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CUSTOMER INFORMATION MANAGEMENT IN LINDSTRÖM’S SUBSIDIARIES IN ESTONIA, HUNGARY AND SLOVAKIA

Master’s Thesis 2012

ABSTRACT

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NIKUNEN, SALLA	Customer Information Management in Lindström's Subsidiaries in Estonia, Hungary and Slovakia
Master's Thesis	121 pages + 2 pages of appendices
Supervisor	Dr Sc (IB) Minna Söderqvist, Principal Teacher (IB)
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This thesis deals with customer information management in the light of efficient customer relationship management (CRM) and customer orientation. A company's capabilities and preconditions required for efficient customer information management will also be discussed, as well as aspects of customer information management of global nature.

The case company is a Finnish family-owned company, operating in 21 countries and aiming at highly efficient global operations and further growth. The objective of the thesis was to examine customer information management in company's three subsidiaries in order to gather best practices, cornerstones and needs related to it in both local and global respect. By fulfilling this objective the company will be provided with information it can further utilize in CRM projects. The aim of this thesis is to provide information on requirements, practices and challenges of efficient customer information management of global nature.

This research work is a single case study, and the data are collected mainly through interviews and observations, but also company literature is used as secondary material. The interviews followed open, semi-structured design in order to collect as much data as possible and enable freer information sharing. The researcher has worked for the case company as Customer Service Manager for four years, which enabled access to information and comparison of operations.

The research findings reveal that customer information management is an essential part of customer relationship management, and that effective CRM requires integration of company's organisation, processes and personnel together with common policies and thorough understanding on CRM. Effective CRM in the case company requires also understanding on global aspects in order to secure management of customer relationships both at local and at global levels.

TIIVISTELMÄ

KYMENLAAKSON AMMATTIKORKEAKOULU
International business management

NIKUNEN, SALLA	Asiakastiedon hallinta Lindström Oy:n tytäryrityksissä Virossa, Unkarissa ja Slovakiassa
Opinnäytetyö	121 sivua + 2 liitesivua
Työn ohjaaja	KTT yliopettaja Minna Söderqvist
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Avainsanat	Asiakastietojen hallinta, asiakkuuden hallinta, CRM, globaali asiakkuuden hallinta

Tämä tutkimus- ja kehitystyö käsittelee asiakastietojen hallintaa tehokkaan asiakkuuden hallinnan ja asiakaslähtöisyyden näkökulmista. Tehokkaan asiakastietojen hallinnan edellytyksiä ja vaatimuksia tarkastellaan erityisesti yrityksen rakenteen osalta, mutta myös globaalin asiakkuuden hallinnan näkökulmasta.

Tutkimuksen kohteena on suomalainen perheyritys, joka toimii 21 maassa, ja jonka tavoitteena ovat sekä tehokkaat ja tulokselliset globaalit toiminnot että kasvu. Tämän tutkimustyön tavoitteena oli tutkia asiakastiedon käsittelyä, käytäntöjä ja tarpeita tapausyrityksen kolmessa tytäryrityksessä, Virossa, Unkarissa ja Slovakiassa. Tämän työn tuloksia yritys voi myöhemmin käyttää mahdollisissa CRM projekteissaan. Tutkimus- ja kehitystyön tavoitteena oli myös tarjota koostetusti tietoa tehokkaan, globaalin asiakastiedon käsittelyn vaatimuksista, käytännöistä ja haasteista.

Tutkimus suoritettiin tapaustutkimuksena. Empiirinen tutkimus käsitti avoimia, puolistrukturoituja haastatteluja sekä havainnointia, joiden avulla oli tarkoitus kerätä kattavasti tietoa olemassa olevista käytännöistä ja työkaluista sekä saada tietoa muista mahdollisista tarpeista. Yrityksen omaa kirjallista materiaalia käytettiin haastattelujen lisäksi tutkimusaineistona. Tutkimus- ja kehitystyön tekijä on työskennellyt kohdeyrityksessä Asiakaspalvelupäällikkönä neljä vuotta, mikä mahdollisti laaja-alaisen tiedon hankinnan sekä antoi vertailevan näkökulman.

Tutkimus osoittaa, että asiakastiedon hallinta on olennainen osa asiakkuuden hallinnan kokonaisuutta, ja että tehokas asiakkuuden hallinta edellyttää sekä prosessien että teknologian yhdistämistä, joiden lisäksi vaaditaan ymmärrystä asiakkuuden hallinnasta sekä yhteisten pelisääntöjen luomista ja noudattamista. Tehokas asiakkuuden hallinta tapausyrityksessä vaatii myös globaalin asiakkuuden hallinnan ymmärrystä toiminnan joka tasolla, jotta asiakkuuksien hallinta voidaan turvata sekä paikallisella että globaalilla tasolla.

