UNIVERSITY OF LJUBLJANA
SCHOOL OF ECONOMICS AND BUSINESS

MASTER THESIS

THE CHALLENGES OF CUSTOMER RELATIONSHIPS MANAGEMENT SYSTEM IMPLEMENTATION AT AN INSURANCE COMPANY

Ljubljana, September 2025 ALEKSANDRA TRPESKA

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

LIST OF ABBREVIATIONS

sl. – Slovene

BPM – (sl.upravljanje poslovnih procesov); Business Process Management

CE – (sl.zavezanost strank); Customer Engagement

CRM – (sl.upravljanje odnosov s strankami); Customer Relationship Management

D365 – (sl. Dynamics 365); Dynamics 365

1 INTRODUCTION

In the last decade, digital technology has been a major driving force for the development of the global economy and society, causing radical changes in socio-economic processes through digitization (Filyppova & Malin, 2020). In the present age, digitization covers almost all aspects of human life (Malenkov et al., 2021), and it's changing the digital ecosystems of various industries, including the financial sector, and more specifically the insurance industry. It influences and changes customer behaviour, requirements, and expectations (Cebulsky et al., 2018; Łyskawa et al., 2019).

Insurance companies, as one of the major players in the financial sector, have been implementing digital technologies in their practices rapidly as they have recognized the benefits early on. One of the technologies adopted in its practices is the Customer Relationship Management (CRM) system. It contributed greatly to these businesses in the twenty-first century, and it has become a pivotal tool for organizations which are determined to improve their interactions with customers, improve profitability, and streamline processes, as well as prevent churn ratio. Customer satisfaction and retention are crucial in the insurance industry, and the CRM systems play an essential role in that (Chao et al., 2007).

Through this thesis, I will try to determine and analyze the main challenges associated with the implementation of CRM system in the insurance sector, specifically focusing on the use of Microsoft Dynamics 365 CE as a CRM system in one German insurance company. I will seek to provide a complete guide for insurance companies seeking to efficiently utilize CRM technology by examining the specific features, benefits, and challenges connected with this tool.

1.1 Background information on the insurance industry and the importance of customer relationship management

Insurance originated in the United States around the 1600s and has since undergone major changes. The insurance sector was once controlled by small local and regional carriers specializing in fire and life insurance (Outreville, 1998). Since then, the market has expanded, providing a wide range of insurance products and attracting numerous insurers. Lots of companies, each providing products of varying sizes, have emerged in the market, resulting in economic prospects (Klock et al., 1974).

Over the last few years, most insurance companies have demonstrated resilience in facing various obstacles. For example, the COVID-19 pandemic and the resulting conflict between Ukraine and Russia caused severe economic instability (Itapro, 2020). Furthermore, the presence of economic variables in a country's economy, such as stagnant economy or inflation, has significantly impacted the insurance industry. Currently we witness few predominant patterns have emerged in the insurance industry. First, there has been a notable

increase in sales of personal insurance products, including life and health insurance. Furthermore, there has been a substantial decrease in the demand for travel and motor insurance (Pauch & Bera, 2022). In addition, every insurance company has undergone changes in the method of engagement and communication with customers. Consequently, insurers face the challenge of leveraging digital technologies to attract new customers and retain existing ones (Itapro, 2020). Deloitte's research (Sharma & Jain, 2023), which analysed the trends and challenges faced by insurance companies while offering solutions, advised the companies to build on their current success by maintaining an ongoing culture of innovation and customer-centric operations. They suggest that companies should start shifting their focus from basic operational transformation to fully realizing the value and benefits of infrastructure, digital, and technological upgrades. Research highlighted the following key findings in Deloitte's 2023 insurance outlook (Sharma & Jain, 2023):

1. Inflation negatively affects the profitability of nonlife industries, despite increasing prices and overall revenue increase.

The increase in property-casualty prices has resulted in a rise in premium volume, causing the combined surplus in the United States to exceed $1 trillion. Nevertheless, inflation is increasing the expenses associated with losses at faster rates than the gains, compromising the profitability of underwriting.

2. Sustainable growth is likely to be facilitated by the transformation of life insurers.

The pandemic has resulted to a significant surge in premium growth, but this growth is currently declining due to income constraints caused by inflation and market volatility. Carriers must take proactive steps to enhance their digital capabilities, launch new offerings, and concentrate on previously neglected customer segments.

3. Group insurers are adapting to changing dynamics by increasingly embracing innovation.

Insurers are engaging in collaborations with diverse partners and third-party providers to expand the scope of their offers. Group insurance providers may find a competitive edge by investigating »as-a-service« options.

4. Despite the advancements in technology infrastructure, the emphasis must now be redirected toward the realization of value.

Insurers enjoy the vast of technological advancements brought about by Insurtech, especially through the implementation of specialized solutions offered by startups. Insurtech is a new set of technology that combines both insurance services and IT (Volosovych et al., 2021) and cloud adoption includes system integration, data utilization, and micro improvements tailored to various industries.

1.2 Objectives of the thesis

Nowadays, in every industry, we are witnessing the accelerated embracement of digital transformation in almost every aspect of their strategy and operations. This phenomenon is happening primarily because it has been proven to be one of the leading factors in getting ahead of the competition, taking advantage of the new, data-driven approach and even creating a certain attitude, empowering companies with knowledge about their business, their competitors, and most importantly, their customers (Demirel, 2022).

On the road towards digital transformation, in order to successfully achieve it, companies have to undergo a full analysis of their processes, understand their bottlenecks; which processes can be improved with the digitalization, and what would be the result in the end. This means that they have to know if the company itself is mature enough and ready for digital transformation (Chen & Popovich, 2003). Lastly, and very important is what is the budget the company has to prepare in order to implement this, and if this will reach return on investment, but at the same time shouldn't be perceived only as an expenditure (Chamleta, 2006).

One of the most widely used practices in becoming more "digital" in almost any industry is implementing a CRM system that would automate a lot of manual processes, as well as, as the name itself suggests, create and reinforce the interaction with the customer, and by analysing the data gathered in the process, could get insights to understand the customer better. This is not a new invention, but, just like many other technologies, is transforming into a more and more advanced solution, and with each day offers further improvements and innovations. But this also influences this market to be highly competitive, and result with a vast number of providers of CRM technologies. From small startups, free software, to large corporations or specialized software, this creates both freedom of choice and challenge in choosing the right one at the same time. Another alternative of course, for the companies that have both the financial and IT professional resources, is to create their own custom CRM, that would fit exactly their needs.

Different industries have started to develop tendency to pursuit the CRM which would be the most compatible with their needs. This has affected the market to start developing solutions that are more specialized, depending on the different sectors (Buttle & Maklan, 2019).

The insurance industry has been one of the industries largely impacted by the digital transformation, especially with the rise of the Fintech and Insurtech. While some insurance companies feel threatened, for some tech-savvy insurers, this development which is altering customers' needs and expectations offers an opportunity and gives them the insight of a direction they should follow, in order to stay in line with their competition (PwC, 2016).

As the Fintech progresses, so do the innovations in digital transformation solutions for the financial and insurance industry (Pauch & Bera, 2022). Since there is a vast diversity of

subsectors in the insurance industry, for the benefit of this research, the focus of the examination will remain on some use cases that have implemented a similar CRM and this will be used as a ground for comparison and connection with the specific case of implementation of the CRM in the insurance company that is in the focus of this research, which is Microsoft Dynamics 365 CE.

1.2.1 Purpose and goal of the thesis

This research represents a case study that investigates the implementation of CRM in one specific company that operates in the insurance industry, or more specifically acts as an insurance broker in one of the largest and most advanced European countries.

The purpose of this research is to identify the main obstacles which can occur in the process of CRM implementation, with a focus on the specific Dynamics 365 product utilized in the insurance sector, in order to get a better understanding of what can be done to prevent insurance companies from implementation fails in this regard.

Although until end of 2024, this company was still in the process of implementation of the CRM software, or more specifically, it had undergone a partial implementation but still hadn't hit the 100% milestone of the implementation project, the goal of this research is to present and analyse the actions which were part of the project of implementation, covering the process planning, analysis and process redesign, as well as the deployment and possible future improvements; and will in parallel examine what were the main challenges throughout the process, as well as the impact they had on the results. In the end, a recommendation will be made based on the research and results of this research.

In this research, I will try to answer the following questions:

- Is Microsoft Dynamics 365 CE as a CRM system the right choice for the specific company, which is in the focus of the thesis, industry wise?
- Is the implementation plan following any specific approach based on the vendor’s best practices?
- Did the implementation follow the plan, and did the result reach the expectations of both users and the management?
- What are the most common challenges when implanting a specific CRM software in general, as well in this specific example?

2 LITERATURE REVIEW

The emergence of technologies such as social media, big data, and artificial intelligence has introduced avantgarde methods for data management which were unthinkable in the past. These new technologies have empowered CRM systems to "improve the world” by building

stronger communities, and ensuring financial stability. According to Marolt et al. (2015), social media platforms, for instance, are increasingly interconnecting people. Additionally, companies have the capability to tailor their products or services to meet the specific requirements of individuals. Furthermore, advancements in logistical operations have resulted in enhanced convenience in daily life. CRM plays a significant role in influencing the supply and demand dynamics of insurance as well (Payne & Frow, 2013). In their study, Brofer et al. (2016) proposed that in order to retain customers, insurance companies should aim to convert customers' behavioural loyalty into attitudinal loyalty by increasing communication and interaction. This involves effectively managing customer relationships. Ngai et al. (2009) emphasize that CRM should be viewed as a comprehensive and strategic process aimed at maximizing customer value. The adoption of CRM and related information systems has been shown to improve organizational efficiency in the insurance sector (Hu et al., 2009).

By implementing CRM, insurers can enhance customer service, improve client retention rates, and increase customer satisfaction levels. Other benefits include improved marketing effectiveness, higher customer loyalty, lower cost through improved efficiency and better customer support and lower churn ratio (Cao & Tian, 2020; Migdadi, 2021; Mithas et al., 2005). Access to customer data enables insurers to make informed decisions about planning, products, and services throughout the entire customer life cycle. As a result, satisfying customers' needs and expectations can increase customer loyalty and retention (Pugazhenthi & Sunitha, 2006).

Information systems empowered companies to effectively analyze their data, allowing them to efficiently manage business relationships and organizations at a global level (Demirel, 2022). Comprehending and fulfilling the specific needs of each consumer has been an important consideration for organizations aiming to achieve a competitive edge. Companies are constantly trying to seamlessly update their operations and applications with the customer's data. As a result, they are facing an increased level of responsibility towards their customers and stakeholders, in terms of data governance, transparency as well as ethical use of the data. Information technologies (IT) dominate over 70 % of the investment services sectors, including real estate, insurance and banking. In order to succeed in international markets, a robust IT infrastructure is essential (Kumar & Reinartz, 2018; Laudon & Laudon, 2017).

Organizations started switching their focus from sales objectives to growing and cultivating emotional connections with their customers. Companies nowadays view addressing the needs of the target audience and understanding the challenges faced by each customer as the cornerstone of their business strategy. The quality of the company-customer connection is dependent upon the satisfaction level derived from the relationship and the customer’s emotional commitment to it (Pansari & Kumar, 2017).

In order to execute digital strategies effectively, it is essential to integrate all customer touchpoints across all different channels. The consistency in communication not only enhances customer satisfaction but also strengthens the brand identity. Consistency and clarity in the content guarantee a flawless connection with the customer. Additionally, customer relationship management (CRM) systems facilitate ongoing consumer learning, optimize resources, improve customer satisfaction, promote customer service, increase customer retention, sales, and productivity, and provide access to valuable insights (Berman, 2012).

2.1 Definition of CRM and its importance in the insurance industry

The theory regarding customer relationship management (CRM) was first identified in the 1950s by management researchers and practitioners who recognized that the customers are the fundamental and sole source of all service organizations (Berry, 1983; Coltman, 2007) and this has become the leading strategic method for many businesses. Companies have shifted from transactional marketing, which emphasizes products and transactions, to relational marketing in response to changes in market conditions (Bidhubhusan, 2012). This strategic shift aims to boost both revenue and profit (Nasır, 2017). Relationship marketing refers to the strategic approach of establishing enduring and beneficial relationships with customers. Financial institutions in developed countries are efficiently utilizing this marketing technique by fully leveraging information and communication technologies (Kumar, 2017).

Customer Relationship Management (CRM) is fundamentally a customer-centric business strategy. Often associated with relationship marketing, CRM extends beyond this concept to embody a comprehensive mindset that integrates marketing, sales, and customer service with the goal of creating and enhancing value for both the business and its customers (Bradshaw & Brash, 2001). Multiple definitions of CRM can be found in the literature. Two notable definitions of CRM come from Fletcher & Taplin (2001) and Chen & Popovich (2004). Fletcher & Taplin (2001) define CRM as a collection of business policies and procedures aimed at acquiring, retaining, and serving customers. On the other hand, Chen & Popovich (2004) define CRM as a comprehensive system of technologies and processes that marketing, sales, and service departments use to manage relationships with current and potential customers and business associates, irrespective of the communication channel. Upon studying these definitions, it can be concluded that CRM essentially enables three things to occur (Greenberg et al, 2001):

- Achieving a unified, holistic understanding of customers through the utilization of analytical tools.
- Implementing a uniform approach to managing customer relationships across various contact channels, such as telephone, online, personal interactions, etc.

- Enhancing the efficiency and productivity of the processes associated with customer interactions.

Consequently, the adoption of a CRM system necessitates modifications in the structure and operations of any business, which is leading to enhanced performance and competitiveness. The following improvements can be anticipated as the most notable (Bergeron, 2001):

- Enhanced client satisfaction by providing superior service.
- Greater business coherence by establishing corporate objectives that are directly tied to customer satisfaction.
- Increase of customer acquisition and improving customer loyalty by reorganizing and computerizing the business operations related to the customer relations lifecycle (marketing, sales, and customer service).
- Strengthened and expanded customer relationships alongside the creation of new business opportunities.
- More effective client segmentation, enabling differentiation between profitable and less profitable customers, and the formulation of targeted business strategies.
- Improved efficiency in customer service by ensuring access to comprehensive and consistent customer information.
- Cost reductions.
- Real-time access to sales and marketing data reflecting customer needs, expectations, and perceptions.

Fickel (1999) stated that CRM technology systems connect the front office (such as sales, marketing, and customer support) and back office (such as logistics, operations, finance, and human resources departments) with the company's customer “interaction points" (Figure 1). Company's interaction points encompass many channels such as the Internet, direct mail, e-mail, fax, pagers, call centres, advertising, telemarketing operations, kiosks, and storefronts. According to Buttle (2009), CRM system is a business management tool designed to improve and leverage customer knowledge to build customer relationships. Furthermore, it can be inferred that the CRM system plays a crucial role in the overall customer relationship strategy, which ultimately enhances shareholder value by facilitating the creation and more effective utilization of customer knowledge (Sirivastava et al., 1999). A comprehensive CRM business strategy integrates different departments such as sales, marketing, customer service, operations, HR, research and development, and finance, along with information technology and the Internet, in order to optimize the profitability of customer interactions. CRM is empowering customers with the ability to personalize their experience, making transactions easier and more convenient, independent of the communication channel used (Gulati & Garino, 2000).

Figure 1: CRM central location

Source: adapted from Štemberger (2022)

2.2 CRM in the insurance industry

Insurance CRM systems have become indispensable tools for addressing the challenges encountered by insurance agents and companies. These solutions surpass simple contact management by providing a technology-driven approach to managing and fostering customer relationships (Amoako et al., 2012).

At its core, insurance CRM centralizes customer-related data, policy information, and communication history into one central repository. This consolidation strengthens insurance agents by providing them with a holistic view of each customer, allowing them to have a better understanding of their unique needs.

