methodology, a full integration of all business activities is recommended. Thus, the HRM company's marketing should be integrated to their CRM platform on the long-term basis. This would enable them to have customized and automated marketing activities, that are easily connected with the other business areas such as sales.

Similarly, a further integration should be made for other business areas, such as accounting. By connecting to CRM, they would obtain flexibility and better organization over their company's accounting by linking all data with orders, invoices, receipts etc. Finally, an expansion of the customized recruitment module is also to be considered as it would permit a better integration of recruitment with other activities, such as sales and marketing connected tools that would optimize the recruitment and selection process.

CRM implementation and its effectiveness depend on each company. Organizations must adopt CRM as a concept and a method of doing business, rather than just introducing it as a technology, that can automate a portion of their business operations. Each company needs to identify their main activities, that connect them to their customers and can be improved with the CRM introduction as recruitment and selection process is for HRM companies. Firms must also devise a business strategy, which will focus to improve customer interactions. However, for different companies in different industries the priorities can differ and each implementation should be adapted accordingly.

This study heavily relied on qualitative research methods. The survey used in this study did not produce statistically significant results for the most part because of the lack of statistical and financial data to calculate the real impact the CRM had on their performance. Instead, this research was evaluated through theoretical methodologies, mainly the IRIS methodology. Therefore, due to the limitations of this research, several points could be addressed in the future. The questions future researches could discuss in accordance to CRM implementation are; what is the financial breaking point for decision in favor of CRM implementation? On the other hand, we have also provided all theoretical aspects the company should consider for the successful CRM implementation. However, the researchers should also identify and determine which key statistical metrics make CRM performance successful or not?

REFERENCE LIST

1. Accounting Seed. (2021, May 24). *The power to transform your business.* Retrieved June 17, 2021 from: https://www.accountingseed.com
2. Ahearne, M., Rapp, A., Mariadoss, B. J. & Ganesan, S. (2012). Challenges of crm implementation in business-to-business markets: A contingency perspective. *Journal of Personal Selling & Sales Management, 32*(1), 117-129.
3. Almotairi, M. (2009). *A Framework for successful crm implementation* (p.1-14). London: Business School, Brunel University,UK.
4. Armstrong, M. (2006). *A handbook of human resource management practice* (10th ed.). London: Kogan Page.
5. Armstrong, M. (2010). *Armstrong's handbook of reward management practice* (3rd ed.). London:Kogan Page.
6. Ayyagari, M. R. (2019). A Framework for Analytical CRM Assessments Challenges and Recommendations. *International Journal of Business and Social Science*, *10*(6).
7. Basahel, S. (2016). *The effect of organisational culture and leadership on CRM implementation in Saudi Arabian organisations*. London: Brunel University.
8. Becker, B. & Gerhart, B. (1996). The Impact of Human Resource Management on Organizational Performance. *The Academy of Management Journal*, 39, 779-801.
9. Bhattacharya, M. & Wright, P. M. (2005). Managing human assets in an uncertain world: Applying real options theory to hrm. *The International Journal of Human Resource Management, 16*(6), 929-948.
10. Buttle, F. A. (2001, February). The CRM value chain. *Marketing Business*, 52-55.
11. Buttle, F. A. (2009). *Customer Relationship Management: Concepts and Technologies*. Oxford: Elsevier
12. Buttle, F. A. & Maklan, S. (2019). Introduction to CRM, *Customer relationship management* (4th ed., pp. 3-26). New York: Routledge.
13. Chalmeta, R. (2006). Methodology for customer relationship management. *Journal of Systems and Software*, 79(7), 1015-1024.

14. Chen, I. J. & Popovich, K. (2003). Understanding customer relationship management (crm). *Business Process Management Journal, 9*(5), 672-688.
15. Chorus (2015, November). *Microsoft Dynamics CRM: A history.* Retrieved June 22, 2021 from: https://www.chorus.co/resources/news/microsoft-dynamics-crm-a-history
16. Coltman, T. (2006). *Where Are the Benefits in CRM Technology Investment?* (Vol. 6, pp. 1-9). Research Online.
17. Crosby, L. (2002). Guru's view: exploding some myths about CRM Managing Service Quality, 12(5), 271-277.
18. Cunningham, C., Song, I. & Chen, P. (2004). Data Warehouse Design to Support Customer Relationship Management Analyses. In *DOLAP 2004, ACM Seventh International Workshop on Data Warehousing and OLAP* (pp. 14-22). Washington, DC.
19. Curry, J., & Curry, A. (2000). The Customer Marketing Method: How To Implement and Profit from Customer Relationship Management. New York: Free Press.