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1. INTRODUCTION

1.1. Case company

Lindström Oy is 164 years old (founded in 1848), family owned, business-to-business textile service company. Lindström Group consists of the parent company Lindström Oy, its Finnish subsidiary Comforta Oy and subsidiaries in 20 countries throughout Europe and Asia. All the subsidiaries are fully owned by parent company Lindström Oy. (Lindström, 2010, pp.4-6; Lindström, 2011B, pp. 8-10).

LINDSTRÖM GROUP OPERATING COUNTRIES

Bulgaria, Belarus, China, Croatia, the Czech Republic, Estonia, Finland, Germany, Great Britain, Hungary, India, Latvia, Lithuania, Poland, Romania, Russia, Slovakia, Slovenia, Sweden, Turkey, Ukraine

Parent company Lindström Oy and group management (headquarters) are located in Helsinki, Finland. Operational management of the group bases on geographical division, namely: Finland, Europe and Asia. Subsidiaries in Europe and Asia manage the operation at the country level (some subsidiaries are further divided to regional business units), but they report to group management on operations at all levels. (Lindström, 2011B, p. 11)

Lindström provides services in seven fields:

- Workwear services (available in all operational countries)
- Mat services (available in 13 European subsidiaries)
- Personal protective equipment services (available in Finland and Hungary)
- Hygiene services
- Restaurant textile services

- Shop towel services
- Promotional product services (deliveries worldwide)

(Lindström, 2011A, p. 9)

In addition, Lindström's subsidiary Comforta Oy provides textile services for the restaurant, hotel, accommodation and nursing sectors. (Lindström, 2011A, p. 8)

Service competence centres develop the operations, processes and products and product range of each service entity. They also provide training for employees and coordinate marketing activities. As the workwear, mat, personal protection equipment and promotional product services are international the service competence centres of these four services serve and support the operations of the subsidiaries as well. (Lindström, 2011A, p. 10).

All the subsidiaries as well as business centres in Finland use the services and support of seven administrative competence centres located in group headquarters in Helsinki, Finland. The administrative competence centres are:

- Finance and Reporting
- Human Resources
- Investments, Process development and Environmental Issues
- IT
- Purchasing and Logistics
- Quality, and
- Communications and Customer Relationship Management.

In addition to support of operations, administrative competence centres "perform operational tasks in their area of specialisation, monitoring changes in business operations, the operating environment and legislation, and developing operations". (Lindström 2011A, p. 10)

Lindström's operations in every country and at all levels are based on the company's values (Lindström 2010, p. 10).

"The values are also the foundation of the company's mission" (Lindström, 2010, p. 10). Lindström Group's values are:

- profitable growth
- long-term customer relationships
- responsibility
- enthusiasm and joy of learning.

(Lindström, 2011A, p.6)

MISSION

"Textile service company Lindström strengthens the company image of its customers. Our service makes our customer's everyday life easier and provides the best value on the market. We are responsible corporate citizen and a respected employer."

(Lindström 2010, p.10)

The company vision 2016 describes Lindström in year 2016. According to the vision, Lindström is experiencing strong growth and runs its businesses profitably. Company serves its customers globally, operating in 25 countries in Europe and Asia, and further, aims at being the market leader in 20 countries. According to the vision, Lindström aspires to make the everyday life of its customers easier with the service, and pursues company image basing on long experience with fresh view and enthusiasm as drivers. In Vision Lindström guarantees "a well managed and high quality service experience" (Lindström 2011A, p. 7). In addition, company pursues systematic management that will guide to internationality and conceptualised operations. (Lindström, 2011A, p. 7)

Operational activities in Finland are divided in and managed by regional profit centres. More particularly, "Lindström's customers are served by the nearest service centre offering the ordered service" (Lindström 2011A, p. 11), and customer is managed by the regional profit centre customer operates in. (Lindström, 2011A, p. 11) The unit dealing with global customers, namely Global Corporates, is located in the headquarters, but it works at international level and in close connection with subsidiaries. The Global Corporates –unit consists of two teams: Global Customer Management and Global Sales. Global Key Account Managers, (Global Customer Management team) manage customers operating globally and they work in close connection with the customer account representatives working both in Finnish regional profit centres and in subsidiaries. Global Key Account Managers, GKAMs, are in an important role as to the topic of this thesis in respect of customer information management and customer reporting of global customers.