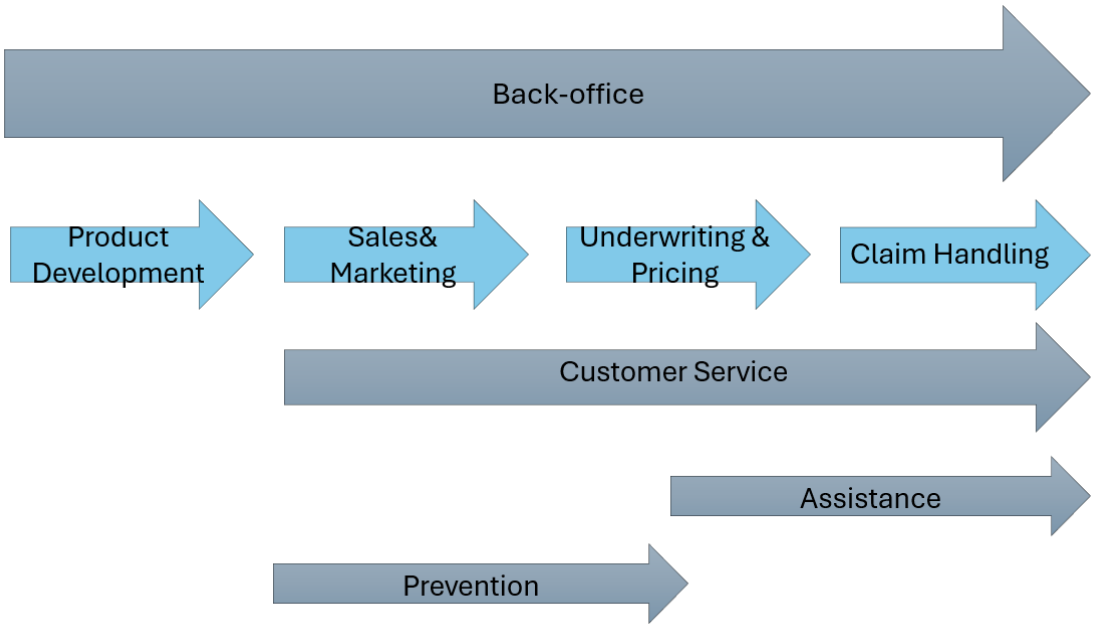
Nevertheless, the influence of insurance CRM goes beyond the mere organization of data. According to Aydin & Akyollu (2021), it optimizes procedures, enhances customer engagements, and serves as a connection between insurers and the insured. Insurance CRM streamlines operations by automating procedures such as policy renewals, claims handling, and lead nurturing. This enables agents to prioritize personalized service delivery and provide expert advice to consumers regarding the most suitable coverage options.

2.3 Importance of CRM in insurance

On the road to digital transformation in the insurance industry, the insurance value chain outlines the primary activities and processes within the insurance industry, providing a framework to understand where CRM can be effectively integrated. As depicted in the value

chain (Figure 2), CRM can assist insurers to better manage customer interactions, personalize services, and provide seamless customer service and assistance, ultimately driving competitive advantage and long-term growth.

Figure 2: Scope of Digital Transformation in the Insurance Value Chain



Source: Wiesböck et al. (2017)

According to Rigby et al. (2002) and Dowling (2002), by monitoring the exchange of information between customers and companies, some of the ways CRM can help companies include:

1. Improved customer experience

Optimizing client experience is crucial in the insurance industry for building trust and loyalty. Insurance CRM solutions enable agents to provide personalized service by effectively addressing the specific demands of each customer. Agents can enhance customer satisfaction by utilizing customer history and preferences to tailor their interactions.

2. Efficient sales procedure

Insurance CRM optimizes the entire sales process, covering all stages from lead creation to deal closure. It allows agents to prioritize leads based on their potential worth and the risk of potential loss, allowing them to focus their efforts on prospects with high value. In addition, the technology automates follow-ups, guaranteeing that no potential consumer is overlooked.

3. Enhanced data management

Considering the significant amount of data that insurance companies deal with, an insurance CRM system offers a systematic approach to organizing and managing data. Automation of data entry reduces errors, while CRM analytics empower firms to extract valuable insights, facilitating data-driven decision-making.

4. Efficient claims processing

Managing claims effectively is crucial for insurance operations. An insurance CRM system streamlines and accelerates the claims process, empowering agents to handle claims efficiently and accurately. As a result, clients are satisfied and have swift and smooth claim settlements.

5. Improved potential for cross-selling and upselling

Insurance CRM aids agents in recognizing cross-selling and upselling opportunities. Agents can suggest additional policies that are in line with a customer's coverage needs and life events if they understand them. This not only enhances revenue but also improves the customer-agent connection.

6. Compliance and protection of data

Insurance CRM systems place an emphasis on ensuring the security of data and adhering to regulatory requirements. CRM platforms apply stringent security measures to safeguard client data, due to its confidential and sensitive nature, to avoid unauthorized access and data breaches. Moreover, CRM systems frequently incorporate features that assist with fulfilling regulatory requirements.

2.4 Overview of CRM implementation challenges and success factors

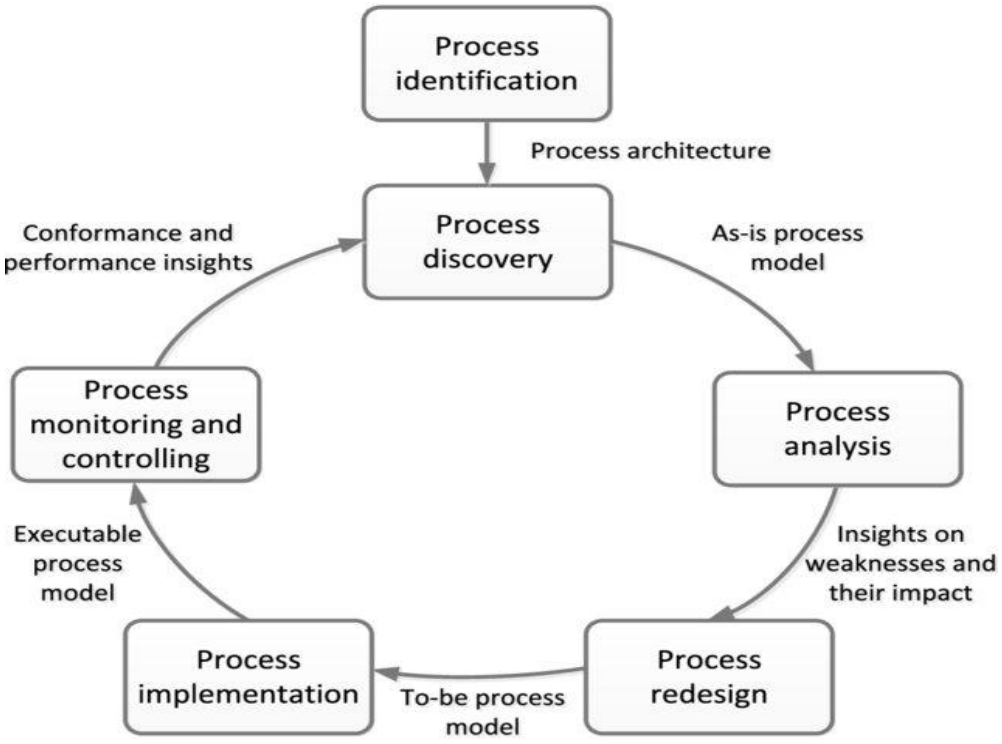
Digital transformation encompasses more than just the adoption of new technology (Hinings et al., 2018). It requires major changes in strategy, business models, procedures, and organizational structures (Westerman et al., 2011), as well as a re-evaluation of a company's norms and values. Consequently, companies face significant difficulties in effectively managing their digital transformation (Liu et al., 2011). In order to be able to analyse the main challenges in the CRM implementation process, the implementation methodology has to be evaluated as well. The purpose of this overview is to determine to which extend are these methodologies applied in the implementation plan, and provide a basis for discussion if this decision has impact on the challenges faced by the insurance company which is in the focus of this thesis, and in general.

2.4.1 Business process management framework

The cornerstone of implementation plans in this area are often based on the Business process management (BPM) methodology. BPM focuses on the creation, analysis, and enhancement of business workflows to ensure they align with your organization's objectives. It guarantees that all processes operate efficiently and contribute to key goals, like improving customer experience (Weske 2007). According to Smith and Finger (2003), BPM assures business, control accounting processes and stability, minimizes redundancies, and enhances automatic responses.

BPM includes a thorough examination of individual processes, assessing the current situation, and pinpointing opportunities for enhancement to foster a more streamlined and effective organization. Every department within a company is tasked with taking certain raw materials or data and converting them into different outputs. Each department may deal with several fundamental processes.

Figure 3: Business process management lifecycle



Source: Dumas et al, (2018).

BPM is known for its iterative approach which involves (Hammer, 2010):

- Process discovery: Identification of the process initially.
- Analysis: Understanding current processes to identify inefficiencies and improvement areas.
- Redesign: Proposing optimized workflows to align with organizational goals.

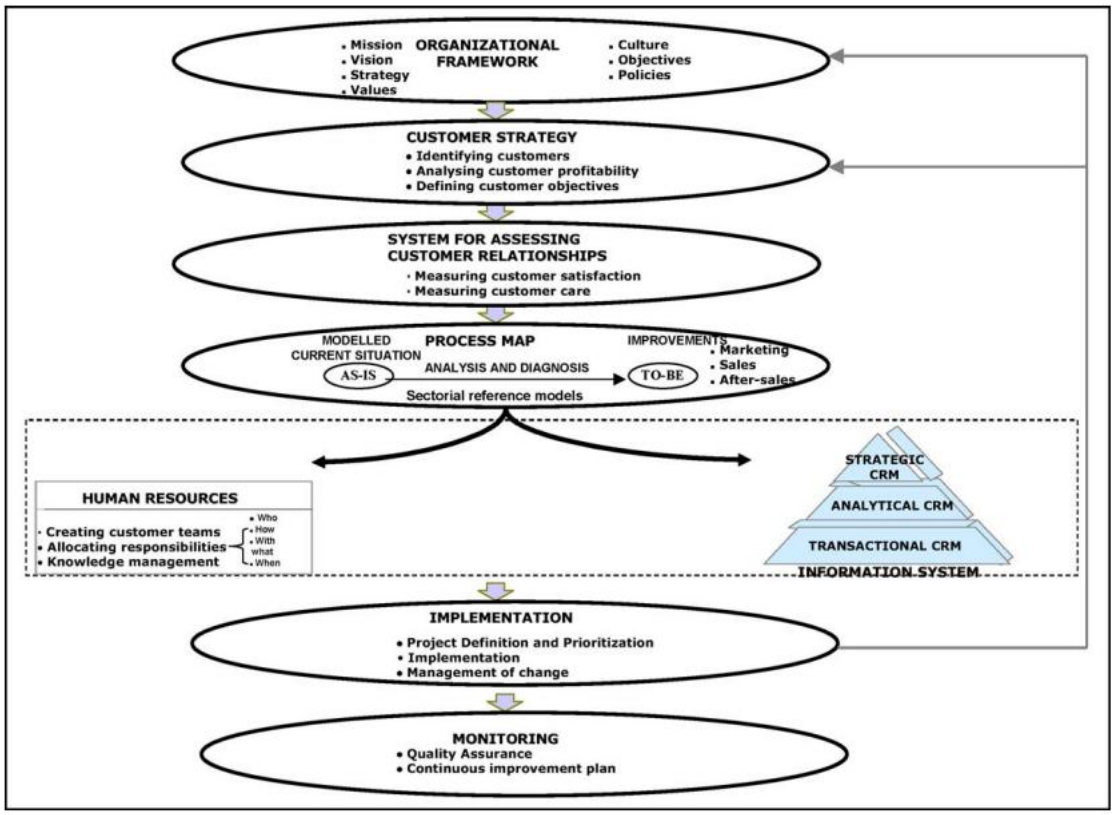
- Implementation: Executing the redesigned processes, often supported by technology like CRM software.
- Monitoring: Continuously assessing performance to ensure objectives are met.
- Optimization/Improvement: Iteratively enhancing processes based on feedback and new challenges. ´

This methodology guarantees not just successful implementation but also offers a structure for continuous improvement (figure 3), essential in fast-moving sectors such as insurance. The addition of strategies for managing change and enhancing communication highlights BPM's focus on harmonizing individuals, technology, and procedures smoothly.

2.4.2 CRM-Iris Methodology

Additionally, according to Chalmeta (2006), who introduced the CRM-Iris methodology for CRM implementation, which is also process-based, and is presented by the different activities which are conducted in an implementation project, which are interconnected, as shown in figure 4.

Figure 4: CRM-Iris methodology



Source : Chamleta, (2006).

This methodology proposes that a CRM is not just a tool, but rather a whole business strategy, integrated into a technology, and because of that, the implementation project proposes performance of 9 different steps (which can, to an extend, be also considered as parts of the Dumas's BPM lifecycle, starting with the process analysis, and emphasize the ongoing optimization of the process). Those steps are:

- Project Management and prerequisites
- Definition of the company's organisational framework
- Definition of a customer strategy
- Designing a customer relationship assessment system
- Process map
- Human resources organisation and management
- Construction of the information system
- Implementation
- Monitoring.

2.4.3 The CRM process-based framework

Payne & Frow (2005) present a CRM process-based framework which gives a deeper comprehension of achieving success in CRM strategy and implementation. This framework breaks down the customer relationship management into five connected processes, which provide organizations with an improved approach in developing and maintaining strong customer relationships and in the same time achieving their business goals:

1. Strategy development

As a core of any successful CRM strategy is a robust strategy development, enforcing the overall business strategy with a clear customer strategy. The business strategy defines the company's vision, mission, and competitive positioning by analysing market dynamics, competitor actions, and internal capabilities. Parallelly, the customer strategy focuses on understanding the diverse needs and behaviours of customer segments, identifying high-value target groups, and determining how best to engage and serve these customers. Developing an integrated CRM strategy ensures that business objectives and customer expectations are harmonized, guiding the design and implementation of CRM initiatives.

2. Value creation

The value creation process is vital in the customer relationship management. Organizations should be able to determine and showcase the value they can offer to their customers, in a way which will showcase a greater importance of benefiting the customer rather than

focusing on profitability and turnover. This can be achieved by analysing customer data and insights, and by this, organizations will prevent churn of their customers, which will result on a more long-term profitability. This value-driven approach is essential for differentiating the business in competitive markets and fostering sustained customer engagement.

3. Multichannel integration

As the organization can engage with its consumers through an increasing number of different channels, the process of integrating several channels becomes one of the most crucial concerns in CRM. The process of multichannel integration involves identifying the optimal combination of channels for engaging with customers and providing exceptional customer experiences throughout those channels. The ability of the company to handle multichannel integration and provide an exceptional customer experience depends on its ability to establish a cohesive and comprehensive understanding of the consumer, and distribute it across various channels.

4. Information management

Efficient management of customer information is important to unlocking the full potential of CRM, in a way of a systematic collection, storage, analysis, and application of data from multiple sources, including transactional records, customer feedback, and digital behaviour. By consolidating and integrating this data, organizations gain actionable insights into customer preferences, needs, and lifecycle stages. These insights enable tailored marketing campaigns, proactive service interventions, and continuous improvement of customer interactions. Furthermore, effective information management supports compliance with data privacy regulations and builds customer confidence in the company's handling of sensitive information.

5. Performance assessment

The final process focuses on evaluating the effectiveness of CRM initiatives against established goals. Organizations need to define clear metrics and KPIs—such as customer retention rates, satisfaction scores, and revenue growth linked to CRM activities—to measure success. Ongoing performance assessment enables companies to identify areas for improvement, justify CRM investments, and make data-driven decisions to refine strategies and processes. Continuous monitoring also facilitates agile responses to changing customer needs and market conditions, ensuring CRM remains aligned with business priorities.

2.4.4 CRM implementation issues

Although there is a strong focus on CRM and its crucial role in achieving corporate success, research shows that the rate of successful CRM implementation is still suboptimal. In research conducted by Bull (2003), 202 CRM projects were examined, revealing that a mere

30.7% of the organizations involved indicated improvements in their sales and customer service procedures. As a result, many companies face major difficulties while implementing CRM systems. Some of the challenges organizations faced, highlighted by Tofte (2021) and Vebsageadmin (2024) include:

1. Lack of leadership

CRM implementation typically entails modifying business processes and introducing new information technology as part of the business strategy. As a result, effective leadership plays a crucial role in this process (Galbreath & Rogers, 1999, Kubi & Doku, 2010). Since leaders are responsible for monitoring an organization's external environment, they are frequently in the best position to establish a strategic direction or vision for CRM initiatives (Light, 2001; Nguyen et al., 2007). The individuals who possess the ability to accurately specify the requirements and effectively supervise the implementation will be the ones capable of providing the CRM provider with the necessary information. If mid-level staff are responsible for handling the implementation task or other essential procedures, expect that the implementation will not proceed smoothly. They lack adequate business knowledge and may not possess the necessary authorization to access critical data, such as financial and sales information. Also, leaders are also instrumental in the empowerment and motivation of critical personnel, the establishment and monitoring of performance, and the authorization and control of expenditure (Pinto & Slevin, 1987).