20. Cybrosys (n.d.). *What's the difference between CRM and ERP?* Retrieved March 23, 2021 from: https://www.cybrosys.com/blog/crm-vs-erp

21. Dayal, A. (2017). *Recruitment And Selection Process*. India: Symbiosis Center For Distance Learning.

22. Delery, J. E. (1998). Issues of fit in strategic human resource management: Implications for research. *Human Resource Management Review*, 8(3), 289–309.

23. Deloitte (2020, March 11). *CRM 101: What is CRM?* Retrieved March 06, 2021 from: https://www2.deloitte.com/mt/en/pages/technology/articles/mt-salesforce-crm-101.html

24. Desai, S., Nijkamp, P. & Stough, R. (2011). *New directions in regional economic development: The role of entrepreneurship theory and methods, practice and policy*. Cheltenham, UK: Edward Elgar Publishing.

25. Devi, R. & Banu, V. (2014). Introduction to Recruitment. *SSRG International Journal of Economics and Management Studies, 1*(2), 5-8.

26. Dyshkant (2021, April 29). *Collaborative CRM: Key Features and Benefits.* Retrieved April 24, 2021 from: https://trujay.com/collaborative-crm-key-features-and-benefits

27. Ergazaki, K., Karnezis. K., Metaxiotis K., & I., Psarras, 2005. "Knowledge management in enterprises: a research agenda," *Intelligent Systems in Accounting, Finance and Management,* John Wiley & Sons, Ltd., vol. 13(1), pages 17-26, March.

28. Feiz, S., Ghotbabadi, A. R. & Khalifah, Z. B. (2011). Customer Relationship management in organizations. *International Conference On Management* (pp. 296-304).

29. Fickel, L. (1999), "Know your customer", CIO Magazine, Vol. 12 No. 21, pp. 62-72.

30. Folio3.(2019). *ERP vs CRM - What Is The Difference Between ERP and CRM?* Retrieved April 22, 2021 from: https://dynamics.folio3.com/blog/erp-vs-crm/

31. Fottler, M. (2010). *Human resources in healthcare Managing for Success* (3rd ed.) B. Fried, Ed.). Arlington, Virginia: Association of University Programs in Health Administration.

32. Golfarelli, M. & Rizzi, S. (2009). *Data warehouse design: Modern principles and methodologies*. Emeryville, Calif: McGraw-Hill.

33. Goodey, P. (2013). *Salesforce CRM: The Definitive Admin Handbook* (2nd ed.). Brimingham: Packt Publishing Limited.

34. Graham, T. (2019). *Knowledge management: Progress, trends and challenges*. New York: Nova Science.

35. Grand View Research (2020, April), *Customer Relationship Management Market Size, Share & Trends Analysis Report by Solution, By Deployment, By Enterprise Size, By End Use, By Region, And Segment Forecasts, 2020 - 2027.)* Retrieved February 15, 2021 from: https://www.grandviewresearch.com/industry-analysis/customer-relationship-management-crm-market

36. Guru 99 (n.d.). *SAP CRM Module: overview, architecture*. Retrieved April 12, 2021 from: https://www.guru99.com/overview-of-sap-crm.html

37. Heskett, J. L., Jones, T.O., Loveman, G.W., Sasser, W. E., & Schlesinger, L.A., (2008). Putting the Service-Profit Chain to Work. Harvard Business Review, (Jul-Aug), 118-126

38. Hsiao, C., Shen, G. & Chao, P. (2015). *How does brand misconduct affect the brand–customer relationship?* Retrieved April 20, 2021 from: https://www.researchgate.net/publication/271274940_How_does_brand_misconduct _affect_the_brand-customer_relationship

39. Iriana, R. & Buttle, F. (2006). Strategic, operational, and analytical customer relationship management. *Journal of Relationship Marketing, 5*(4), 23-42.