Parent company and the regional profit centres in Finland as well as Global Customers -unit use the same customer database and customer resource management system, Microsoft Dynamics CRM, which was only recently adopted. The system is utilized not only for providing information on customers but also for planning of customer-based activities (CRM includes also integration with MS Outlook). The system enables efficient customer information management, since all information on customer and service is saved and stored in one system, and availability of customer and service information as well as information on actions taken, feedback, changes etc. is in a system available to all customer care, customer service and sales personnel.

As the system entails all necessary customer information, most of customer reports can also be retrieved from the system (provided necessary entries have been done). The system enables efficient management of customers that operate in the area of several profit units (that is in various locations in Finland), and it brings along great efficiency in that information needs to be entered only once, and thus multiple entries and different sources of information becomes redundant. However, in respect of global customers, the real global link is missing, since subsidiaries are not using the same system, but the information is saved and stored in the system by the Global Key account manager in Finland from various sources of information.

Due to the system requirements, practices and information requirements and contents related to customer information and customer management are uniform throughout profit centres, which ensures not only efficient operations but also similar high-quality service to all customers no matter where they operate. This also enables centralised problem solving as well as issuing of new practices to all profit centres at the same time, which increases efficiency remarkably (compared to the situation in which every profit centre tries to solve same problem individually and at the same time).

Lindström's laundry operations and logistics have to be taken into consideration as well in creation of IT systems as in customer service (sales and customer management). Due to nature of operations and services, requirements for practices and systems are specific, and in many cases it requires at least some degree of customisation with IT solutions. Also Lindström's values, especially profitable growth, affect highly all operations, and thus all development and big changes are implemented only after careful planning. Therefore new IT systems in Finnish organisation were adopted through careful and wide project, in which all the operations, services and systems were taken into account.

In Finland, the long history has also great effect on operations. The module laundry, used widely in subsidiaries, was not launched until early 2000, and therefore there are laundries of different model, including both traditional laundries and module laundries. For that reason, also requirements for information handling in Finland vary more compared to subsidiaries. In addition, in Finland the company has all seven (eight if hotel textiles offered by Comforta is included) services available, which is not the case in subsidiaries.

For the reasons stated above, the system requirements in Finnish organisation are wider and also more complicated than in the subsidiaries. Therefore the same IT solutions are not applicable as such, but the issue is to be considered separately. This research work aims at finding out needs and requirements of customer information handling in Lindström's subsidiaries in order to offer a solution applicable in them and a solution that takes into account all the issues and components linked to it.

Commissioner's (Lindström Oy) representatives chose three subsidiaries the customer information handling of which is to be investigated, namely Estonia, Hungary and Slovakia. The rationale behind the choice is first and foremost the age and stage of the subsidiary: the chosen subsidiaries have been Lindström's subsidiaries for many years; Estonia since 1992 (Lindström, n.d.b), Hungary since 1994 (Lindström, n.d.a) and Slovakia since 1998 (Lindström, n.d.c), and thus their operations are stabilised. The second reason for the choice was that the chosen subsidiaries have gone through a substantial growth in recent years and that each of them are operating in more than one business unit in the country. The third rationale was that all the chosen subsidiaries are efficient in their operations, Slovakia being one of the best subsidiaries with efficient processes. The chosen subsidiaries all operate efficiently and perform well in many respects, and according to Lindström guidelines, and thus all of them have been chosen as the Subsidiary of the Year (Estonia four times, Hungary and Slovakia both twice).

1.2. Presentation of the research problem

Lindström Group is stable and solvent, and has grown throughout years both in financial terms but also in terms of services for customers. The company has set Vision for 2016, in which it sets targets for strong growth and penetration to four more countries.