2. Cost

The financial burden is a significant obstacle that businesses face when integrating a CRM solution, especially if the implementation of CRM is perceived as only an additional cost rather than taking into consideration the limitless benefits it can add to the business. Because of this, it is recommended to first determine the reasons why an organization requires a CRM, or otherwise, these systems are likely to be resisted or underutilized (Srivastava et al., 1999; Rigby et al., 2002). This will provide a comprehensive understanding of the necessary CRM implementation approaches, ultimately aiding in the creation of a project budget. Merely adopting the competitor's CRM techniques without careful consideration is akin to taking a blind and perhaps catastrophic approach. It is advisable for companies to thoroughly review the overall cost of ownership, IT resources, software, hardware, and other relevant factors with all the CRM providers that have been selected for consideration (Chaudhari, 2021).

3. Set Clear Objectives

Kirby (2001) argued that establishing defined objectives that a business aims to accomplish with the system is a key factor for a seamless and prosperous CRM deployment. Additionally, it is recommended to strive towards transforming these objectives into quantifiable measurements. Neglecting to do so could impede the assessment of the return on investment or fundamental advantages of the system. In order to achieve a seamless CRM

implementation, it is essential to have a comprehensive understanding of the system's main functionalities and objectives.

4. Training

Investing in new technology is only effective when accompanied by equivalent investment in people who will use it. A significant challenge in CRM implementation is the lack of adequate training and user engagement. Without proper training and early involvement of all relevant users—across departments—CRM systems often suffer from underutilization or resistance. As Reinartz, Krafft, & Hoyer (2004) emphasize, the success of CRM depends not just on the system itself but also on how well it is integrated into employee workflows and adopted across the organization.

5. Plan integration requirements in advance.

Companies which invest in different systems, tend to integrate them. Most common integration is between CRM and other tools such as ERP, payroll, or marketing automation platforms. However, rushing integration without adequate planning can lead to information overload and implementation fatigue among employees. It is essential to assess integration needs early and prioritize based on business goals and technical readiness. As Kale (2004) suggests, successful CRM implementation depends not only on system adoption but also on the strategic alignment of CRM with other core business systems. A phased approach—where basic CRM deployment is followed by gradual integration—can enhance adoption and reduce operational disruption.

6. Type of deployment

Another vital decision when implementing CRM is determining the deployment model, if it will be cloud-based or on-premise. An effective strategy is careful evaluation of the allocated budget and comparison to the comprehensive total cost of ownership, which encompasses expenses for all necessary resources, maintenance, upgrades, infrastructure, and other factors. This analysis should be conducted prior to making a decision and before start of the implementation. Limited resources force many organizations to outsource a significant portion of their CRM solution rather than developing CRM software internally. MacSweeney (2000) reported a failure rate of 60 % for in-house CRM systems.

7. Time

Deploying a CRM system can be a time-consuming endeavour. The process typically involves extensive research, testing, onboarding, deployment, and training, which can temporarily stall routine business operations and adversely affect employee productivity. Organizations that attempt to compress or even omit these critical steps in the pursuit of rapid rollout often face costly setbacks. Industry and case study reviews have consistently

shown that rushing CRM deployments without sufficient planning leads to increased failure rates and suboptimal outcomes. (Howle, 2000).

8. Engage the services of a suitable CRM solution provider

Suoniemi et al. (2022) reported that companies continue to experience high failure rate due to the inability of the CRM solution provider or consultant to deliver. This is one of the main reasons why choosing the appropriate CRM solution provider or partner is crucial for achieving effective implementation. It is advisable to choose a partner who can assist in both the execution and planning stages before deployment, with the additional option of hypercare and support once the implementation process is finalized and users try to get acclimated with the new system. Furthermore, it is crucial that the partner discloses all the potential risks associated with the implementation prior to finalizing the agreement.

2.4.5 Exploring the failures of CRM implementations

Despite the continued growth and development of CRM technology, for some reasons, it has failed to meet its objectives and expectations (Chang et al., 2010; Reimann et al., 2010). While some of these causes can be unavoidable, there are numerous others that can be prevented (Payne & Frow, 2004). Generally, the complexity of technical and organizational issues that are associated with CRM implementation is the primary cause of failure (Goodhue et al., 2002). Studies has identified different type of potential causes for CRM failure, which prevents a significant number of implementations from achieving their objectives. Chalmeta (2006) identified the following factors as reasons for failure:

- Treating CRM as just another technology;
- Lack of management support;
- Absence of a customer-centric organizational culture;
- Failure to establish a readiness process prior to implementation;
- Poor data quality;
- Negligence of change management;
- Lack of a CRM inclusive vision and strategy;
- CRM design process excluding the final user.

Kale's (2004) research provides additional evidence that supports the aforementioned factors. The author has identified the following reasons for failure:

- Viewing CRM solely as a technological tool;
- Absence of a customer-centric strategy;
- The long-term value of customers is not sufficiently recognized;
- Insufficient support from senior management;
- The importance of change management is often underestimated;
- Failure to effectively redesign business processes;

- Underestimation of challenges associated with data mining and integration.

Furthermore, Rigby et al. (2002) identified the lack of a proper CRM strategy as the primary cause. The researcher has identified four challenges to overcome in CRM implementation:

- Prioritizing CRM implementation without first developing a customer strategy;
- Introducing CRM without establishing a customer-focused organization;
- Erroneously assuming that increasing the amount of CRM technology will yield better results;
- Stalking customers.

However, neglecting the human and social aspects, such as employees and customers, is the primary cause of CRM implementation failures. This is supported by research conducted by McCalla et al. (2003), and Plakoyiannaki et al. (2008). Nevertheless, certain misconceptions, such as the belief that CRM is synonymous with client acquisition, that customer satisfaction is equivalent to customer loyalty, or the exclusive focus on profitable consumers, can significantly influence the failure of CRM implementation (Verhoef & Langerak, 2002).

In order to establish a successful CRM implementation, a company must establish a customer strategy and identify its intended customers with whom it intends to establish relationships. To cultivate relationships with lucrative customers, a company must first reorganize its structure and procedures before implementing CRM. This is necessary to provide exceptional customer experiences and meet customer needs. Attempting to establish relationships with the wrong customers or trying to establish relationships with the right customers in a negative way can lead to customer irritation and the failure of CRM deployments (Rigby et al., 2002).

2.5 Review of Microsoft Dynamics CRM, its features, benefits and challenges in the insurance industry

Microsoft Dynamics 365 is a complete business application platform in the cloud, which targets to enhance customer experiences and enable several business processes. The software is readily customizable to fit in the requirements of a particular business with little to no programming experience. Dynamics 365 offers a vast variety of CRM tools with which businesses can qualify leads, manage sales opportunities, optimize marketing campaigns, and establish robust customer relationships, outrunning other systems in this respect. It is a cloud application that belongs to a broader Microsoft 365 platform, and virtually all of the ERP and CRM components can be easily integrated into one system, providing a single platform to manage business operations, in addition to seamless integration with other Microsoft tools that have a long list of features.

It also improves decision-making when it comes to customer service and automates various necessary tasks by utilizing data-driven insights. According to Carter (2021), well-known

brands as Chevron, BMW, and Coca-Cola have decided to use Dynamics 365 as their system of choice.

The Dynamics 365 CE tools are targeted towards enhancing customer experience. The main modules are Sales, Customer Service, Marketing, and Field Service that can be used to improve business processes as lead management, case resolution, campaign automation, and mobile workforce optimization (Quintana, 2024). The main capabilities of Dynamics 365 CRM are the ability to communicate across channels, live dashboards, artificial intelligence integration, the possibility to customize workflows, and role-based access to data. It has a modular architecture that can enable companies to start with what they require and expand as their demands change hence a flexible solution to both small and large organizations. Dynamics 365 CE enables organizations to increase customer satisfaction, simplify business process, and generate revenue due to the increased visibility and automation (Microsoft, 2025).

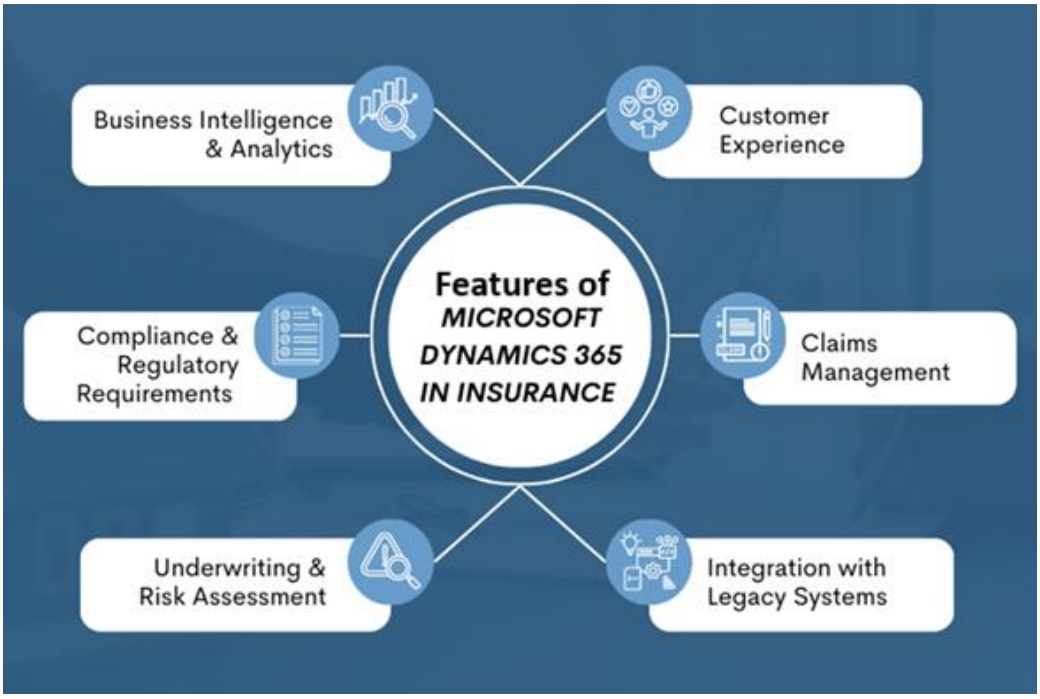
Microsoft Dynamics 365 CRM is constructed on a modular basis, that is why the organizations can implement only those components which they require. Sales module streamlines the process of managing leads, opportunities, and sales rates with the insights built by AI and pipeline customization. Marketing module helps in multi-channel campaigns, customer segmentation, lead nurturing, and real-time analysis of marketing. The Customer Service module provides omnichannel services, case management, and knowledge base integration to improve the customer satisfaction level and resolution time. Field Service allows to control mobile workers, send technicians, and perform service delivery optimization with the help of IoT and predictive scheduling. Other modules frequently used in tandem with CRM include: Project Operations (to manage projects end-to-end), Customer Insights (single, unified customer profile and analytics), and Business Central - a financial, inventory, supply chain, and ERP application that can be integrated with CRM operations (Pandey, 2024). Each of the modules can be used either as standalone solution or as a part of a bigger consistent solution and it provides scalability and flexibility according to the size of the business and its requirements (Microsoft, 2025; Anurag, 2022). In addition, the seamless integration is not limited to the various modules of the Dynamics 365 suite, but extends beyond, to the total range of Microsoft products and tools that any business worldwide can avail of, including Outlook, office, SharePoint etc hence making this CRM system a so called symphony of integration (Mayou, 2025). Looking at the challenges faced in the insurance sector; how can Microsoft Dynamics CRM help to mitigate some of these challenges?

In essence, within the insurance sector the three key pillars of delivering best customer experience are: the timely communication to the customers, data accuracy and customized service; that is why Microsoft Dynamics 365 CRM is among the best in the market, as all these are the aspects where they are considered to be a proven vendor of value to their customers. The omnichannel services that provide the user with interaction with the customers through various platforms and channels, makes the communication quick and

easy, irrespective of whether the particular requirement is connected to the policyholder questions, claims or general information. Dynamics 365 allows insurers to have a unified customer profile, which integrates the information in underwriting, policy management, marketing, and service. This 360-degree perspective empowers insurers to offer personalized service and custom advice (AIMDek, n.d.). The Sales and Marketing modules would be able to assist broker and agent networks by automating two of its primary functions, which include tracking leads, onboarding, and campaign targeting of new insurance products. When it comes to policy renewals, creation of quotes, and triaging claims, automation of workflows eradicates manual work. Dashboards used in combination with analytics give insight into customer behaviour, exposure risk and performance of operations- which allows insurers to make data-based decisions in order to improve their acquisition and retention strategies. In addition, Dynamics 365 can be connected with Microsoft Teams, and in such a way, the agents, underwriters, and customer service teams will be able to cooperate in real-time and solve the problem faster and provide the quality services. The solution is adaptable so that insurers may tailor the platform to suit their business model that may be B2C, B2B, and even B2B2C and evolve with the market and regulatory needs (Microsoft, 2025).

In general, the Dynamics 365 Customer Engagement modules, separately or integrated with other tools, can provide a seamless and successful digital transformation to insurance organizations, because of the system's native tendency to managing customer interactions, streamlining the policy management as well as advancing the claims management process (Hafizov, 2025).

Figure 5: Features of Microsoft Dynamics 365 in Insurance



Source: Own work based on AIMDek (n.d.).

The benefits of Microsoft Dynamics 365 according to Anurag (2022), based on the main features used for the insurance sector (figure 5) include:

1. Improvement of Operational Efficiency

Dynamics 365 is a powerful tool enhancing operational efficiency that combines and streamlines disparate policyholder data into a single, real-time database. Such merging does away with data silos, duplication, and information retrievals become quicker at the hands of brokers, agents, and support staff. To be practical, it implies that there is reduced manual data entry in customer record update, renewals and claims (Biedacha, 2004). Workflows that are customized can automate routine jobs including issuing reminders of policy expiration or directing claims to the right adjusters and decrease the time of processing and administrative costs. This simplification leads to reduced operational costs and increased employee productivity.

2. Keeping customers interested by creating customised experiences.

Insurance is personal and a customer wants his/her provider to be aware of his/her needs. Dynamics 365 allows insurers to keep and maintain detailed customer profiles with demographic data, preferred communication channels, previous experiences and what they bought, and so on, so that every interaction can be personalized. Customer messages in various communication channels (email, chat, social media) can be accessed by service agents on one interface, which means that a personalized response can be made consistently. As an example, an existing policyholder who calls to ask you about changing the premium might be welcomed by name, and the agent can see his previous requests and claims. It enhances customer loyalty and satisfaction to this extent of personalization.

3. Role-Based access to information that is centralized

Among the most potent features of Dynamics 365 is its data assignment by roles. Brokers, underwriters, employees, and claims agents can be given certain authorizations that only the information of their interest can be accessed by them. This shields sensitive information and at the same time assures the users of all things they require to make their jobs successful. Another example, a field adjuster could read only the data of claims, whereas a customer service agent could view logs of communications and policy summaries (Biedacha, 2004). This is specific access which can help to make decisions quicker, establish trust in customers, and enhance data governance, which is particularly important in a highly regulated industry such as insurance.

4. Providing actionable analytics

The in-built analytics features and real-time dashboards of the CRM can give an actionable understanding of all the insurance business functions, including sales performance and customer interactions, claim processing, and risk exposure. Some of the KPIs that brokers

and sales managers can track include new policy issuance, customer acquisition trends, and geographic sales dispersion. Claims departments are able to monitor processing time, success rates, and customer satisfaction ratings. Such insights enable the insurers to be proactive in terms of strategies, more efficient in allocating resources, and evidence-based decisions. Also, with predictive analytics, customers who are likely to lapse or change providers can be identified and the churn can be prevented (Quintana, 2024).