40. Ivanova, A. (2015, January). *Analysis of the processes of human resource management. case fashion unit oy.* Finland: Centria University.

41. Joshi, M. (2013). *Human resource management* (1st ed.). London: Bookboon.

42. Kavanagh,S.   (2003).Planningfor   CRMsuccess.GovernmentFinanceReview, August,39-45.

43. Kissflow (2021). *A Full Overview of Business Process Management (BPM).* Retrieved March 09, 2021 from: https://kissflow.com/bpm/business-process-management-overview

44. Krajnc, B. (2016). *Poslovni Učinki Uporabe CRM Informacijskih Rešitev v Mednarodnem Poslovanju.* Univerza v Mariboru, Ekonomska-Poslovna Fakulteta.

45. Krpan, G. (2018). *Successful implementation of CRM in sales departments.* Hamburg: Diplomica Verlag GmbH.

46. Mendoza, L.E., Marius, A., Perez, M. & Griman, A.C. (2007). *Critical success factors for a customer relationship management strategy.* Information Software Technology

47. Labus, M. & Stone, M. (2010). The CRM behaviour theory – managing corporate customer relationships in service industries. *Journal of Database Marketing & Customer Strategy Management, 17*(3-4), 155-173.

48. Lawson-Body, A. & Limayem, M. (2006). The impact of customer relationship management on customer loyalty: The moderating role of web Site Characteristics. *Journal of Computer-Mediated Communication, 9*(4).

49. Lendel, V. (2009, June). The CRM Value Chain – Model of Development and Implementation of CRM Strategy. *8th European conference of young research and scientific workers*, 221-224. Žilina: University of Žilina

50. Leonid, I., & Artem, I. (2018). *Research and Design of Customer Relationship Management System for Small Companies and Organizations.* School of Business and Culture, Business Information Technology, Bachelor of Business Administration.

51. Lin, Y.& Su, H.Y (2013). Strategic Analysis of Customer Relationshp Management – a field of study on hotel enterprises. *TQM & Business Excellence*, 14(6): 715-731

52. Liu, S. (2020, December 22). *Global CRM software market 2015-2024.* Retrieved March 17, 2021 from: https://www.statista.com/statistics/605933/worldwide-customer-relationship-management-market-forecast/

53. M.Putti, J. (2015). *Human Resource Management: A Dynamic Approach.* Laxmi Publications.

54. Mathis, R., & Jackson, J. (2006). *Human Resource Management* (12th ed.). Cincinnati: South-Western Publishing.

55. Menear, H. (2020). *The top five crm software vendors.* Retrieved April 12, 2021 from: https://www.technologymagazine.com/enterprise-it/top-five-crm-software-vendors

56. Mihaela, A. M. (n.d.). The CRM software- A powerful instrument from the digital society. *Journal of information systems & operations management.*

57. Mohta, R., Kasat, Y., & Yadav, J. J. (2017). *Implementing Microsoft Dynamics 365 for finance and operations: Implement methodology, integration, data migration, and more*. Birmingham: Packt Publishing limited.

58. Naik, Z. (2021, January 20). *What is salesforce crm & how does salesforce work: A complete guide*. Retrieved April 01, 2021 from: https://www.yescrm.org/what-is-salesforce-crm-how-does-salesforce-work

59. NIX Software Engineering (n.d.). C*RM Market Share and Salesforce Prospect for 2020.* Retrieved March 18, 2021 from: https://nix-united.com/blog/crm-market-share-salesforce-bright-future-in-2020/

60. O'Meara, B., & Petzall, S. (2013). *Handbook of Strategic Recruitment and Selection A Systems Approach* (1st ed.). Bingley: Emerald Group Publishing Limited.

61. Opatha, H. (2009). *Human Resource Management*. Nugegoda, Sri Lanka: Sharp Graphic House (Pvt) Ltd

62. Oracle (n.d.). *What is ERP?* Retrieved May 15, 2021 from: https://www.oracle.com/erp/what-is-erp/

63. Osibanjo, O. A, & Adeniji, A. (2012). *Human Resource Management: Theory and Practice*. Ota, Nigeria: Pumark Nigeria Limited.