All group companies share company strategy, vision and mission. These, together with other guiding principles, are to be applied in all operations at all levels. Company emphasis is on effectivity and focus on growth. Moreover, the company aspires to being a market leader in 20 countries by 2016. (Lindström, 2011A, pp. 6-7)

In recent years, the parent company Lindström Oy has gone through major development, with the focus on IT systems and practices, especially those related with customer relationship management. The aim of this development has been at improving efficiency of operations, customer service and customer management and in creation of long-term, successful partnerships with customers. The company purports to establish the principles adopted in the parent company also in the subsidiaries in the following years. (Lindström, 2011A, p. 21)

Lindström's subsidiaries enjoy a great level of independence. They are free to decide on most suitable organizational structures. Practices and processes are defined to some level in quality manuals and also by quality certificates, but beyond those, subsidiaries are also free to decide on practices and processes as well. Support and supervision by headquarters, in relation to management and processes, is limited to the start of a new subsidiary and to quality audits. Thus, there are differences in practices, processes and management of customer care and service, especially in relation to customer resource and information management. Also the image of company to customers is thus different. Company also aspires for better efficiency of management of subsidiaries, and further growth, growth beyond Vision 2016, must also be enabled.

Information collection, sharing and storing is not unified throughout the subsidiaries. Moreover, information management in particular subsidiaries does not rely on modern systems and unified practices, but on production system and other office tools. Subsidiaries have developed their own best practices for managing daily operations and processes. However, global customer management collides with differences of practices as well as lack of common systems and practices. Importance and amount of global customers are continuously growing, and to secure fluent service of these customers and efficiency of operations, global account management, and information collection and sharing must become more efficient. Effectivity and improvements must ultimately be measurable in improvements in turnover, customer retention and customer satisfaction.

1.3. Research objective and limitations

The aim of this thesis is to provide information on requirements, practices and challenges of efficient customer information management in general, but also of global nature. This information can be used by other companies in their operations and projects related to customer relationship and customer information management.

The main objective of this thesis/development work is to examine customer information management in Lindström's three subsidiaries, in order to gather best practices, cornerstones and needs related to it. By fulfilling the objective company is provided with information on, which it can further use in its future CRM project. Commissioner (the case company) requires customer information management to support management of customer relationships (CRM) and customer orientation as well as support management of global customers and company growth. Customer information management in the case company entails thus both local and global aspect and internal reporting. To reach the objective, it is necessary to clarify what information is needed, how it is handled currently, and how widely customer information is important to gather and record.

Research work is limited to three of Lindström's operational countries. The subsidiaries and profit centres under study are Tallinn/Loo in Estonia, Budapest and Székesfehérvár in Hungary and Trnava in Slovakia. At the time the interviews were performed, there were only two services available in these subsidiaries, namely workwear services and mat services.

Lindström being a company operating both locally and globally, it is also necessary to take into account how to manage both local and global customers and that the data gathered is equivalent for both local and global needs. Therefore Global Customer Management, located in headquarters, is also part of this study in respect of co-operation with subsidiaries. Also aspects of quality and information technology with regard to subsidiaries are taken into account.

The commissioner has set also other limitations/constraints for this research work. First of all, as company aims at long-term customer relationships and growth, effectivity of customer information management is required, and moreover, it must bring along improvements in:

- turnover
- customer retention, and

- customer satisfaction.

Secondly, areas of focus and emphasis set for subsidiaries must be taken into account as well, namely Lindström's Service Culture and Demand on Speed. Customer information management practices must support Lindström's service culture, and especially the start of new customer is to be timely (measured in days) and decent. Thus the customer information management must support and assure efficiency of especially the service of existing customers and start of new service and customer.

As other constraints, Lindström's Strategy 2016 and Vision 2016 together with company values are to be guiding principles throughout this research work. Especially profitable growth through efficiency and the objective of long-term customer relationships are closely related to the objective of this research work. Finally, country-specific matters are to be observed and taken into consideration as well.

1.4. Research question and related topics

Research question is:

> How the customer information is handled and managed in Lindström's subsidiaries in Estonia, Hungary and Slovakia.

Sub-questions, in order to receive more information, are

- how the customer information is gathered,
- how the customer information is handled, shared and stored, and
- how the customer information is handled for reporting purposes.

Customer information management and handling is examined from the following points of view:

- reporting, both customer and internal

- global customer management
- information management, including information sharing, storing and handling.

1.5. Structure of the thesis

This thesis continues with literature review concentrating on customer relationship management, customer orientation and customer information management. Also global perspective on both issues will be presented as well as approaches of international strategies. Theoretical framework of this thesis consists thus on issues of customer orientation and customer relationship management, and is presented in more details in chapter 3.

Theoretical framework is followed by methodological issues, presenting principles of case study and methods of data collection and analysis. Analysis of empirical research in chapter 4 is followed by discussion on key findings in the light of theory. Finally, conclusions and managerial recommendations are presented.

Structure of the study is presented below in the figure 1.