5. Insurance business-driven customizing

Dynamics 365 comes in a highly customizable form. The system can be customized to suit the particular requirements of insurance companies in the aspect of operations and reporting. This will include development of custom forms and workflows that can be used in policy renewals, quote requests, premium tracking, agent productivity reports and compliance audit. A CRM that is specific to insurance processes guarantees consistency, accuracy, and scalability compared to spreadsheets or independent systems. Consider the case of a health insurance provider, who may create a dashboard of tracking policies that includes active policies, pending renewals, and tagged claims all in one screen.

6. Efficiency of operational processes to improve customer service

One of the brightest examples of the CRM optimization application refers to Zurich Insurance, which introduced Microsoft Dynamics 365 in three key markets, including Switzerland, Germany, and Brazil. The business models of the two markets were different (B2C, B2B, and B2B2C), but Dynamics 365 was flexible enough to help Zurich adapt it to local workflows and requirements of the users. The implementation accommodated intricate insurance agent hierarchies, allowed to scale usage on seasonal bases, and allowed integrated data collection where the systems were previously fragmented. Having consolidated marketing, sales and service information, the Zurich teams were able to provide more personal customer interactions depending on the product history, behavioural data as well as lifecycle stage. This had an outcome of an accelerated service, decreased churn and increased customer lifetime value.

These are not hypothetical benefits that have not been proven in practice but have been actually achieved by large insurance organizations that have implemented Microsoft Dynamics 365. Some of them are:

- Zurich Insurance Group

As noted above, Zurich adopted Microsoft Dynamics 365 Sales together with Microsoft 365 Copilot Sales to facilitate the management of broker and customer relationships in its international business. The solution allowed real-time updating of CRM in Outlook and Microsoft Teams, which decreased the administrative load and eradicated data silos. This integration increased the quality of data and offered more informative data to client-facing teams regarding customer relationships. Consequently, Zurich recorded the savings of about

14,000 hours per year, as well as the improved effectiveness in engagement, and relationship management (Microsoft, 2024a).

- Zavarovalnica Triglav

The biggest insurer in Slovenia, Zavarovalnica Triglav, has adapted its customer service processes with Microsoft Dynamics 365 Customer Service, Sales, and Customer Insights and Azure OpenAI Services. In such a configuration, the company has generated a central customer profile, and thus, it could solve cases faster and offer a more customized customer experience. The AI-based tools were 10 percent of the incoming customer queries through chatbot, and intelligent routing of cases in correlation to automatic summarization contributed greatly towards manual processing time reduction (50 percent). The result of this deployment was shorter resolution times and customer satisfaction (Microsoft, 2024b).

- Indiana Farm Bureau Insurance

In order to keep up with increased competition in a digital-first insurance environment, Indiana Farm Bureau Insurance managed to use Microsoft Dynamics CRM to modernize and centralize insurance sales and customer engagement processes. Prior to CRM, agents were using different and manual tools like spreadsheets and paper files making them inefficient and did not track customers uniformly. Agents could now access a single tool that allowed them to input information simply and clearly see their sales pipelines and follow-up on the same more effectively using Dynamics CRM. The CRM system also made it possible that sales data were kept at the corporate level and did not get lost in case an agent would leave the organization. In general, with the implementation, the following changes occurred: enhanced productivity of the agents, enhanced customer service, and more strategic marketing activities (Hitachi Solutions, 2022).

- **AIA Group**

AIA Group implemented Dynamics 365 Customer Service with Copilot to make contact centres in the Asia-Pacific more productive. Agents could now offer more uniform and quicker service across the channels, as AI-based customer history summaries and auto-generated response drafts enabled them to provide it. Copilot could also tap the internal knowledge base of AIA to guide the contextual advice when interacting with service. These features contributed to faster processing of the cases, shorter training, and a high-quality, consistent omnichannel experience of service (Microsoft, 2024c).

Even though Microsoft Dynamics 365 CRM seems like the one of the most convenient and advanced CRM technologies in the market, especially for the financial and insurance industry, there are some challenges that appear when undergoing the CRM implementation process using this technology. As in this specific industry, the implementation is often faced

with regulatory environments, complex data management, even a robust platform such as D365 can get confronted with several organizational and technical difficulties.

The most common challenges are often the data migration and integration (Abbott, 2023). As insurance companies manage claims, policies and customer service through different channels, migrating the data as a whole in one system, out of few legacy ones can be complex. This usually requires extensive data mapping and cleansing, and is frequently under strict compliance constraints (IndustryTrends, 2024; Agrawal, 2024). For example, in Nordic insurance companies, the rigidity of the legacy systems and lack of customer data unification can impact the timeframe for a go-live in this type of project (Tofte, 2021)

Furthermore, as Tofte also mentioned in his thesis (2021), the change management and user adoption can become a great challenge, especially when users can't adapt to a new system and workflows, and revert to some legacy systems or even spreadsheets. This is also backed up by Higgens (2025) and Gupta (n.d.), emphasizing the importance of user involvement in the early stages in the implementation process, as well as proper user training.

Another critical point is the over-customization (Abbott, 2023). Even though this is one of the main selling points for D365 CRM, as a highly customizable system that can be tailored to each customer's needs, if the implementation project includes simple replication of the legacy systems, instead of using D365 in optimizing the current processes (Tofte, 2021), and this can lead to performance issues and possible scalability restraints (Abbott, 2023).

Lastly, and in the insurance industry of vital importance, are security and compliance, especially when it comes to GDPR policies, retention rules or internal auditing mechanisms, which are often postponed and addressed too late in implementation projects (Agrawal, 2024; Abbott, 2023).

3 METHODOLOGY

The goal of this thesis, as mentioned above, is to gain a better understanding of the challenges of CRM implementation in an insurance company and determine if Microsoft Dynamics 365 is the right system choice for insurance companies. So, this chapter will give the reader a comprehensive look at the research methodology that is used and based on the purpose, four research questions were defined:

- Is Microsoft Dynamics 365 CE as a CRM system the right choice for the specific company, which is in the focus of the thesis, industry wise?
- Is the implementation plan following any specific approach based on the vendor's best practices?
- Did the implementation follow the plan, and will the result reach the expectations of both users and the management?

- What are the most common challenges when implanting a specific CRM software in general, as well in this specific example?

This thesis seeks to answer these research questions by reviewing the literature regarding the requirements for a successful CRM implementation, with an emphasis on the unique requirements and challenges faced by the insurance and financial sectors. The basis for assessing Microsoft Dynamics 365 as a CRM solution for the insurance company and determining crucial success factors for CRM implementation in comparable contexts will be established by the literature review. Understanding the factors will help the study shed light on how the insurance company might have approached their CRM project in order to maximize results, helping in answering the research questions on implementation planning, adherence to the plan, user satisfaction, and common industry challenges.

3.1 Research design and data collection methods

A mixed-method approach is used in this research which involves two forms of data: primary and secondary data. Information obtained with the goal of solving a problem is referred to as primary data by Chisnall (1997). The research questions will be answered using primary data, which will be gathered via meetings, workshops, surveys, and interviews. Employees from the vendor company that provides the software as well as the insurance company that is implementing the CRM will participate in these sessions. The information gathered from vendor employee interviews will be especially useful since it will shed light on the suggested CRM implementation procedure, expected timeline, user training, collaborative testing, and ongoing support for the project.

On the other hand, secondary data refers to the utilization of pre-existing information that may be relevant to the research, even if it was not gathered for this purpose (Chisnall, 1997). For the research questions, data will be drawn from secondary sources such as scientific articles, published research, and relevant content available on CRM providers' websites.

3.2 Selection of the sample and data sources

The sample for this research includes two primary groups: employees of the insurance company (the CRM end-users) and employees from the CRM vendor (providing expert guidance and implementation services). Surveys will be conducted with the insurance company's staff, especially those in operational positions, to learn about their expectations and experiences with the new CRM system. Furthermore, feedback from CRM specialists with expertise in Dynamics 365 will be obtained to assess typical implementation challenges they have faced. This will assist in determining the relevance and prevalence of these issues in this particular context.

3.3 Data analysis methods

Both qualitative and quantitative techniques will be used in the data analysis. To find important insights into the perceived benefits, challenges, and expectations associated with CRM implementation, qualitative data from workshops and interviews will be subjected to thematic analysis. Users' perceptions of how the new CRM system affects their workflows will be statistically revealed by quantitative data collected from post-implementation surveys. The practical ramifications of switching from a legacy system to CRM software, the effect on business operations, and the primary difficulties noted by management and users will all be better understood with the aid of this analysis.

3.4 Method of case study

I performed a case study, which Bell et al. (2018) define as an in-depth examination of an organization, group, or event, in order to obtain a deeper understanding of the insurance company and the difficulties related to CRM implementation. This approach made it possible to examine a particular case in great detail, comparing the results to the theoretical framework and the insight derived from the literature review.

In-depth, surveys and an interview were the main qualitative data collection method used for this case study. The vendor company's lead consultant, who was in charge of the business analysis and project management for implementation, was the only person interviewed.

The semi-structured format of the interview allowed for a combination of structured and open-ended questions. Structured questions focused on gathering standardized information, such as the interviewee’s role, previous experience, and definitions of key concepts. These provided a consistent basis for comparison and understanding. Meanwhile, open-ended questions were designed to elicit the interviewee’s personal reflections and insights. These questions were deliberately general and non-leading, allowing the interviewee the freedom to discuss both positive and negative aspects of the project. This approach sought to document their thought process, including what they thought worked well, the challenges they encountered, and their suggestions for future improvement.

The interview offered a thorough understanding of the project's dynamics as well as its perceived advantages and disadvantages by striking a balance between structured and exploratory elements.

3.5 Interview participant

Two important criteria were used to select the interviewee. To offer detailed insights, personal experience, and feedback regarding the implementation process, the participant had to have been actively involved in the project. Second, to guarantee a thorough understanding of the project, the participant's role and professional background were crucial.

The lead consultant from the vendor company was the person interviewed for the purpose of this thesis. This person, employed in the vendor company as a team lead and consultant, with experience of over 8 years working on implementation of CRM in various financial and insurance companies, in both consultant and developer roles, was the main responsible person in the first two phases of the project, and later on helped in project management tasks as well as overviewed the project implementation in general. Because of their position, they were able to offer a holistic view of the project, covering technical, operational, and strategic aspects. The focus on this important person guaranteed a thorough and in-depth examination of the project from a central and influential perspective, even though the original plan was to include participants representing a variety of roles, including management, technical staff, and team leaders or members.

3.6 Survey

There were two different surveys conducted for the purpose of this thesis.

The first was delivered to employees in the insurance company, which were involved as key users of the CRM, and their opinion is essential in this thesis, as it provides an insight of the perception of the end users to the whole implementation process, as well as the expected benefits for the users and for the company.

The second survey targeted CRM implementation professionals from the vendor company, which were not to a bigger extend included in the specific implementation project per se, but as they are experienced with other Microsoft Dynamics 365 implementation project in financial industry, were considered of importance, in providing insight into what they would consider as main challenges they faced in their work.

3.7 Participant anonymity

Given the unstructured nature of the interview process and the potential for collecting personal opinions and sensitive data, combined with the small number of participants, all identifying information about the interviewee will remain confidential. Furthermore, a non-disclosure agreement signed prior to the interview restricts the extent to which details such as job titles and other identifiable information can be disclosed. Given the small number of participants—in this case, just one person—this confidentiality measure is especially important.

4 RESULTS

This chapter provides information about the insurance company which is in the focus of this thesis, as well as the implementation process of CRM in the said company. Additionally, the

primary data will be presented and discussed, comparing the results with the secondary data sources analysed in chapter 2 – the literature review.

4.1 Case study: implementation of CRM and challenges in company X

4.1.1 Overview of the legacy CRM system limitations, and process of selection of new CRM system

In the spotlight of this thesis, I have chosen to analyze the process of implementation of CRM platform in one German Insurance company acting also as an Insurance Broker. Before the implementation of the Microsoft Dynamics 365 CRM, the company was operating on disparate technology platforms to support placement, policy management and claims activities, with no system in place for sales activities such as lead generation or opportunity management. The extent to which these platforms support business operations varied considerably; however, there was commonality in that none of the existing platforms provided an efficient solution to manage the full policy lifecycle.

The constant evolution of the business units has resulted in the operation of a diverse range of IT systems to support the various business processes in place. There was consequently considerable scope for both process and platform rationalization. The current situation resulted in a number of rekeying activities the same data in several systems. This was not efficient, causing errors and reducing data quality.

To enable achieving of this optimization and support the growth objectives of its business, the company started seeking to establish which IT systems available on the market are capable of offering the functionality required at a cost affordable to them.

The expected benefits of a new platform were planned to result in freeing up capacity at least 30 %.

The company didn't find any systems that cover completely the full process Placement, Policy and Claims Management. They had many systems used in the different phases of the process and this reduced efficiency and increased the possibility of errors.

The company wasn't unaware of the extensive digitalisation opportunities in the insurance industry. On the contrary, they have been researching for quite some time what would be the most suitable solution, as well as most accordant in regard to the other systems that were already implemented or were in the development/implementation phase.

As already widely known, Microsoft Dynamics 365 suites have been the undeniable preference across all industries, but the Company was solely interested in a solution that would be tailored to meet the specific industry needs.

The process of choosing the most suitable provider and solution was based on their requirements. For that purpose, the decision-making process was initiated by distributing a Request for Proposal document to providers. After receiving responses, a Business Requirement Document was delivered to all interested providers. That document was assembled in a way to collate business requirements for a customer relationship management system to be developed, in conjunction with the business, in order to achieve an effective alignment between business and IT for the proposed solution. The procedure for BRD development and finalization was planned to involve:

- Capturing and understanding stakeholder needs and expectations, and constraints and limitations with respect to these needs and expectations.
- Validating business goals with the relevant stakeholders and aligning them with stakeholder expectations.
- Obtaining stakeholder needs and expectations and translating them into business requirements.
- Obtaining sign-off from the business and other relevant stakeholders on the baselined BRD

The main scope of the development and implementation of CRM solution, as defined in the BRD, was composed by first defining the bottlenecks and limitations of the current organisation strategy and platforms' insufficiencies:

- For a deeper comprehension of the source of inadequacies, was explicitly expressed that the evolution of the businesses units has resulted in the operation of a diverse range of IT systems to support the various business processes in place. There was consequently considerable scope for both process and platform rationalization. The current situation was often ending in a number of rekeying activities the same data in several systems, which wasn't efficient, caused many errors and reduced data quality.
- The next and most vital part of the definition was that the company didn't use any solution that would cover completely the full process Placement, Policy and Claims Management. In contrary, different departments and other internal horizontal structures were using many systems in the different phases of their business process and this reduced efficiency and increased the possibility of errors.

The next part defined the exact business objectives and benefits that would be result of the implementation of the CRM in the insurance company. The objectives were defined after internal analysis and CRM strategy definition (Table 1).

Table 1: Company's business objectives and benefits for CRM

Objectives	**Expected Benefits**

E2E system which covers all areas from placement over policy management, invoicing and claim management. This is required to: – significantly improve our operational excellence – managing risks intelligently – support profitable growth	– To have a highly automated system used on different devices (web-portal, pc, tablet, mobile) in order to efficiently manage the placement, policy and claims management process. – Reduce the time used to rekey data in different systems. – Allow the document management integrated with the Document Management System and reduce the turnaround time for document signature with the digital signature functionality. – Time reduction in order to receive policy document from Carriers. – Integration with carriers' system. – Efficient workflow driven by business process and professional standard rules. – Highly supporting profitable growth due to the highest use of efficiency potential by applying straight-through processing (STP-factor) leads to free up capacities for sales. – Following the compliance rules. – Email integrated with current system and the DMS can reduce time to search/store, write and receive documents from/to Carrier and Clients

Source: Own work

As a part of the scope definition, main capabilities expected to be supported by the platform were outlined:

- Product Builder: Product Configuration and maintenance through a user-friendly product builder. The platform should support placement and policy management for the products defined.
- Document template configuration and maintenance
- Policy quotation
- Risk analysis (review client risk status, collect risk information, define strategy) and acceptance
- Policy binds
- Invoicing
- Policy management (Mid Term Amendments, Cancellations, Renewals).
- FNOL (First notice of loss)

- Claims handling
- Loss settlement
- Recovery
- Document generation, storage and management.
- Trading place
- Interface and Integration with existing systems in order to minimize the data rekey.Interface with carriers
- Workflow/task management
- Reporting
- Electronic Messaging (Email/Versioning)
- Portals (Client, carrier, colleagues)
- Digital Signature
- Time recording
- Mobile framework

Further on, defined were the Stakeholders and their Expectations with Business goals aligned, Business Rules, Business Policies as well as TO-BE Business processes:

The new system will support the policy management in the whole E2E value chain, including:

- Policy administration processes;
- Placement processes;
- Invoicing processes;
- Claims handling;
- Client and Employee portals;
- Document Management (SharePoint and other);
- Reporting;
- Integration with other System as e.g. Email, SAP, Oracle Financials etc.;
- Internal auditory process.