64. Payne, A. (2006). *Handbook of CRM: Achieving excellence in customer management*. Oxford: Elsevier Butterworth-Heinemann.

65. Payne, A., & Frow, P. (2006). Customer Relationship Management: From Strategy to Implementation. *Journal of Marketing Management*, 22(1-2), 135-168.

66. Peel, J. (2003). *CRM: Redefining Customer Relationship Management*. Amsterdam: Elsevier Science Limited.

67. Peppard, J. (2000), "Customer relationship management (CRM) in financial services", *European Management Journal*, Vol. 18 No. 3, pp. 312-27

68. Rababah, K. (2013). Implementation Methodology of Customer Relationship Management (CRM) System: Towards Principles and Guidelines. *Academic Research International, 4*(6), 551-561.

69. Rababah, K., Mohd, H. & Ibrahim, H. (2011). Customer relationship Management (CRM) Processes from theory to practice: The Pre-implementation PLAN of CRM system. *International Journal of E-Education, E-Business, E-Management and E-Learning, 1*(1), 22-27.

70. Toppr (n.d.). *Recruitment Process*. Retrieved April 22, 2021 from: https://www.toppr.com/guides/business-management-and-entrpreneurship/human-resource-management/recruitment-process

71. Reyes, J. & Puthimadayam, T. (2018). *Experience is everything*: *Here's how to get it right*. Retrieved April 22, 2021 from: https://www.pwc.com/us/en/advisory-services/publications/consumer-intelligence-series/pwc-consumer-intelligence-series-customer-experience.pdf

72. Salesforce (n.d.a). *The value of measuring customer satisfaction.* Retrieved June 17, 2021 from: https://www.salesforce.com/eu/learning-centre/customer-service/measure-customer-satisfaction

73. Salesforce (n.d.b). *What Is Customer Service?* Retrieved May 6, 2021 from: https://www.salesforce.com/products/service-cloud/what-is-customer-service.

74. SAP (n.d.a). *What is ERP: Enterprise Resource Planning Definition: SAP Insights*. Retrieved March 15, 2021 from: https://www.sap.com/sea/insights/what-is-erp.html

75. SAP (n.d.b). *What is SAP? Definition and meaning.* Retrieved April 23, 2021 from: https://www.sap.com/about/company/what-is-sap.html

76. Shanks, G., Jagielska, I. & Jayaganesh, M. (2009). A Framework for Understanding Customer Relationship Management Systems Benefits. *Communications of the Association for Information Systems,* 25(1), 236-288.

77. Shrivastava, M. (2017). *Learning Salesforce Einstein.* Birmingham: Packt Publishing Limited.

78. Siebel (2012). *Siebel CRM- basics* [published on blog]. Retrieved February 09, 2021 from: http://siebelcrmfordummies.blogspot.com

79. Smartrecruiters (2019). *What is recruitment? (HRM).* Retrieved April 16, 2021 from: https://www.smartrecruiters.com/resources/glossary/recruitment

80. SpriggHR (2020, November 13). *What is the Difference Between Recruitment and Selection?* Retrieved June 17, 2021 from: https://sprigghr.com/blog/hr-professionals/what-is-the-difference-between-recruitment-and-selection

81. Sraders, A. (2018, December 04). *What is Salesforce and What does it do in 2020?* Retrieved February 08, 2021 from: https://www.thestreet.com/technology/what-is-salesforce-14796378

82. Srivastava, M. (2012). Customer Relationship Management (CRM): A Technology Driven Tool. *Samvad International Journal of Management,* 4th ser., 14-25.

83. Stafford, T. (2017). *Choose the Right CRM System for Sales Processes. Smarter With Gartner.* Retrieved July 7, 2021 from: https://www.gartner.com/smarterwithgartner/choose-the-right-crm-system-for-sales-processes

84. Statista (2020, October 29). *Global CRM software revenue 2010-2019.* Retrieved February 15, 2021 from: https://www.statista.com/statistics/294537/customer-relationship-management-crm-software-revenue-worldwid

85. Statista Research Department (November 4, 2020). *Important aspects of a good customer service experience 2018*. Retrieved May 20, 2021 from: https://www.statista.com/statistics/810614/important-aspects-of-a-good-customer-service-experience/

86. Storey, J. (1995). Human Resource Management: A Critical Text (1st ed.). London: *Human resource management journal*.