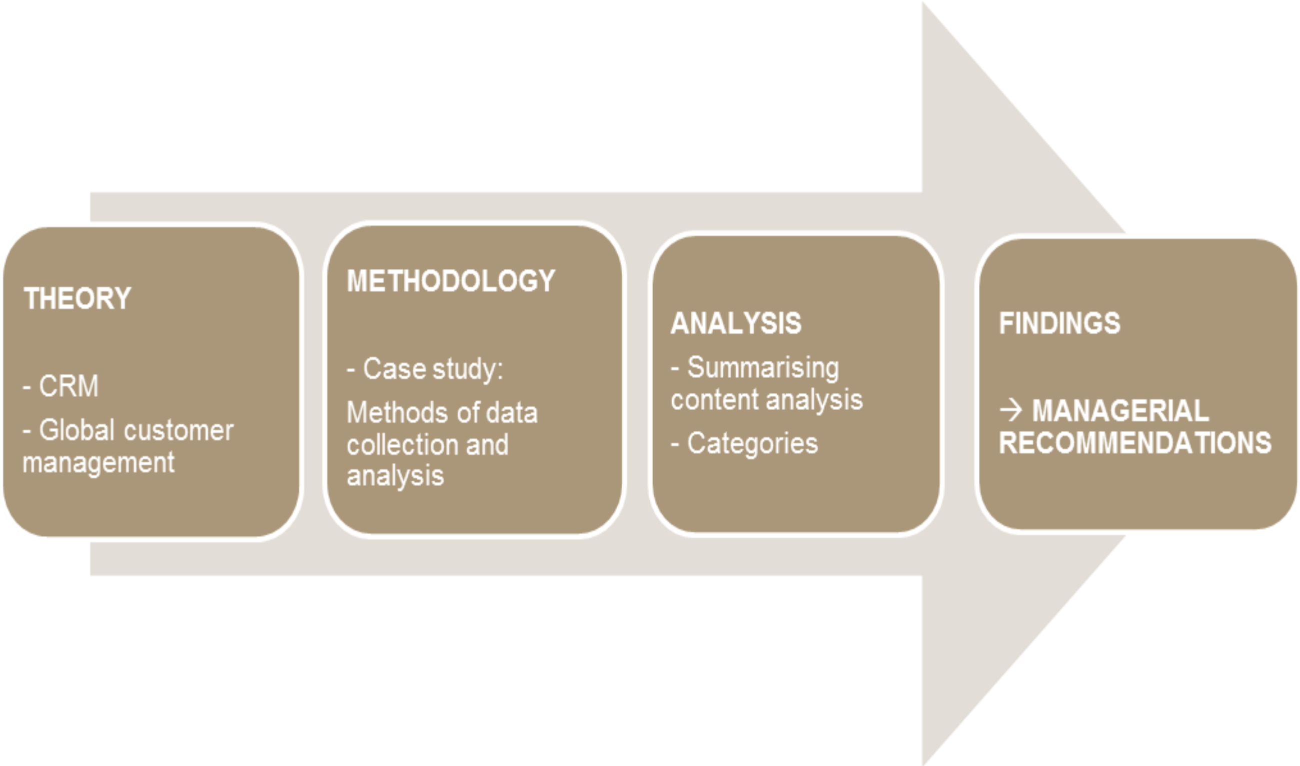

Figure 1. Structure of the study.

Findings of the empirical research will be discussed in chapter 5 after which discussion in light of theory will follow (in chapter 6). Finally, conclusions entailing managerial recommendations and evaluation of the study are presented.

2. MANAGEMENT OF CUSTOMER RELATIONSHIPS

Literary review of this thesis introduces existing literature on customer relationship management together with aspects of global customer management. First, the meaning and components of customer relationship management will be discussed, after which the essence of customer relationship management, namely, customer insight will be discussed. Personnel, processes and technology as components of customer insight and customer relationship management will also be discussed in more details.

Issues related to customer information management will be discussed in chapter 2.2. followed by company knowledge management in 2.4. Finally, features of global customer management and international strategies will be discussed in 2.4. and 2.5. respectively.

2.1. Customer relationship management

Customer relationship management, CRM, is at the core of all operations of a company aspiring to efficiency of operations, customer satisfaction, competitive advantage, improved profitability and growth. Customer relationship management consists of various components and deals with several different aspects of an organization. Customer information management supports effective customer relationship management, but all components of customer relationship management must be consistent with it and integrated in order the company to gain benefits of it. Therefore contents and components of customer relationship management are discussed wider than in the respect of customer information management and technology only.