Each of the processes was in depth established, together with the related systems to be integrated, and with clearly defined requirements from the system, available next steps, specified security access rights and users' hierarchy.

In the end also included were the Non-Functional Requirements, Assumptions, Dependencies and Constraints, as well as some already defined detailed use cases for different business processes, as the other use cases were planned to be defined at a later phase in the collaboration process.

For providing a fully digitalized service to the company, a vendor company and a frequent partner of theirs, have combined their highest expertise and proposed a combination of two products to the company. The two companies have entered a global strategic partnership, combining the partner's leading insurance platform, with the Vendor's Insurance Cloud

CRM and Power Platform. Based on their future-proof technology, that alliance allowed the Company to completely transform their sales and customer care activities and prepare them for the digital age.

This part of the process, can be related to the CRM process-based framework by Payne & Frow (2005), which is described in 2.4.3 section of this thesis, and more specifically to the part regarding the strategy development and value creation, as the vendor in the pre-sales phase, as part of the proposal, provided setting strategic context, aligning stakeholders, and defining high-level CRM direction.

According to the lead consultant who was interviewed for the purpose of this paper, what adds most value to this vendor company taking the lead in the application process and later becoming the official implementation partner, is not only the delivery of the system, but rather supporting the company on the whole way through the digital transformation process, and with their defined agile approach from various industries, they promote Microsoft's best practices in the CRM implementation in a quite user-friendly way.

4.1.2 Analysis of the CRM implementation process and the challenges faced by the insurance company.

Process of development, implementation and Go-live[1]

The process of implementing Dynamics 365 CRM in the insurance company has been custom built, based partially on best practices of the Vendor, combined with the knowledge obtained during the extensive meetings and business analysis which occurred between the two (and later three) companies with the purpose of capturing as much information as possible, that would be later utilized in both the analysis and implementation process. An additional factor that was never predicted, and had vast impact in the process itself, as well as on the companies' working principles, was the pandemic Covid-19, but that effect will be referred to further on in the thesis.

- Phase 1.

The first phase of the process was an extensive analysis of the business processes that were planned to be optimized by implementation of the Microsoft Dynamics 365, as well as the insurance platform solution offered and maintained by the partner provider as per the agreement. According to the lead consultant interviewed, this phase lasted for 6 months and was consisted of weekly workshops with the Company's assigned representatives, with the

[1] Go-live as a term in the IT industry is used for the stage in the process development, when the new system is available for use to the end users (more specifically for this project and for the Microsoft Dynamics 365 systems, when the solution is transferred to the real-time environment for the first time and becomes operational)

sole purpose of, as previously mentioned, defining the business processes that would be digitalized and optimized with the CRM implementation.

This part of the process aligns with both CRM-Iris methodology from Chalmeta (2006) mentioned in the 2.4.2 section of this thesis, or more specifically with the step defining the Process Map, including the step of defining the AS-IS process, and identifying the possible optimization points (pain points, inefficiencies).

In the analysis process, a distinction was made, and, for the purpose of modular development and implementation, a number of several different modules were defined. These modules were used in separating the workloads in the development and implementation stage, but were also used in the testing phase, in order to make including of the end users more efficient, but also limiting the unpredictable errors to one module at a time, so that any possible impact would not affect the whole organization, and the implementation team would tackle the issue quickly, and resolve it before developing the next module. The modules' structure was also used in the analysis process, where for each module workshops were organized, and in the end a separate document was written for each module, that would serve as a guideline for the development and implementation of the system, which is later divided into corresponding streams based on those modules.

The implementation team distinguished the following modules:

- Architecture – used to define and present which architectural concepts will follow the developed solution.
- Party Organization – used to define and present the way functionalities specified within requirements in the RfP will be designed in the developed solution, and it covers:
    - Party definition for different party types,
    - Party registration and deregistration process,
    - Regulatory requirements,
    - Data maintenance and data cleaning procedures,
    - Organisation structure of the Company, specifying which members will be users of the system
    - System User roles and permissions per user roles, based on the system's data and processes.
- Sales and PM – used to define and present how the Company's requirements n terms of Sales and Contract Management related functionalities will be supported within the developed solution; after the analysis of the Sales and Contract Management processes, activities and activity steps that are required by the Sales and Contract Management to support Sales and contract management related functionalities, different products were also configured during the development and implementation phase of this module, since the processes for different products were discovered to differentiate.
- Claims Management – used to define and present how the Company's requirements in terms of Claims related functionalities are supported within the solution's functionalities.

- Integration – used to define and present solution on system integration processes with proposed Core insurance solution implementation, developed by partner company.

There were other modules and analysis made in the analysis phase of the project, but they were used in the development and implementation of the Core insurance solution, that was custom configured for the use of the Company in partnership with Be-terna, exclusively for this project.

- Phase 2

The second phase of the project began after the business analysis phase was completed (workshops were finished, Functional Specification Documents signed, as well as Product Configuration Files, Requirements List and UATs were confirmed), in the beginning of 2020. This phase was planned to be completed by mid-2022, not taking into consideration the inevitable period of Covid-19 that had affected everything back in that period.

The activities planned for this phase, align with the two different frameworks, from Payne & Frow (2005) in relation to the Multi-channel integration, as well as from Chalmeta (2006) in the Construction of the information system and implementation stages of his CRM-Iris methodology approach.

The implementation phase of the project, in regards to the Microsoft Dynamics 365 system, was 70% completed in the timeframe set after the business analysis phase. The exceptions being some new features, or customization of the agreed existing features, that were defined during the testing cycles, which were part of the BPM approach of the Vendor.

The implementation process was done in streams, that represented parts of the modules defined earlier, or whole modules. After the finalization of each stream, all the newly developed functionalities were first tested internally and between the Vendor and their partner, and afterwards a testing from the Insurance company super users was done. Super users were individuals from the company, that had extensive experience and knowledge of the business processes, and they had a role to test the system and its features right after they were developed, in order to report if any of the agreed upon functionalities has been done in a way that might not be most user friendly for the employees, or their customers, as well as to propose possible improvements, as the whole project was considered to indulging the BPM method of business process optimization.

By the timeline deadline for the implementation phase, the status was as follows:

- Party and organisation module:
    - Party definition, party qualification, party registration and deregistration.
    - Party UI/frontend setup – 360° view.

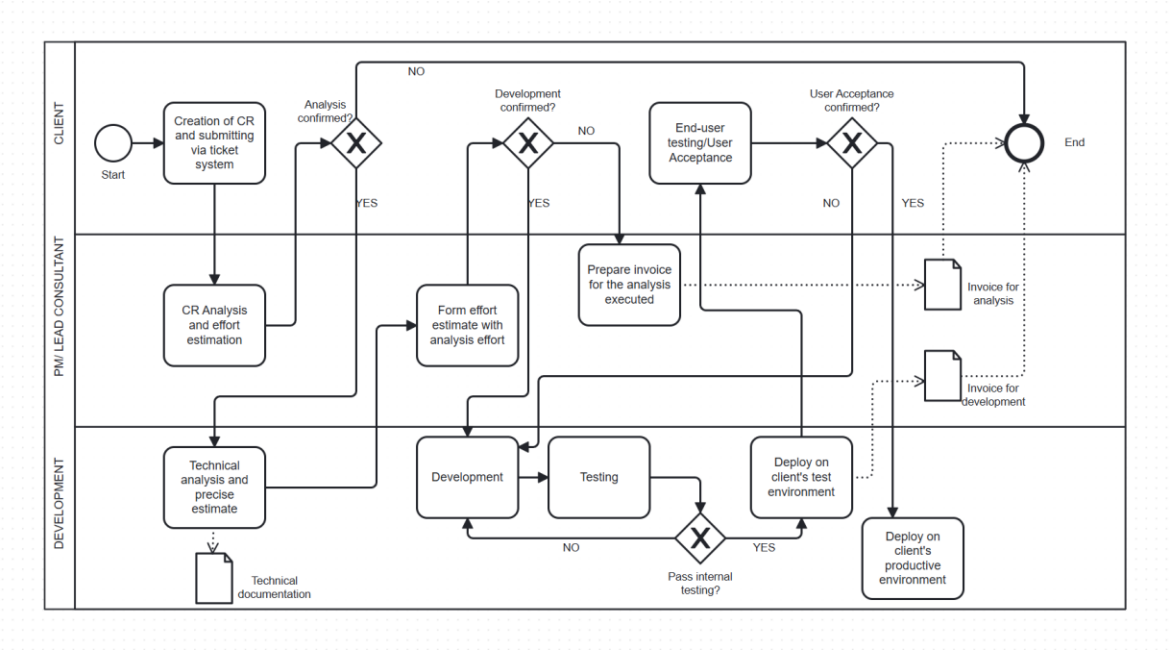
    - Advanced customer management functions: such as data retention period management, AML (anti money laundry) sanction list search, FATCA categorization processes.
    - Internal Organization definition: user rights management, auditing, data security and encryption
- Sales and PM module:
    - Definition of entities used in the Sales and Contract Management process
    - Lead Management process
        - Lead generation
        - Lead registration
        - Lead deduplication
        - Lead assignment
        - Lead qualification
    - Opportunity Management process
    - Contracting
        - Contract creation
        - Contract issuing
        - Contract printouts generating and signing
        - Contract activation
    - Contract changes and contract renewal management
    - Service Level Agreement.
    - Customer interactions
    - Goal Management
    - Reporting
- Claims module:
    - Activity (FNOL) registration
    - Activity to Case conversion
    - Case creation
    - Case to Claim conversion
    - Claim overview
    - Claim management
    - Claim communication – email templates setup
    - Claims Dashboards

This was initially done by end of 2022, which, considering the complexity of the project is perhaps perceived as an achievement, especially with the impact that the Covid-19 had on all businesses worldwide. As the lead consultant stated in the interview, in CRM implementation projects, discrepancies between the plan and the execution are common-usually the reasons can be scope change, data migration complexity or even greater force, such as the pandemic, and they all affect the timeline.

The initial implementation phase was initially closed by the end of 2023, considering that during the development of the system, in the constant communication with the Insurance Company, and the testing done by both parties, there was an extensive number of requirements for changes from the initial project plan, that were added to the implementation phase, in accordance with the insurance company.

Because of the vast number of changes which were presented and discussed in the implementation phase of the project, and even more frequently on the training sessions conducted with the key users from the different departments, which represented the end-users of the CRM in the company, the vendor company and the insurance company agreed on a change management process, which represents the flow of any new requests for change that will occur in the implementation process, requested by the insurance company.

Figure 6:Change management process flow



Source: Own work

With this agile approach, the vendor tried to enforce a barricade of the constant scope fluctuations which occurred during the implementation process, and were not previously defined in the business requirements gathering phase. Each of the requests for change had to forego a process of involving all stakeholders in the process, and to get approved and analysed how it can be implemented as well as how it can impact the ongoing implementation process, as well as what may be the costs, the timeframe and the future training needs related to this change.

- Phase 3

The last official phase is the hypercare phase. This can be defined as the initial period of "babysitting", or providing the users of the company intensive support during the beginning of the use of the system, and being on stand-by for possible reported bugs of some specific configurations that were made during the development and implementation phase, and weren't discovered during the testing phases in the end of each stream, by neither the vendor or the super users from the insurance company. According to Chalmeta (2006), this is representing the Monitoring step from his CRM-Iris methodology, as it also is focusing on tracking system performance, gathering user feedback, and addressing issues immediately after go-live to ensure successful adoption and continuous improvement.

Nevertheless, in one year time, end of 2023, there was no substantial progress in the project, although there was constant involvement on both sides, as well as development.

A decision was made that, because of the events development and the quite frequent necessity of updating the system that was initially agreed upon, to remodel a part of the project methodology, or to be more precise, instead having one go-live for all employees in the company, to have multiple. This decision was based on the evaluation of the development in the project, and the realization that although there were a lot of changes in the system affecting the Claims module, as well as the Sales module, the Party organization was already setup and didn't experience any need for customizations. So, officially, there was a release date in mid-2023, although not with the whole system, and not for all users.

This decision had an impact on the initial estimation for the hypercare period, which according to the lead consultant from the project, by the vendor's best practice, should be around one month long, and occur after every implementation stream, in order to provide proper stabilization period, user assistance and post-go live support in general.

In this particular project, the hypercare period was not immediately enforced, since after the implementation stream, in parallel were being developed or discussed and analysed the requests for changes brought up by the insurance company.

4.2 Creation of the CRM implementation plan, based on BPM Lifecycle

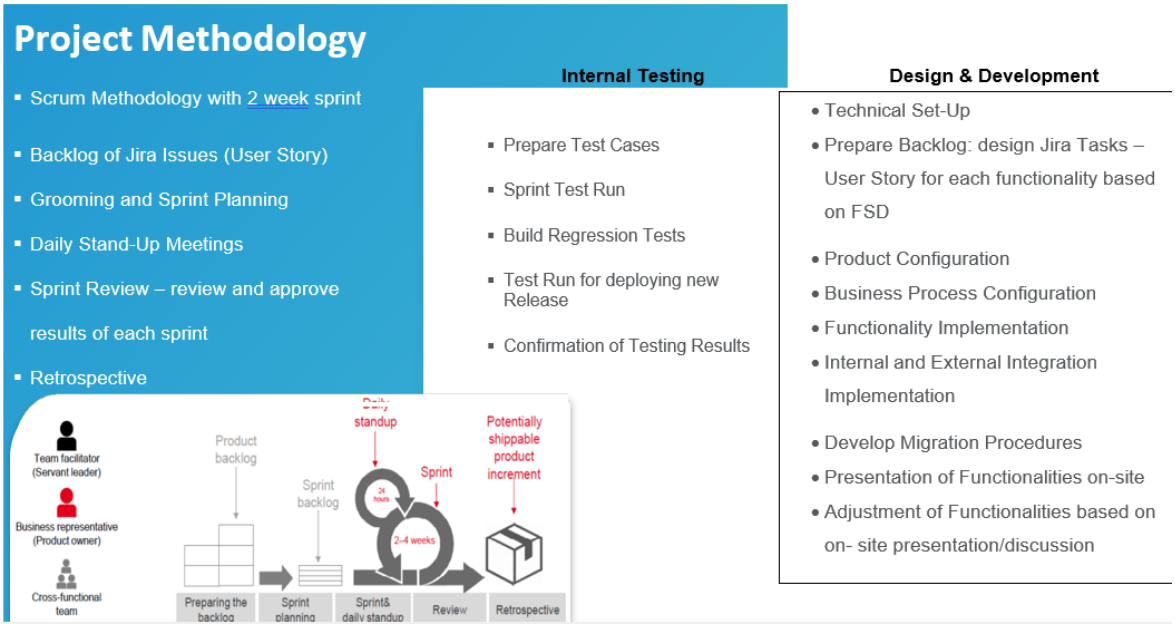
This project's CRM implementation plan was divided into two versions: a detailed plan and a high-level overview. The detailed plan included all implementation activities, guaranteeing a granular approach to task execution, while the high-level plan described the general milestones and objectives. The plan was divided into several releases that were structured as module streams. Each release included specific elements, timelines, and details about the roles, responsibilities, change management procedures, communication management tactics, project organization, and methodology, following to a high extend the same stream-based structure as the analysis, including some cross-functional elements, such as integration or data migration, as it was pointed out by the lead consultant in the interview conducted.