87. TargetRecruit. (2021, April 16). *Enterprise software for recruiting firms built on salesforce*. Retrieved June 17, 2021 from: https://targetrecruit.com/uk/

88. Taylor, M. (2014, November 2). *Advantages of Customer Relationship Management. CRM Simplified*. Retrieved March 17, 2021 from: https://crm.walkme.com/advantages-customer-relationship-management/

89. Team, B. (2019). *Operational vs strategic human resources.* Retrieved April 12, 2021 from: https://balancepointhcm.com/operational-vs-strategic-hr/

90. Thakur, S. (2019, April). *How Payne's FIVE process model can help to Improve CRM?* Retrieved February 08, 2021 from: https://www.projectguru.in/paynes-five-process-model-crm-strategy/

91. Thakur, S. (2020, April 03). *The IDIC model of customer relationship Management (CRM).* Retrieved February 16, 2021 from: https://www.projectguru.in/customer-relationship-management

92. Thompson, C. (n.d.). *Everything you need to know about Salesforce: the world's #1 CRM.* Retrieved February 17, 2021 from: https://www.masonfrank.com/salesforce-blog/everything-you-need-to-know-about-salesforce

93. Torggler, M. (2008). The Functionality and Usage of CRM Systems. *World Academy of Science, Engineering and Technology,* 300-308.

94. Tutorialspoint (n.d.). *What is selection?* Retrieved April 16, 2021 from: https://www.tutorialspoint.com/recruitment_and_selection/what_is_selection.htm

95. Urbanskienė, R., Chreptavičienė & Žostautienė, D. (2008). The Model of Creation of Customer Relationship Management (CRM) System. *Engineering economics* 3(3), 51-59.

96. Vatsa, P. (2021, January 30). *What is Siebel CRM - A Complete Beginners Tutorial.* Retrieved February 16, 2021 from: https://mindmajix.com/what-is-siebel-crm

97. Wali, A. F. (2018). Customer relationship management and marketing effectiveness. *Paradigm,* 22(2), 101-124.

98. Gartner (2021). *About us.* Retrieved July 26, 2021 from: https://www.gartner.com/en/about

99. Wilse, E. (2018). *CRM Metrics to Measure Success.* Retrieved June 21, 2021 from: https://top5-crm.com/articles/crm-metrics-to-measure-success/

100. Wooden, D. (n.d.). *Critical reasons your business needs bpm with crm.* Retrieved March 09, 2021 from: https://www.successwithcrm.com/blog/critical-reasons-your-business-needs-bpm-with-crm

101. Wright, P. & Sherman, S. (1999). Failing to find fit in strategic human resource management: Theoretical and empirical problems. In Wright, P., Dyer, L., Boudreau, J., & Milkovich, G. (Eds.). Research in Personnel and Human Resource Management (Supplement 4). pp. 53-74. Greenwich, CT: JAI Press.

102. Wu J. (2008).*Customer Relationship Management (CRM) Implementation in China: A Case Study of Legend Group.* In: Xu L.D., Tjoa A.M., Chaudhry S.S. (eds) *Research and Practical Issues of Enterprise Information Systems II.* IFIP International Federation for Information Processing, vol 255. Springer, Boston, MA

103. Yichen Lin & Hwan-Yann Su (2003). Strategic analysis of customer relationship management—a field study on hotel enterprises. *Total Quality Management & Business Excellence*, 14:6, 715-731

104. Zamil, A. M. (2011) Customer Relationship Management: A Strategy to Sustain the Organization's Name and Products in the Customers' Minds, *European Journal of Social Sciences,* 22, 451-459.

105. Zhedan, P., Hyuncheol, P., Jongmoon, B., & Hojin, C. (2007). A Six Sigma Framework for Software Process Improvements and its Implementation. *Software Engineering Conference,* 446-453.