2.1.1. Definition and components of customer relationship management

The definition and contents of customer relationship management have evolved through time. Customers and customer base have long been realized as companies' most valuable asset, but not until recent years, have companies understood that the customer strategy is the most valuable strategy and customers are the key to competitive advantage (Peppers and Rogers, 2011, p.4). Moreover, companies have realized that the customer strategy is "an ongoing business imperative that requires the involvement of the entire enterprise". (Peppers and Rogers, 2011, p. 3)

Customer relationship management, CRM, has been regarded as a technology or an IT solution entailing customer data and thus a system enabling better customer service. It is considered also a discipline or theory for better marketing or customer service. However, through time it is evolved into a comprehensive, business-wide strategy, and as Peshwe and Kothari (2012, p. 3) define, it is a "process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer". (Peppers and Rogers, 2011, pp. 5-7; Peshwe and Kothari, 2012, p. 3-4)

The core of customer relationship management is to get, keep and grow customers. It involves integration of company's marketing, sales, customer service, and the supply-chain operations as well as communication in order to identify customers, and create and manage customer durable and profitable relationships. The target is to gain efficiency of operations, to improve customer satisfaction and retention and to improve profitability by better knowledge on customers and the choice of profitable customers over unprofitable ones. (Peshwe and Kothari, 2012, p. 2-3; Peppers and Rogers, 2011, p.5; Raab, Riad, Vidyaranya and Goddard, 2008, p 6; Stone et al, 2004, p. 89-90)

As a business strategy, customer relationship management is described to consist of three components. The components are partly named differently, depending on writer/researcher, but they all entail same ideas. These components are:

- personnel (operating philosophy in Bligh and Turk, 2004, p.6),
- organizational structure and processes, and
- technology.

(Bligh and Turk, 2004, p.6; Patel, 2010, p. 7; Raab, Riad, Vidyaranya and Goddard, 2008, pp. 7-8)

Personnel, or people, as a component of customer relationship management means that customer relationship management thinking and customer orientation must be internalized at all levels of company. That is, both top management and employees at all levels must assimilate/adopt CRM thinking and act accordingly. Therefore, personnel must be prepared for CRM thinking and attitude, and for change, and benefits of CRM must be made clear in order them to understand it thoroughly. Bligh and Turk (2004, p. 6) elaborate that the company must be organized in a customer-centric way, in which "attracting customers, and tailoring service for individual customers or customer segments" are constituents. Thus, the aim of customer relationship management in regards of personnel is at customer-centric thinking and its incorporation into all of company's operations at all levels and by all personnel. (CRM Media, 2010; Bligh and Turk, 2004, p. 6; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7)

Customer relationship management must also be attached to company's structure and processes. These structures and processes must not only support but also strengthen customer relationship management and all operations related to it. Thus, to obtain successful, effective and customer-centric customer relationship management, a company must analyse its processes thoroughly, reengineer current processes and develop best practices for "managing and integrating sales, service, and marketing processes" (CRM Media, 2010). This applies not only to processes and practices of forefront (those with straight customer contact), but processes and structures of all departments and units in the value chain must be integrated towards the same customer-centric goal. Company structures must support and encourage co-operation between departments and functions in the value chain, and aim at holistic, company-wide customer relationship management. Customer orientation must thus be of most important priority in every department and at all stages. (CRM Media, 2010; Bligh and Turk, 2004, p. 6, 137; Raab, Riad, Vidyaranya and Goddard, 2008, pp. 7-8, 35)

Finally, the company must invest in technology that supports processes and personnel. In deciding on technology, company must first analyse the customer information it desires and also how this information will be used. The chosen software and technology must automate and integrate data from various sources, but as it is closely connected to company's structures and processes, it must also automate and integrate processes and activities of sales, service and marketing. The purpose of technology at the end is to "capture and centralize customer related information" (Bligh and Turk, 2004, p. 6) for purposes of personnel. Thus, technology is also closely related to personnel, and it is of great importance that it provides personnel with adequate and accurate data in a user-friendly manner. As Raab, Riad, Vidyaranya and Goddard (2008, p. 7) have put it, “the best technology would be useless without the people who work with it”. (CRM Media, 2010; Bligh and Turk, 2004, p. 6; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7)

The purpose of the three components is to give a clear understanding of constituents required for successful management of customer relationships, and thus to “help companies improve their sales, service, and marketing operations” (Bligh and Turk, 2004, p.6). Each of these components is evitable and only through the three components together the CRM strategy can be successful and company can obtain competitive advantage. Therefore, none of the components can create a successful CRM alone, but if one of the components is missing or not taking into account other components, CRM strategy will not bring success either. (Bligh and Turk, 2004, p.6; CRM Media, 2010; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7).