BPM is clearly the best approach for this particular CRM implementation. BPM's emphasis on process optimization is ideally suited to the insurance industry's need for streamlined and effective procedures. BPM guarantees that the CRM system fits in with current workflows while allowing for required modifications by taking care of the implementation's organizational and technical facets. Stakeholder engagement is also guaranteed by the organized integration of change management and communication, which lowers resistance and promotes adoption.

As per the BPM lifecycle, defined by Dumas (2018, Figure 4), the project was following this approach through the following steps:

1. Process identification and process discovery – from the very start, even prior to completing the agreement with the insurance company, the vendor took different actions required for them to identify the main processes the company was trying to improve by utilization of a CRM system in their work. Additionally to the information provided in the request for proposal from the insurance company, the vendor invested time into compiling a BSD – business specification document, where the processes were described, and the AS IS models of the processes were outlined. After the document was completed, the vendor was able to get a full overview of the process architecture. This later served as a guideline for a comprehensive business analysis, which is required before the start of any implementation project, as it backs up the process analysis in the next BPM lifecycle stage.
2. Process analysis – In this stage of the BPM lifecycle, the AS IS model of the process is fully defined and analysed. Accordingly, as part of the implementation project for the insurance company, the vendor worked on analysing the main processes that should be improved by the CRM. As part of this, multiple workshops were executed, outlined in the FRD (Functional Requirements Document). This stage included extensive communication with the insurance company, as they were responsible for sharing their processes' structure with the vendor, in order to provide full insight into the processes, and provide detailed information regarding the current weaknesses of the legacy system. This information will later serve as a ground for redesign of the processes for purpose of improvement and optimization.
3. Process redesign – This stage of the BPM lifecycle is representing the part of the vendor's analysis and providing their expertise in how the AS IS processes can be optimized. This information is gathered and then, as an output of this data gathering and analysis, a FDD (Functional Design Document) is created. In the case of this specific implementation project, the redesign of the processes, because of their complexity, was divided into separate documents, each defining and presenting part of the proposed design based on the type of data and type of process for the company, as explained above in 4.1. paragraphs.

Figure 7: Project Methodology - Internal

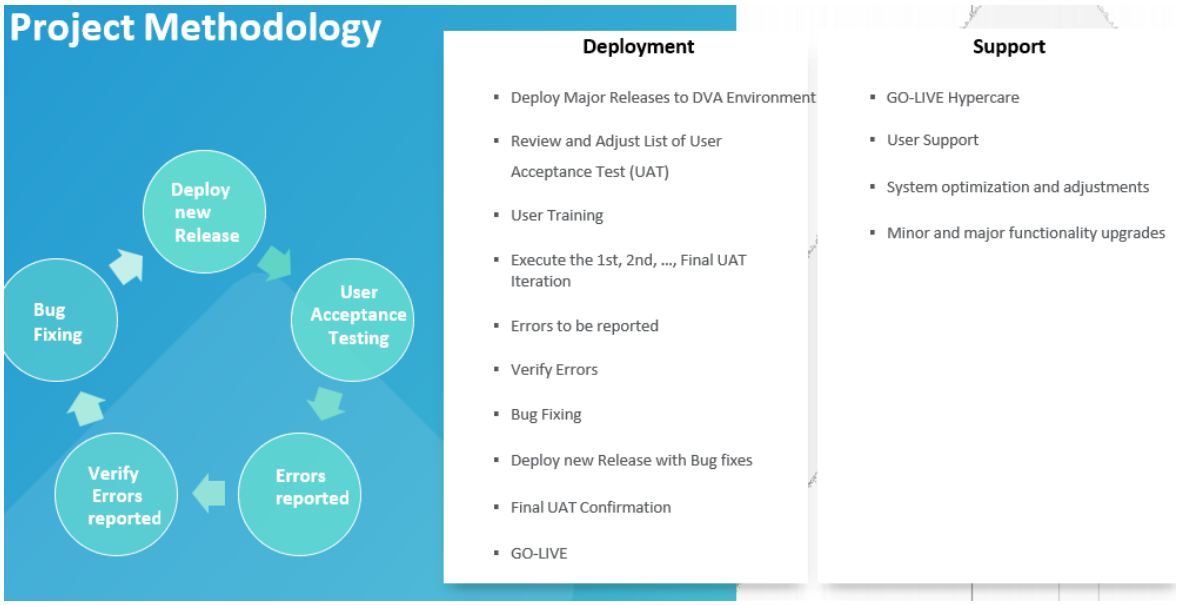


Source: own work

4. Process Implementation – In this stage of the BPM lifecycle, all the main activities regarding the implementation of the CRM system are included. In regards to the CRM implementation project for the insurance company, this stage began with the main set up of the productive and sandbox environments, configuring the full data model, and building the full architecture for the system, and later consequently building up the interface as well as the background logic and developments that automate and optimize the processes accordingly. In parallel, the activities concerning the integration of the CRM system with the other applications and tools was also considered as a part of this stage, as well as the initial migration of data from the legacy system and into the new system was executed.
5. Process Monitoring and controlling – The last stage of the BPM lifecycle, the process monitoring and controlling is hardly ever stage where the improvement process ends. As Hammer was rephrased in Dumas book "Fundamentals of Business Process Management" (2018), even the improved processes after some time become suboptimal and a need for further improvement arises. In regards to the implementation project analysed in this thesis, this part of the lifecycle is represented by the open possibility for submitting requests for change from the insurance company, as well as partially with the hypercare stage, in which users were constantly supported from the vendor's consultants, and could freely express their opinion regarding some process deficiencies and limitations, which were planned to be reviewed with the insurance company's management, if they are well-established as future stream optimizations and enhancements. Throughout the whole process of implementation, the insurance company was advocating the collaboration with the vendor, in manner ensuring a future partnership, which will not end once

the full implementation is completed, but rather, in occasional engagements intended to evaluate the system performance and possible enhancements.

Figure 8: Project Methodology – Internal



Source: own work

With this, the full BPM lifecycle is evidently preserved and established in both the vendor's implementation best practices, and the specific arrangement with the insurance company, who embraced this approach.

4.3 Survey results

For the purpose of this thesis, as mentioned above, there were two surveys conducted. The data and the results are shown below.

4.3.1 Survey conducted with key users of the implemented CRM system

This survey, conducted among four respondents, explores the motivations, challenges, and outcomes associated with the implementation of Microsoft Dynamics Customer Relationship Management (CRM) system within an insurance company context.

The group of key users were asked ten open-ended questions. The questions are:

1. Reasons for Implementing Microsoft Dynamics CRM
2. Challenges Faced During Implementation
3. Challenges Since Implementation

4. Impact on Customer Relationship Management
5. Training and Support Adequacy
6. Technical Issues
7. Ease of Use
8. Integration with Existing Systems
9. Impact on Productivity and Efficiency
10. Recommendation to Others

The survey was completed by four power-users employed in the insurance company. They were chosen as corresponding representatives by the management of the insurance company, and were responsible for testing the system before it was deployed for broader company use. This decision was made by the management, by advice from the vendor company, as those individuals are in lead positions in every corresponding segment of insurance (Motor, Personal, Accident and Legal Aid). After the survey was completed, the results showed overall willingness to recommend the system to other insurance professionals, reflecting confidence in the platform's value despite encountered challenges.

1. Motivations for Implementation

The primary factors motivating the adoption of Microsoft Dynamics CRM include the obsolescence of the previous system and the need to align with contemporary technological trends. Respondents highlighted the desire for enhanced integration with Microsoft Office applications (notably Outlook) and the pursuit of increased operational efficiency. Additionally, the CRM system was perceived as a tool to improve customer service delivery, foster customer loyalty, and enable more informed decision-making through centralized customer data management.

2. Challenges Encountered During Implementation

The transition to Microsoft Dynamics CRM was met with several implementation challenges. These included technical difficulties arising from frequent software updates by Microsoft, concerns related to security, and issues pertaining to data quality and system integration. Moreover, resistance from end-users accustomed to the legacy system impeded smooth adoption, underscoring the importance of change management in CRM deployments.

3. Post-Implementation Challenges

Following implementation, the CRM system was not fully deployed across all organizational departments, which limited its immediate impact. Users reported occasional performance issues, such as system latency, alongside persistent security challenges. Nonetheless, there were no significant reports of technical errors or system failures during routine use.

4. Perceived Benefits and Impact on Organizational Performance

Early indications suggest that the CRM system contributes positively to organizational efficiency, particularly through time savings in data entry and enhanced communication processes. Respondents noted improvements in centralizing customer information, facilitating interdepartmental collaboration, and responding more effectively to customer needs. While some respondents indicated that it was premature to fully evaluate productivity gains, others affirmed a positive impact on operational efficiency and customer relationship management.

5. User Experience and Support

Overall, Microsoft Dynamics CRM was regarded as user-friendly and accessible, although some users experienced challenges adapting from the previous system interface. Training and support were generally deemed adequate, with a minor exception concerning administrative-level assistance.

6. System Integration

The integration of Microsoft Dynamics CRM with existing organizational systems was reported as successful, with legacy data effectively migrated into the new platform, thereby enabling continuity in business processes.

7. Recommendation

All survey participants expressed willingness to recommend Microsoft Dynamics CRM to other organizations within the insurance sector, reflecting a collective endorsement of the system despite encountered challenges.

4.3.2 Survey conducted with Dynamics 365 Implementation professionals

The second group of participants, which are all D365 CRM implementation professionals, were asked 14 questions each that includes open ended questions, rating from one to five using a Likert scale and a multiple-choice question. This is with the intention of measuring or gauging what each participant thinks is the major challenge in CRM implementation.

The questions are:

1. How long have you been working with Microsoft Dynamics 365?
2. What challenges have you encountered during CRM implementation?
3. How significant was the challenge of unclear requirements in your CRM implementation projects?
4. How significant was the challenge of frequent changes or additions to the project scope in your CRM implementation projects?
5. How significant was the challenge of insufficient involvement of key stakeholders in your CRM implementation projects?

6. How significant was the challenge of budget restrictions in your CRM implementation projects?
7. How significant was the challenge of client not committing enough time and resources to training in your CRM implementation projects?
8. How significant was the challenge of integrating the CRM with existing legacy systems/migrating incomplete data in your CRM implementation projects?
9. How significant was the challenge of ineffective communication with the client in your CRM implementation projects?
10. How significant was the challenge of client setting unrealistic timeline/ expediting CRM implementation in your projects?
11. How significant was the challenge of clients' misperception of CRM in your CRM implementation projects?
12. What do you believe is the biggest challenge in the CRM implementation process?
13. What strategies or tips would you recommend for overcoming this challenge?
14. In your experience, what are some common pitfalls to avoid during CRM implementation?

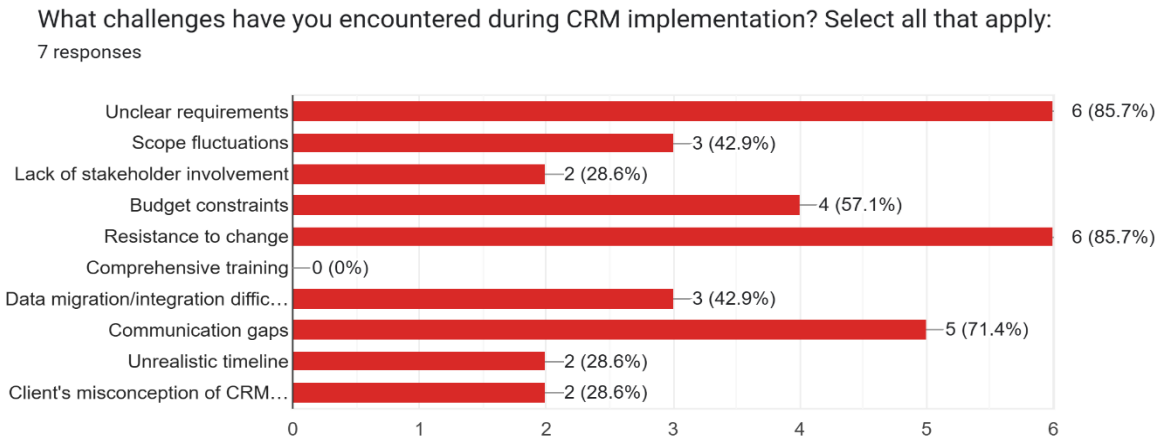
From the first question, it is noticeable that the participants have different amount of experience working with Microsoft Dynamics 365. This might not show a level of confidence in the insight gotten from their answers, but nonetheless since there are frequent changes in the product, the experience is not the determining factor when it comes to the implementation process for Dynamics 365 CRM. According to the following answers, there are various challenges that the participants have encountered during different CRM implementation projects. Participants were advised to select the ones they have experience with.

From the chart in Figure 9, it is visible that resistance to change, unclear requirements and communication gaps are the most common challenges experienced by users.

From the open-ended questions, there were different answers from the participants, but the biggest challenges which were identified include communication gaps and wrong expectations, getting all needed information from customer, customers not understanding their own processes fully, unclear requirements and unclear scope, change management and unrealistic expectations, lack of communication with end users and designing a simple and efficient CRM process.

Furthermore, the participants were asked to share their thoughts on recommendations and tips which in their opinion can be used to overcome this type of challenges, and they mentioned the following: more frequent alignments with the customers, good planning and clear definitions, documenting and analysing customer processes thoroughly, preparing analysis templates and conducting thorough training, sharing change management best practices early, better business analysis and involvement of all concerned parties.

Figure 9: Challenges during CRM implementation %

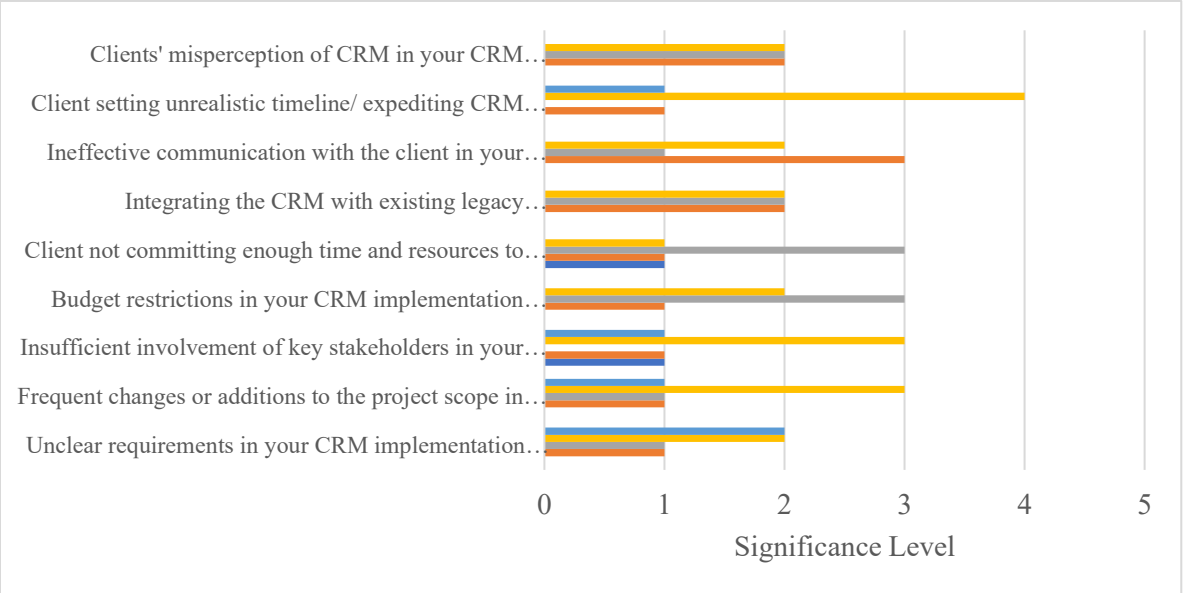


Source: Own work

Additionally, the most common pitfalls to avoid, according to the answers of the survey, were lack of documentation and unclear requirements from customers, poor communication and unrealistic expectations, incomplete understanding of customer needs, overly complicated forms or workflows in CRM, insufficient client commitment to testing and training.

