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For years, we've known that projects involving a big change to systems attract additional risk. It's no surprise: the more change, the greater the risk. Expensive CRM project failures have attracted a lot of publicity in recent years, but over the last quarter century, there have been many other high-profile instances in different areas. Manufacturing, logistics, store and branch operations, and the public sector have all produced great examples of both success and disaster, and the reasons for both outcomes are pretty closely related.

Simply put, successful systems-supported projects observe change management disciplines, unsuccessful ones don't. Winning projects are planned carefully, with all aspects covered, all the right people involved, and

Success and failure

Detailed planning and clear goals are still the way to make your project a success, says Merlin Stone.



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the company and any external suppliers (consultancies, systems companies, business partners) working as a team. The opposite applies to failures. In the middle lie the many projects that achieve some, but not all of their objectives.

Most studies of success or failure in systems development and implementation are concerned with whether the project slipped badly, and was completed well after the original deadlines. CRM projects can be different, in that they often involve numerous simultaneous developments and changes. Together with my colleague Bryan Foss, we polled our contacts to probe this further.

We found that success was linked to the relationship between system complexity and the speed and phasing of development and roll-out. When someone talks about "their CRM project", they could mean anything from installing a new piece of software to a massive change programme. However, both complexity and scale affect the time it takes to develop and roll out a customer management system of given functionality.

"Big bang" approaches, creating large-scale projects with high levels of functionality, are not uncommon. Although this seems risky, it can be made safer by not tightly coupling too many elements of the programme. For example, a company that wants to improve the quality and scope of its customer database as well as the effectiveness of customer interaction via the contact centre does not have to base its investment case on using the new data with a new customer interaction system. If some or all of the new data can be used with existing platforms, then the company can still function and will gain full data exploitation when the new interaction system is completed.

When asked how long it took to complete their CRM programme, answers varied dramatically. Some initial development periods were as short as 16 weeks from the buying decision. Others were developed within a year. The fastest deployments were usually in adding single functions like campaign management, with some integration to existing systems and data sources. Other swift projects involved minimal customisation of an existing package with limited integration with existing systems or data.

Projects of between two and four years involved multi-function developments, and most comprehensive CRM programmes were of this kind. Programmes like these are now being completed a year or so more quickly than they used to be, perhaps because of the increased maturity of CRM software and the wider availability of specialist services, skills and proven development methodologies. Projects that took five or six years could either be very large ventures where investments are deliberately stretched out over a long period, or may have run over time and over budget.

We also saw programmes with no specific scope or end date. This is not because they were poorly planned, but rather because the business is on a long "CRM journey". Some companies commit to revamping their customer management capability as changes take place in their distribution channel strategy, customer base, competition and customer management technology. CRM processes also have to change as the company learns what works best and as their customers learn to be responsive (or not!) to new approaches.

The most important question is always: did the system work? From the ones it has investigated, Gartner Group identified that just over half were considered unsuccessful, though many delivered substantial benefits. In Gartner's view, too many companies failed to set clear objectives or to recognise the business change needed and often considered the CRM programme to be just another IT project. After talking to our contacts, we definitely agree with that. ■

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