2.1.2. Components of organisational excellence

Objective of customer relationship management is a competitive advantage through efficiency of operations and superior customer service, that is, organisational excellence. Components of customer relationship management, as defined above, are very close to components of organisational excellence, as described by Harrington (2005, p. 107, 110). Harrington (2005, p. 107, 110) defines a holistic approach for improving the organisation’s performance, and his approach contains five key elements or five pillars as he names them. The five pillars are process management, project management, change management, knowledge management, and resource management. (Harrington, 2005, p. 110)

The purpose of Harrington’s approach is to change the organization permanently. Namely, in order to reach the organisational excellence, a company must realise that only simultaneous management of these five key elements will bring excellence, and acting accordingly enables the company to excel. (Harrington 2005, p. 110).

2.1.3. Customer insight

As mentioned at the beginning, customers are companies' most valuable asset. Therefore customer relationships, and moreover, customer relationships of a long-term nature, are what companies aspire to. Knowing the customer is the essence of customer relationship management, and thus, as for example Peppers and Rogers (2011, pp. 5-7) as well as Peshwe and Kothari (2012, p. 4) define, CRM can be described as a strategy to identify company's customers, create relationships with them, and manage these customers in order to gain long-lasting relationships for the benefit of both the customer and the company. Furthermore, customer relationship management can be considered also a philosophy; as Raab, Riad, Vidyaranya and Goddard (2008, p. 6) define, customer relationship management is "a management philosophy that is a complete orientation of the company toward existing and potential customer relationships". (Peppers and Rogers, 2011, pp. 5-7; Peshwe and Kothari, 2012, p. 4; Raab, Riad, Vidyaranya and Goddard, 2008, p. 6; Stone et al, 2004, p.89)

Regarded as a customer-centric strategy, in applying CRM, customer must be within all company decisions and considerations, and the objective must be in the "management of durable and profitable customer relationships" (Raab, Riad, Vidyaranya and Goddard, 2008, p. 6), in which:

- **Durable** means building up customer trust, aiming at high customer regularity, and cultivating life-long relationships.
- **Relationship** indicates that the company should orient itself more around the customer.
- **Profitable** means during the course of the customer relationship, each customer's contribution to the company profit will be maximized.
- **Management** describes the capacity to coordinate and further develop, across all organizational borders, all interactions with current and potential customers.

(Raab, Riad, Vidyaranya and Goddard, 2008, p. 7)

Complete customer orientation and management of long-term, profitable customer relationships require thus customer insight. The insight is defined by Stone, Foss, Bond and Wills (2004, p.1) as the ability to perceive a thorough knowledge on customers[1] and on markets with which company can structure its thinking and decision making. Moreover, they emphasize that almost everyone in customer-oriented organization should possess the customer insight. Customer insight "is a picture built from any and all sources that may be available" (Stone, Foss, Bond and Wills, 2004, p. 2). Such sources for a company are for example databases, financial data and customer feedback (both internal and from customers). (Stone, Foss, Bond and Wills, 2004, p. 1-2)

In more detail, customer insight includes the knowledge on customers (who they are, what they do etc.) but also what customers value. However, in getting customer insight, a company must decide what information is relevant and how this information is to be received and used. Customer insight can provide company with an overall, holistic, real-time view on customers and their behaviour and values, and it can provide company with relevant information for decision-making as well as enable the company to be better prepared for facing customer sand competition. Customer insight can also increase efficiency of sales with better knowledge of possibilities to cross-sell and upsell as well as improve customer service, efficiency of processes and customer segmenting, profiling and targeting, and reduce costs. By using the customer insight for management of customer relationships, the company can thus increase profitability and decrease costs as well as strengthen and improve the customer loyalty. (CRM Media, 2010; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7; Stone, Foss, Bond and Wills, 2004, p. 2-3)

Getting the customer insight should be a systematic, continuous process that pursues customer intelligence and aims at more targeted marketing. The process of getting customer insight should consist of systematic capturing and

[1] Stone, Foss, Bond and Wills (2004, p. 1) use term consumer instead of customer.

analysing of customer information as well. This systematic process is a necessity when a company aspires to better effectivity and improved profitability: creating the “infrastructure of data, facts, analysis behind the scenes” to support company’s “brands, sales, and marketing approaches” is necessary for a company to excel (Bligh and Turk, 2004, p. 84). Moreover, according to Bligh and Turk (2004, p. 84), successful companies “work to create processes, systems, and databases that ensure that every idea and approach is grounded in measurable, provable business facts” (Bligh and Turk, 2004, p. 84).