Figure 10 shows rating for challenges raised in question 3 – 11 where participants rate their experience from 1 to 5. With 1 being not significant and 5 being extremely significant. The most common challenge is unclear requirements and frequent changes to project scope and the least frequent challenges are clients' misinterpretation of CRM and client not committing enough resources to training.

Figure 10: Challenges in CRM implementation:- significance level



Source: Own work

5 DISCUSSION

5.1 Implications for the Selected Insurance Company

Microsoft Dynamics 365 CRM implementation in insurance company revealed a lot of significant insights into the challenges faced during the adoption of CRM system. Results from the questionnaire revealed that the most common issues encountered by participants were frequent changes to project scope and unclear requirements, as shown also in the findings of Parise & Guinan (2013). The timeline and efficiency of the implementation was affected by these challenges, which in turn causes delays and affects the overall alignment between system functionality and company's business needs.

One of the important implications for insurance company was precise business requirement and the necessity of clear communication from the start. This aligns with literatures on CRM implementation that shows that successful projects are often characterized by stakeholder involvement and well-defined objective (Buttle, 2009). Company X faced challenges with ongoing system requirements that resulted from evolving business requirements. The adjustable approach that was adopted to allow flexibility in responding to these changes was beneficial in some aspects but it also led to scope creep and prolonged the finalization of the project potentially. The delicate balance between adhering to initial project goals and adapting to client needs is highlighted by the use of partial agile methodology, as well as business process management in CRM implementation (Turk et al, 2002).

Another critical issue identified and is often mentioned as a significant barrier to CRM implementation in the insurance sector was resistance to change. This challenge became obvious when employees were required to adopt new workflows and processes embedded in the CRM system. This highlights the need for strong management strategies and the importance of comprehensive training.

Furthermore, one dilemma that has always been present in the background in this project, and similar ones, is, to what extent would the agile principle of constant improvement be beneficial in such projects?

If during the implementation of the CRM system, the company is too susceptible to constant change requests and questioning if the project can constantly be improved, can that mean that the project would never conclude? On one side, it is always beneficial to have the mindset of always trying to improve, but in cases when there is a vendor that is doing the implementation, that would mean that there will be expense for each improvement, and that perhaps in this type of projects, the focus should be primarily on the main goal, which is to finish the implementation on the agreed upon system, and think of improvements only after it will be finalized. What can prevent the constant ideas and requirements for changes during the implementation and training phase, is to have better vision of the system and project in general before the phase of implementation, or to be more precise, to attempt to be very specific in the business analysis process, so that the need for additional changes is minimized.

As a technique to keep the change requests to a minimum, the vendor company put in place a change management process flow that was shared with the client and their partner vendor in this project, that explains how does the change request process go, management wise, and being transparent in the process steps that will be included in every change request. The insurance company should consider the time and resources spent on each before approving it and confirming it should be implemented.

The results from the survey involving participants which represent key users of the CRM system in the insurance company, point out a positive experience throughout the implementation process, but still bearing in mind that that some challenges were still present, including incomplete adoption across some departments, a couple of performance issues, as well as some lingering security concerns.

The results from the second survey provide a similar framework of challenges as the one provided in the literature review, focusing mainly on the unclear requirements from the customers, communication gaps, as well as the lack of change management attitude from the users, added to the general resistance to change.

By combining both survey results, together with the interview information from the lead consultant on this implementation project from the vendor company, it can be stated that even though the Microsoft Dynamics 365 CRM system has been proven to be one of the

most suitable systems in the insurance industry, the project could still not avoid the most common challenges that have been present in the literature when it comes to implementing CRM, not industry wise.

In regard to the customer satisfaction with the overall implementation process, there has been a general positive feedback, showing that the company was well aware of the challenges and on a good level of maturity for the planned digital transformation through the implementation of the CRM. Nonetheless, they still have proven that some challenges can not be avoided, which were mainly connected to some unclear requirements, originating from excluding crucial key users in the business requirements gathering and analysis process. The second main challenge the companies faced throughout the process was the partial resistance to change, and making the unavoidable switch from the legacy system to the new Dynamics 365 CRM. According to the lead consultant interviewed, one probable reason for that is the users' age group and extensive experience with the legacy system with which they worked for a long period of time, and even though it was not fulfilling all their needs in their daily work, because of convenience and time of use, they had difficulties in getting used to the highly automated and optimized processes developed in the D365 solution, and some would prefer the manual approach and calculations.

5.2 Theoretical contribution

Comparing with the literatures reviewed, the results align with many literatures on common CRM implementation challenges, such as resistance to change, unclear requirements, integration with legacy systems (Rigby, Reichheld, & Schefter, 2002). However, the case study revealed some unique aspects. For example, COVID-19 pandemic impacted the implementation which was not reported in previous studies. This unprecedented occurrence delayed many aspects of the project shows the need for more flexible, remote-compactible CRM implementation strategies. While the traditional CRM deployment challenges was extensively covered by literature, the adaptation to external disruptions like the pandemic add an extra layer to the understanding of CRM system rollouts in the modern, unpredictable environment (Barton, 2020).

Additionally, a recurring theme in the data is the impact of continuous change requests as a barrier to CRM completion. Although the challenge of scope creep was acknowledged by literature, the findings shows that the presence of agile methods complicates this issue, rather that mitigating it. This shows the complexity of agile methodology implementation in systems like CRM, where long-term strategic alignment and stability are important.

5.3 Limitations

When it comes to limitations regarding this specific thesis, there are a few main limitations which need to be disclosed. Primarily, the findings in this thesis are based on the

implementation process of Dynamics 365 suite of tools in one specific company. This is important to be mentioned, as it might not be suitable to be applied to other companies, which are in the same or similar sector, especially if they differ in their approach towards customers, or have different firmographics, such as revenue, number of employees, or operate in a different market and their main customers are not in the same segment as the one which is in the focus, or especially in a different stage or maturity for digital transformation.

Furthermore, when it comes to the primary data, another limitation which is to be mentioned is first, the small sample of participants in the surveys, which might not provide a clear insight of the general opinion, and second, that one of the surveys was executed on a number of professionals which are employed in the vendor company, and might be biased to an extend, as they are more aware of the technical challenges faced when implementation of this sort is done, and lack the perspective of the business side which is partially provided by the survey done on the participants who are end users in the insurance company, but there is still missing information which can be provided by external stakeholders (insurance customers), which would provide a more holistic view of system impact.

Lastly, as the project was still ongoing in the time of the research done for this thesis, the final outcome of the implementation couldn't be predicted with a high certainty.

5.4 Suggestions for Future Research

This study has identified several important areas where more research may yield results. For instance, investigating the efficacy of hybrid CRM implementation strategies that blend agile and BPM techniques. This could provide insurance companies with a more effective framework for handling flexibility and stability throughout the implementation phase.

Another potential research areas are the exploration of human factors in CRM adoption such as the role of organizational culture or employee attitudes towards technology change in facilitating or hampering CRM success. This would help insurance companies develop tailored change management strategies that handles the human side of CRM implementation.

6 CONCLUSION

This thesis aimed to study the process of Customer Relationship Management (CRM) system implementation in the insurance industry, focused on a case study of Microsoft Dynamics 365 CE in a German insurance broker company. By conducting a thorough literature research, in-depth analysis of the implementation process, and a set of empirical studies in the form of interviews and surveys, this thesis has sought to assess the appropriateness of Dynamics 365 CE within the insurance sector, assess the issues and success criteria of CRM

implementation, and learn how business process management (BPM) approach can be used to enhance digital transformation initiatives.

The results of the study aim to manifest that the CRM systems, in general, and Microsoft Dynamics 365 CE, in particular, are an excellent opportunity for insurers who want to transform their operations, enhance customer engagement, and achieve a strategic competitive edge in the age of a highly competitive and digital world. Dynamics 365 CE is a powerful option in terms of modular architecture, scalability, and integration capabilities, which makes it a good fit in businesses with complex customer interaction requirements and a legacy system that is not unified. Besides, its strategic suitability in the industry is enforced by its conformity with the main pillars of the insurance industry, namely policy administration, claims processing, customer service and sales.

The study, however, also points out that successful implementation of CRM systems is neither a technological change alone nor indeed an organizational and cultural change. Some of the ongoing issues identified in the case study included poor planning-execution balance, change management problems, scope creep and the exhaustion of user interest and training over the extended rollout streams. These challenges were additionally aggravated by the COVID-19 pandemic, that derailed timelines and changed the modes of collaboration. Nevertheless, the phased implementation plan based on the BPM approach provided flexibility and the possibility of iterative refinement, which is why it is critical to use a structured and flexible approach to the implementation of CRM.

The empirical data collected in terms of interview with the lead consultant in the implementation project, as well as couple of surveys among the users of the system and D365 implementation professionals, showed a rather optimistic view. Although the technical problems and user training deficiencies were acknowledged, the general consensus was that the CRM implementation had contributed positively to the centralization of customer information, automation of business processes, and interdepartmental coordination. However, most prominently, the use of BPM principles helped to understand the end-to-end processes better and offered the framework of the sustainable digital transformation that is not limited to the CRM itself.

Theoretically, the study can be credited with the contribution to the overall concept of how CRM can be implemented as it shows how the issue peculiar to the particular sector, in the case of the insurance industry, the regulatory limits, data protection needs, and the limitations of the legacy systems, can influence the course of the CRM adoption. It also confirms that technology features are essential but long run success not only lies in alignment strategies, executive sponsorship, sustained user interaction, and overall an iterative method to the enhancement of systems and system integration.

To sum up, the analysis of the implementation of Microsoft Dynamics 365 CE into the considered insurance company reveals the potential and the complexity of CRM

implementation in the insurance industry. On the one hand, the path is full of technical and organizational challenges; however, a BPM-based approach, with its adaptive project management and effective stakeholder engagement, can play a pivotal role in making the project successful. Since insurance companies are still dedicated to the digital transformation process, the lessons learned in this case study can provide a good guide to other companies that are planning on undertaking the same process. Further studies may build on this thesis to elaborate on the post-implementation performance indicator, long-run user adoption trends, and inter-sectoral comparison of CRM returns in complex and service-intensive settings.

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APPENDICES

- **Appendix 1: Summary in Slovene**

Magistrsko delo predstavlja proces implementacije sistema za management odnosov z odjemalci (CRM), natančneje Microsoft Dynamics 365 CRM, v zavarovalništvu, s poudarkom na študiji primera nemške zavarovalnice. V zadnjih desetletjih je digitalna transformacija postala eden najpomembnejših procesov v skoraj vseh panogah, ki so se uveljavile po vsem svetu. Sistemi in strategija CRM so na splošno postali pomemben pristop k optimizaciji poslovnih procesov in izboljšanju odnosa s strankami. Raziskava je analizirala, kako to vpliva na različne sektorje, z raziskovanjem glavnih značilnosti in glavnih izzivov, ki se pojavljajo v procesu implementacije. Poleg tega je osvetlila zlasti zavarovalniško dejavnost in na splošno opredelila, na kakšen način se lahko sistem in strategija CRM uporabi za izboljšanje različnih procesov in povezovanje oddelkov za prodajo, marketing z zaledjem (back office), oddelkom za odškodnine ter za zbiranje vseh podatkov o strankah na način, ki ga lahko uporabljajo vsi oddelki.

Študija ponuja celovito analizo procesa implementacije koncepta CRM, s poudarkom na ključnih fazah, kot so načrtovanje, analiza in preoblikovanje procesov, uvedba sistema in nenehna izboljšanja. Poleg tega so v okviru pregleda literaturę analizirani različni pristopi, ki prikazujejo razlike v metodologijah izvajanja CRM, temelječih na procesih. Poleg tega pa raziskava poglobljeno obravnava izzive, s katerimi se srečujemo med izvajanjem, vključno z odpornostjo organizacije, dodeljevanjem virov in vključevanjem nove tehnologije v obstoječe procese. Slednje je podprto z nekaterimi akademskimi raziskavami, kot tudi študijami primerov iz različnih podjetij v zavarovalništvu in drugih industrijah, katerih izidi so kasneje primerjani z našo študijo primera (s posebnim oziroma na izzive). Ti izzivi in njihov poznejši vpliv na rezultate procesa izvajanja so podrobno proučeni.

Primer iz prakse pokaže, kako uvedba orodja CRM ne pomaga le izboljšati operativne učinkovitosti, ampak tudi spodbuja globlje odnose s strankami, s čimer prispeva k večji lojalnosti in zadovoljstvu strank. Poleg tega magistrsko delo preučuje širše posledice tehnologije CRM na poti digitalne transformacije v zavarovalniški industriji, zlasti v luči vzpona FinTech in InsurTech, ki sta spremenila pričakovanja strank in konkurenčno dinamiko.

Raziskava želi zagotoviti uporabne vpoglede in priporočila za zavarovalnice, ki razmišljajo o uvedbi sistemov CRM ali so v procesu njihove uvedbe. Poudarja pomen izbire prave rešitve CRM in pravočasnega uvajanja, da se zagotovi usklajenost s strateškimi cilji družbe. Nenazadnje, raziskava poudarja, da uspešno uvajanje tehnologije CRM ni le vprašanje tehnološke nadgradnje, ampak tudi ključni korak k doseganju trajnostne rasti in ohranjanju konkurenčne prednosti na razvijajočem se zavarovalniškem trgu.

- **Appendix 2: Questionaire 1 to end users in the insurance company**

Challenges in implementation of CRM in insurance company

QUESTION SUMMARIES DATA TRENDS INDIVIDUAL RESPONSES

Q1w

What are the main reasons your organization decided to implement Microsoft Dynamics CRM?

Answered: 4 Skipped: 0

The old system was not up-to-date with new trends and requirements

8/23/2023 09:15 PM

Integration of Outlook and Office

4/26/2023 11:27 AM

Implementing Microsoft Dynamics CRM can improve the efficiency of insurance companies' sales and customer service processes, enhance customer satisfaction and loyalty, and provide valuable insights for better decision-making.

4/25/2023 03:22 PM

In order to have better overview of customers and services, better management and since it is less time consuming.

4/25/2023 01:47 PM

Q2w

What challenges did your organization face during the implementation of Microsoft Dynamics CRM?

Answered: 4 Skipped: 0

updates from microsoft that affected on the development mostly

8/23/2023 09:15 PM

security challenges

4/26/2023 11:27 AM

Data Quality and Integration, Change Management, Technical Challenges

4/25/2023 03:22 PM

Company users were not ready to switch to CRM.

4/25/2023 01:47 PM

Q3w

What challenges has your organization faced in using Microsoft Dynamics CRM since implementation?

Answered: 4 Skipped: 0

it is not still implemented in all departments

8/23/2023 09:15 PM

security challenges

4/26/2023 11:27 AM

/

4/25/2023 03:22 PM

Sometimes platform might become slow.

4/25/2023 01:47 PM

Q4w

How has Microsoft Dynamics CRM improved your organization's customer relationship management?

Answered: 4 Skipped: 0

it saves time on some data entry and communication

8/23/2023 09:15 PM

it's to early to say that

4/26/2023 11:27 AM

Centralizing Customer Information, Improving Customer Service, Enhancing Collaboration across departments and teams,...

4/25/2023 03:22 PM

Better view in customers needs and faster responses toward customers.

4/25/2023 01:47 PM

Q5w

Have you received adequate training and support to use Microsoft Dynamics CRM effectively?

Answered: 4 Skipped: 0

yes

8/23/2023 09:15 PM

on administration side not really / for

4/26/2023 11:27 AM

yes, always

4/25/2023 03:22 PM

Yes.

4/25/2023 01:47 PM

Q6w

Have you experienced any technical issues or errors while using Microsoft Dynamics CRM? If yes, please describe.

Answered: 3 Skipped: 1

no

8/23/2023 09:15 PM

no

4/26/2023 11:27 AM

No.

4/25/2023 01:47 PM

Q7w

Do you find Microsoft Dynamics CRM easy to use and navigate?

Answered: 4 Skipped: 0

sometimes it is challenging because we're used to the old system

8/23/2023 09:15 PM

yes

4/26/2023 11:27 AM

very simple and easy to use

4/25/2023 03:22 PM

Yes.