106. Žohar, U. (n.d.). *ERP ali CRM? Kaj potrebuje moje podjetje.* Retrieved March 10, 2021 from: https://www.intrix.si/erp-ali-crm-kaj-potrebuje-moje-podjetje

APPENDICES

Appendix 1: Povzetek (Summary in Slovene language)

Management odnosov z odjemalci (angleško Customer Relationship Management- CRM) je splošno priznan izraz, ki ga pozna večina organizacij in je v zadnjih letih postajal vse bolj pomemben. Za uspešno vzpostavitev managementa odnosov z odjemalci pa ni dovolj le pridobitev tehnologije, temveč je prav tako potrebno razumevanje poslovnih procesov znotraj podjetja ter pravilno vključevanje vseh zaposlenih. Namen te magistrske naloge je prispevati k boljšemu razumevanju, kaj je pomembno za učinkovito implementacijo in uporabo CRM sistemov. V magistrskem delu sem uporabil dve raziskovalni metodi. V prvem delu sem začel z iskanjem literature, pri čemer analiziral CRM koncept, CRM modele, ter CRM metodologije. Poleg tega pa sem prav tako predstavil koncept upravljanja s človeškimi viri (angleško Human Resource Management- HRM), med katere spadajo tudi vsi poslovni procesi, ki se izvajajo znotraj kadrovskih podjetjih. Ta literatura je postala osnova za praktični del magistrske naloge, kjer sem analiziral kadrovsko podjetje ter pri tem uporabil ugotovitve iz literature, kar je zagotovilo bolj jasno analizo vseh dejavnikov. Prav tako sem za namen te magistrske naloge opravil tudi intervju z več člani vodstva izbranega kadrovskega podjetja.

Rezultati študije primera so pokazali, da je za uspešno CRM implementacijo potreben natančno določen in jasen načrt projekta. Prav tako pa morajo biti že na začetku implementacije jasno opredeljeni vsi cilji. Rezultati prav tako kažejo, da je za uspešno implementacijo managementa odnosov z odjemalci potrebna podpora vodstva, ki mora s svojim razumevanjem vključiti vse zaposlene, kot tudi prilagoditi poslovne aktivnosti za optimizacijo poslovnih procesov.

Appendix 2: Interview guide

1. Which CRM system do you use in your company?
   a) Microsoft Dynamics
   b) Salesforce
   c) Oracle
   d) SAP
   e) SalesLogix
   f) Other

2. Which modules (products) do you currently use in Salesforce? (Select all that apply)
   As an HR company did you customize any additional feature to meet your company needs?
   a) Sales
   b) Service
   c) Marketing
   d) Commerce
   e) Analytics
   f) Integration
   g) Platform
   h) Industries
   i) Learning
   j) Employees
   k) Partners
   l) Success
   m) Einstein AI
   n) Truth
   o) Other: _____

3. When did you decide for the CRM system? When did you implement CRM system?
   What software/ system did you use before?

4. Does your organization have any CRM objectives? If no, why? If yes continue.

5. What is your organization objective regarding CRM?

6. Which of the following CRM objectives are important for your organization? Sort according to importance (1- most important)
   ☐ Improved customer satisfaction
   ☐ Improved forecast and pipeline management
   ☐ Knowing customers better
   ☐ Acquiring new customers
   ☐ Establishing relationships with customers
   ☐ Increased sales
   ☐ Decreased sales and marketing administrative cost
   ☐ Higher productivity

☐ Customer retention

☐ Other _____

7. Why did you decide to implement CRM system (How did you recognize the needs?)? What were your main reason and motivation? What business problems was expected to be solved? What features did you feel CRM could provide you comparing to the old system?