4/25/2023 01:47 PM

Q8w

How well does Microsoft Dynamics CRM integrate with your organization's existing systems?

Answered: 4 Skipped: 0

all data from old system is present in Dynamics so I would say it is ok

8/23/2023 09:15 PM

really good

4/26/2023 11:27 AM

it went successfully

4/25/2023 03:22 PM

Completely.

4/25/2023 01:47 PM

Q9w

How has Microsoft Dynamics CRM impacted your organization's productivity and efficiency in managing customer relationships?

Answered: 4 Skipped: 0

i haven't had the chance to experience that yet

8/23/2023 09:15 PM

it's to early to say that

4/26/2023 11:27 AM

Centralized Customer Data

4/25/2023 03:22 PM

Yes, for the better.

4/25/2023 01:47 PM

Q10w

Would you recommend Microsoft Dynamics CRM to other organizations in the insurance industry?

Answered: 4 Skipped: 0

yes

8/23/2023 09:15 PM

yes, of course

4/26/2023 11:27 AM

of course

4/25/2023 03:22 PM

Yes.

4/25/2023 01:47 PM

- **Appendix 3: Questionaire to D365 Implementation professionals**

Timestamp Score How long have you been working with Microsoft Dynamics 365? What challenges have you encountered during CRM implementation? Select all that apply: How significant was the challenge of unclear requirements in your CRM implementation projects? How significant was the challenge of frequent changes or additions to the project scope in your CRM implementation projects? How significant was the challenge of insufficient involvement of key stakeholders in your CRM implementation projects? How significant was the challenge of budget restrictions in your CRM implementation projects? How significant was the challenge of client not

committing enough time and resources to training in your CRM implementation projects? How significant was the challenge of integrating the CRM with existing legacy systems/migrating incomplete data in your CRM implementation projects? How significant was the challenge of ineffective communication with the client in your CRM implementation projects? How significant was the challenge of client setting unrealistic timeline/ expediting CRM implementation in your projects? How significant was the challenge of clients' misperception of CRM in your CRM implementation projects? What do you believe is the biggest challenge in the CRM implementation process? What strategies or tips would you recommend for overcoming this challenge? In your experience, what are some common pitfalls to avoid during CRM implementation?

8/3/2024 10:43:39 0 0-3 years Communication gaps 2 2 1 4 3 2 4 4 4 Communication Weekly sync Communication, wrong expectations

8/9/2024 9:24:13 0 more than 10 years Unclear requirements, Scope fluctuations, Lack of stakeholder involvement, Resistance to change, Data migration/integration difficulties, Communication gaps, Client's misconception of CRM use 5 5 4 2 3 4 3 2 2 Getting all needed information from customer Good planning and definitions Lack of documentation for solution proposal, lack of communication and not clear requirements from customer

8/9/2024 11:18:27 0 more than 10 years Unclear requirements, Lack of stakeholder involvement, Budget constraints, Resistance to change, Data migration/integration difficulties, Client's misconception of CRM use 4 3 5 4 4 3 2 4 3 Customers not understanding or knowing their own processes in full. Only those parts that they are working on. To go with a customer through all their processes and write them down, so both parties knows what they are dealing with and to give customer a clear vision what is suitable to be in CRM and what is too much. not understanding what customer wants excatly, bad testing from customer side, promises to deliver something which cannot be done afterwards, Too complicated forms to fill in because customer wants all information visible

8/22/2024 16:34:52 0 0-3 years Unclear requirements, Scope fluctuations, Budget constraints, Resistance to change, Communication gaps, Unrealistic timeline 5 4 4 3 3 3 4 5 4 Unclear requirements and unclear scope Good preparation for analysis, analysis template questions and good training for conducting analysis. Explaining the scope of the CRM project, and the expected outcome to all the users before the implementation phase starts, so that the expectations are aligned.

8/23/2024 19:15:48 0 0-3 years Unclear requirements, Scope fluctuations, Budget constraints, Resistance to change, Data migration/integration difficulties, Communication gaps, Unrealistic timeline 3 4 2 3 1 4 2 4 2 Change management and unrealistic expectations. Sharing change management best practices with client and communicating expectations early. Better understanding of how much commitment is needed from client's side as well.

10/31/2024 13:23:54 0 6-9 years Unclear requirements, Resistance to change, Communication gaps 4 4 4 3 2 2 2 4 3 I believe it is the lack of communication with the real end users, as well as the frequent changes in requests from the client A better business analysis and more involvement of all concerned parties in the process

11/22/2024 10:31:54 0 0-3 years Unclear requirements, Budget constraints, Resistance to change 3 4 2 2 1 2 3 1 2 Designing a simple an efficient process of using a CRM for customer so that they don't feel like it's slowing them down Spend more time on designing a good solution and architecture of CRM processes

– **Appendix 4 : Interview with Lead Consultant on implementation team**

So my first question is what is the Vendor company's main focus?
For me as an employee of the Vendor company, it is delivering or actually supporting the companies on their way on actually in their everyday business by implementing and delivering business solutions such as CRM, ERP and BI, mainly produced by Microsoft, but also from other providers. Yeah, but Microsoft is definitely the biggest biggest partner, and with those solutions, our company is actually trying to help the customers to resolve their business cases business problems to improve their processes optimize their processes, so basically to deliver them some value with this solutions.

And what is the type of customers that the company is working with?
Ah well, this is B2B businesses, from all possible industries, from small companies to big corporations, so no specific company type that we work with. Basically, all types of companies are are customers for various products.

And for that specific company from the insurance industry, how long did the process last or is lasting still? Together with all all of the so business analysis, the implementation, the trainings, etc.
So this is very very complex project. For this for this very company, the complex processes has to be introduced and also legacy systems had to be replaced. Also, there was a collaboration with another partner delivering the core business solution, so together with them, we did the analysis that lasted for six months. That was, every week workshops and

then after workshops we were preparing the documentation so FRD. So yeah, maybe I can also say the analysis will split into several streams, such as sales, claims, party ogranization and billing and accounting and the output so each stream has had the workshops on their own. And of course, there had to be some kind of collaboration, but mainly they were conducted independently and the output of each stream was, uh, functional specification document which contained uh, let's say the requirements that were collected during the workshops and also the description of how these requirements will be supported and covered with the new with the new solutions. After the analysis, the implementation followed almost also splitting in streams.
So first we started this party organization, then sales and claims. Of course there are streams that were actually cross, let's say crossfunctional, for example, integrations, migration, etcetera. So each stream has also had the part of technical stream which was needed to support the business processes. So implementation uh was uh is actually still uh in uh in progress and it lasts for three years already. So far all streams were started and all streams were covered, and I would also say that the the 90% of each stream was implemented, at least from CRM side. Then, speaking of trainings,the same approach was followed: after each stream was completed and after the scope of each stream was delivered, the trainings were organized. The trainings usually last for for a few days, after each phase there were like 3 or 4 trainings provided. Also, we had requirements for extra trainings and so yeah, currently I cannot remember exactly in terms of numbers how how many of them were were delivered.
Hypercare is let's say, well, it was partially delivered for one part of scope that went live, but usually for projects like this, it's a month at least after each stream.

What was needed to be done from from Vendor's side in order to successfully implement this CRM solution specifically in this company, and what was most important?
I'm not sure what would be the most important things that I find different things equally important, and if at least one is missing, then there is a risk that something might go wrong. so you have to have, first of all, starting from from the very beginning, from the analysis you there should be of course consultants who are competent enough to to gather information to understand business requirements and business needs and pain points.
So that's that's for the beginning, let's say crucial for the analysis phase.
Then during the implementation again, it's very important to have a constant communication with the customer also with the partner that we had to have on this project to be open and of course it's I have understandable that across the way you will deal with some challenges that maybe you were not aware of at the very beginning during the analysis that's of course something that's natural and that's part of everyday business.
What's also very important and it's important of course to follow the timetable as much as possible to raise the things whenever something is not OK.
Of course we had various situations on this project because it was, as I said, very complex. The customer is, of course from foreign market-Germany, then each company that is collaborating on this project that have their own ways of working. So of course that there

were some challenges across. So yeah, I would say that of course it's always important to recognize these situations and to escalate things whenever it's needed, because of course, sooner or later everything can be resolved.
But yeah, it's also important to, let's say, stay professional along the way.

With this, we actually kind of touched also the next question which is what were the main challenges when when the working on the implementation in in that specific company I I wanted to look for both from both aspects from a consultants and developers aspect. Well, from the very beginning, I would say let's say on the analysis, we used to have the problems with the language, as I said, because the customer is from foreign market, not all of the customers speak English very well and even if they do, they felt a bit ashamed at the beginning and you know it was a bit hard for them to to open up and speak with us as as with as they would with a domestic vendor. Their superiors, or let's say the management of that company was aware of this issue so they provided people who were there to support them, to translate when needed, so that challenge was resolved.
Then when we started implementation, it was let's say a bit difficult to align our scope and our tasks and expectations that we need to reach with those that our partner company has. For example, we are developing similar features so that when we finish our feature, we can test it together with them, so this was also very challenging because uh, it required from all of us to communicate things up front. So basically, to have alignments on on Sprint level to inform each other, OK, we are now working on this uh to be able to finish it, we need this from you or to be able to start it we need this from you when this will be delivered at cetera. So this was, let's say, uh, very, very challenging. And finally what is actually the still kind of a challenge is user adoption, so basically how to make users to accept the change to accept the solution; not only the users, but also key persons from the company.
This is basically I would say maybe even the biggest challenges and that we are still finding the way how to uh, how to to overcome uh because users who are in this company belong to older generation, which is of course a bit not so keen on changes in in the in everyday operations etcetera.
Also one more challenge is that, maybe we used to to receive a lot of different information from customer in different periods of implementation. So it it used to happen that we finish thing we implemented and then when we presented on some kind of training or demo, we received some completely or not completely different, but maybe some really important information that would totally that has really big impact on the on the process and on the core of of the of the system, so that then of course required a lot of extra extra work.

Well, regarding the acceptance of the users, we actually covered that question as well with this one and completely understandable.
So the next would be what kind of approach did you have when evaluating the other business processes or the pain points?
Yeah, whenever we are umm, what is important to say here is that when our solution we do not build from scratch. So we really try to rely, rely on processes and features that are that

are provided in dynamics 365 by Microsoft as is and to try to leverage from them as much as we can. And bearing this in mind whenever we are analyzing the business processes, we want to to design and to to to provide in the within the dynamics we try to lean towards out of the box concept, of course, very often we do various customizations and development etcetera, we are trying to build the processes in a way they can scale and in a way that they are, let's say, similar to out of the box as much as possible so that in a year or two or three, whenever there is a new release on Microsoft and or some change that it does not require some extra maintenance on our end and that we do not lock customer to use some features that eventually they will get with Microsoft.
So we of course need to understand the customer pain points their process, their needs, but we are trying to combining with what is already there so that we avoid some difficult and some development that does not make sense that it would be very, very hard to maintain in the future.

How often does Microsoft Dynamics introduce updates and changes? And do you try to keep up with with those changes and implement them in in the in the projects as well?
Yeah. Well, regarding the releases that I might failed here, but I think that at least twice a year they have some, uh, some big releases. Sometimes they really have impact, sometimes not. Sometimes this is just an impact that we who are customizers that we actually feel when we are configuring the solution for for end users.
For being well informed about the updates, maybe not as much as we should, uh, so because yeah, we do have a lot of projects, and then of course, we need to be focused on our scope and to deliver what we promised our customer. Sometimes this really nicely fits with some new feature that is available, and then we can even speed up some development, but sometimes we really do not have enough time to explore and to be proactive and suggest to our customers exactly how actually they could leverage from the new feature. And actually, what then actually triggers us is when there is a new requirement and then of course we, uh, we research additionally.

OK, well, in your opinion in the insurance industry, what would be the main benefit of using the dynamics CRM that really makes it stand out from from other CRM solutions?
Well, I think that's it's same for no any other industry.

Uh, first of all, the recognition, so this is the solution that is developed that actually has been developing all all all time, a famous company in in its industry. So it's simply you're using the solution which is recognized and let's say umm available across the globe meaning you are not locked even if you choose, for example, a company as a vendor and for any reason you don't find it suitable for your company, it doesn't mean that you have to give up dynamics. Also it's constantly being developed on really, really regular basis, there are new features that become available and the platform itself is meant to be no-code, meaning there are features that even people who are not do not have developer background, but they're, but they're actually only technical technical consultants are able to customize these solution to

to let's say enhance it with various feature configuration so and of course this makes it cheaper than when you have to to to develop something from scratch and you know how many mandates would be for example needed for this thing. So Microsoft is constantly, let's say, uh, improving this solution.

So and of course the modules that the solution itself is covering, basically cover every every component of communication that you might have with the customer. So really, various models are also available and then you don't have to and go only with one solution, with one app for I don't know, marketing one app for sales, one for customer service. You have everything in one system, which is of course, then actually enables you to really have and build the relationship with your customer.

Are there any plans after the implementation is done for that company?
Uh, well, yes. For all our customers after implementation we provide regular support.

We need to every now and then they will have some new some questions, some new requirements, because I sometimes says that I sometimes say that really on the real pain points you are able to start to resolve only when the customer is already using the solution, because once they get familiar with it and the ones they learn how to use it, then when they use it, they start getting ideas and then they see where they then actually they have better insights how this solution could help them even more to improve their business and optimize the processes, and then when they are actually in this support period, then you get some really nice and interesting requirements because this, let's say regular part is satisfied and then you can maybe try to to actually improve it even more and resolve if some use cases that are maybe not that important because obviously they would be in the initial scope, but they're still quite interesting to deal with.
So then this, let's say, comes naturally of course, from them having new requirements and also this is also the chance that for us, let's say to be proactive, uh, to present them what else they could introduce so yeah, in combination with this, we constantly work on upgrading this solution to the to the next level.

Is there a business process management principle used in CRM analysis in your company? Is there best practice used in the process modeling, in regard to planning, processes registration and optimizing, and converting it into implementation plan – in general in the department, and also on the specific project?

Our approach to the analysis phase typically depends on the project's scope and size. For instance, when working with a large enterprise client, we tailor our analysis approach to align closely with the client's specific needs and expectations. As a best practice, we often utilize established analysis frameworks provided by Microsoft, such as Catalyst, to ensure a structured and effective process.

Implementation plan vs execution - Was the timeline consisted, and what were biggest factors that prolonged it? Is the agile approach in this industry a reason why the timeline

sometimes can’t be preserved, because of needed updates in the implementation plan that weren’t foreseen?

In CRM projects, discrepancies between the implementation plan and execution timeline are common due to several factors:

1. Consistency of Timeline:

- Initial plans often face adjustments as unforeseen technical challenges, integration issues, and data migration problems arise.

2. Factors Prolonging Timelines:

- Scope Creep: Additional requirements or changes during the project.
- Complex Integrations: Difficulties in integrating with existing systems.
- Data Migration: Ensuring data quality and successful transfer.
- User Training: Ensuring adequate training and adoption.
- Testing: Extensive testing and debugging.

3. Impact of Agile Approach:

- Iterative Updates: Frequent revisions based on continuous feedback.
- Changing Priorities: Re-prioritizing tasks can disrupt the timeline.

In summary, while the agile approach offers many benefits such as adaptability and closer alignment with user needs, it can also contribute to timeline deviations in CRM projects. Key factors that prolong timelines include scope changes, integration challenges, data migration issues, and the iterative nature of agile methodologies. Managing these aspects effectively requires robust project management, clear communication, and flexible planning.

Were the objectives for the project clearly communicated by the client? Did company X already have explicit vision of their “to-be” expectations of this project?

At the beginning, the objectives for the project were clearly communicated by the client. Company X had well-defined processes and a clear vision of their "to-be" expectations. However, as is often the case, these expectations evolved during the course of the project, leading to changes and adjustments in the project's goals and desired outcomes.

Has/will the result reach the expectations of both users and the management?

Yes, the result is expected to meet the expectations of both users and management. While there were adjustments and changes during the project, the final deliverables have been carefully aligned with the evolving needs and goals of both stakeholders, ensuring a satisfactory outcome. Additionally, we will continue our collaboration through ongoing support to ensure the continuous growth and improvement of the solution.