8. What functionalities of Salesforce CRM were the most important for your organizations to have? Sort according to importance (1- most important)
   ☐ Contact management
   ☐ Lead management
   ☐ Opportunity management
   ☐ Sales forecasting
   ☐ Mobile CRM
   ☐ Reports and dashboards
   ☐ Sales analytics
   ☐ Marketing automation
   ☐ Sales data
   ☐ Sales force automation
   ☐ Campaign management
   ☐ Other_____

9. What key functions do your departments use in the CRM system? (Select all that apply and state the department using it)
   ☐ Contact management_____
   ☐ Lead management_____
   ☐ Opportunity management _____
   ☐ Sales forecasting _____
   ☐ Mobile CRM _____
   ☐ Reports and dashboards _____
   ☐ Sales analytics _____
   ☐ Marketing automation _____
   ☐ Sales data _____
   ☐ Sales force automation _____
   ☐ Campaign management _____
   ☐ Other _____

10. Which criteria was the most important to your organization for choosing Salesforce as your CRM? Sort according to importance (1- most important)
   ☐ Price
   ☐ Features

- ☐ Customization
- ☐ Flexibility
- ☐ Other_____

11. If you could change your CRM system in any way, what would you change?

12. In your opinion, what are the key factors in a successful upgrade of a new system?

13. What was the CRM implementation like? (Duration, ressources, budget etc.)

14. What was the main challenge during the CRM implementation? Were you facing any issues?

15. What departments are working with CRM and for what activities are you using it the most?

16. Did any of your business processes/organizational structure change with the implementation of CRM? If yes, specify.

17. How did you train your employees to use CRM? What challenges did you face?

18. Have you sensed resistance to the usage of CRM from employees before, during or after the implementation?

19. Does your organization segment the customers? If yes, how, if no why?

20. Does your organization have systems supporting CRM strategy? If yes are these systems connected? How are these systems used in daily activities?

21. How did you divide user access through the company? Did you divide them and made shared access?

22. Does the user's profile have any login restrictions? Such as Login hour or IP address restriction? Do you have a list of trusted IP list? What about password expirations?

23. Can you describe your company´s sales process before CRM implementation and which parts of it you consider have improved/become more effective after the implementation? How CRM influence the change of the work?

24. What is the structure of your sales team?

25. How does your sales team operate?

26. How does the organization identify its customers?

27. How do you define and track ″leads″?
28. Who talks to prospects?

29. How did you reach to new customers before? How do you reach customers now? Do you use the function CRM campaigns?

30. How many new customers did you gain in your fist years of having CRM? Did you in any way measure how much does the CRM implementation influenced the gain of new customers?

31. What are the main channels you use for sales?

32. How important are the following channels for your organization? Sort according to importance (1- most important)
   - ☐ E-mail
   - ☐ Telephone
   - ☐ Web call
   - ☐ Personal meetings
   - ☐ Other _____

33. What is your overall strategy for gaining new customers?

34. Do you engage in after sales activities? If yes, how?

35. How is CRM used in the organization sales function?

36. Are the following concepts used in your organization?
   - ☐ Lead management
   - ☐ Opportunity management
   - ☐ Proposal management
   - ☐ Campaign management

37. Do you use any key indicators (KPIs) through which you measure effective usage of the CRM system?

38. Does CRM help you to evaluate the performance of employees? How?

39. Do you have other applications integrated with your CRM? Which ones (their goals and functionalities)?

40. Do you measure the duration and amount of converting a lead to a customer? If yes, did you experience a change after CRM implementation?

41. How important are the following categories in CRM evaluation? Sort according to importance (1- most important)
   - ☐ Collecting customer information
   - ☐ Analyzing customer data
   - ☐ Integration of business processes)
   - ☐ Responses to customer requests

☐ Customized service
☐ Customer retention improvement
☐ Profit increase
☐ Establishment of customer relationship

42. What is Your opinion about the following statements on a scale 1 - 7 where: 1 = strongly disagree, 4 = neither disagree nor agree, 7 = strongly agree?
    ☐ Top management is interested in CRM:
    ☐ Top management understands the importance of CRM:
    ☐ Top management supports CRM:
    ☐ Top management considers CRM as strategically important:
    ☐ Top management understands CRM opportunities:
    ☐ Top management pressures my office to work with CRM:
    ☐ CRM is regarded as high priority by top management:

43. How important are the following factors, when implementing CRM?
    ☐ Defining CRM
    ☐ Top Management commitment
    ☐ Staff involvement
    ☐ Integration of CRM system
    ☐ Keep it simple