Thus, with customer insight company should create new ideas and models and make experiments. The results of experiments and new models must be reviewed and measured, and actions and operations must be adjusted according to best matching results. Measurement is evitable, since only such actions that are measurably more effective are worth continuing. (Bligh and Turk, 2004, p. 84, 93).

2.1.4. Benefits of customer insight

Bligh and Turk (2004, p.75) describe one of the key benefits of customer relationship management being the “ability to capture essential information from marketing, sales, and service activities”. Customers are communicating and interacting with the company and its representatives in many ways, from face-to-face communication to electronic channels. Thus, there are several various sources of customer information, and a lot of useful and important information can be received and captured from those sources. However, at worst there is just abundance of poorly organized data in a company. Moreover, companies may have difficulties in prioritizing actions based on the customer data. Therefore, it is of great importance that the customer data is first consolidated, centralized, and cleaned, and only after that, the data can be reviewed for finding useful information as well as utilized in practice. (Bligh and Turk, 2004, p. 75, 91, 94, 115)

Bligh and Turk support formal processes in customer information management; they promote building “a consolidated customer data infrastructure” together with “predictive value models and capabilities for analysing the data” (Bligh and Turk, 2004, p. 115). By analysing the customer data and customer behaviour, company gains customer insight, and through the customer insight, company learns to better understand both customers’ current and future needs. (Bligh and Turk, 2004, p. 115) However, Bligh and Turk also call for “scientific and statistical thinking” from senior executives, which they consider a necessity for company to improve its competitive position and to become successful (Bligh and Turk, 2004, p. 83).

Proper implementation of data assembly and analysis are necessary in order the company to receive “easily-understood information” (Bligh and Turk 2004, p. 91). Only information that is understood and usable can be used to improve the effectiveness of company’s processes, operations and strategy. For example, customer data can provide the company with information on customer profitability as well as malfunctions of particular service. Such knowledge is highly valuable to the company. Thus, customer feedback can be regarded as the most important input in continuous improvement of company’s value chain all the way to the delivery of value to customers. Moreover, a company that knows its advantages and the value of customer information (and how to use it), can prioritize and use the customer feedback for continuously improving company’s capabilities and approaches precisely in the issues that have the greatest effect on company’s competitive advantage. (Bligh and Turk, 2004, p. 75, 91, 94)

In addition, as customer data can help the company to adjust its operations according to customers/customer segments the company can increase its profitability by focusing on most profitable customers. Bligh and Turk (2004, p. 91-92) list also some other concrete improvements resulting of systematic collection of customer data:

- increased marketing effectiveness,
- tailored service levels,

- improved product development processes,
- increased customer profitability, and
- increased pricing effectiveness.

Moreover, by utilizing the customer data properly a company can deploy its resources more effectively. Instead of resource deployment being stiff and political/bureaucratic, and resources being too scarce and not focusing on best opportunities, by using the data of customer needs and performance for management purposes a company can improve resource deployment and sharpen resource allocation. (Bligh and Turk, 2004, p. 92)

2.1.5. Customer orientation and customer strategy

With proper customer information management, company thus gets a customer insight necessary for customer orientation, and moreover, through that company can become a truly customer oriented company. Previous literature defines that customer is at the heart of customer relationship management, and in practice, successful CRM requires a complete orientation toward existing and potential customer relationships. (See for example, Raab, Riad, Vidyaranya and Goddard, 2008, p. 6). Furthermore, customer orientation is one of the most important factors needed to bring efficiency, better profitability and competitive advantage (Bligh and Turk 2004, p. 91; 94; Raab, Riad, Vidyaranya and Goddard, 2008, p. 13), since customer-oriented companies can more rapidly and effectively react and adapt to new and changing market situations. Moreover, through customer-focused concepts and processes companies can more rapidly response to customer desires. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 13)

“The goal of customer orientation is always customer satisfaction” (Raab, Riad, Vidyaranya and Goddard, 2008, p. 15). Customer orientation means thus focusing all of company’s actions and processes on fulfilling customers’ needs and desires, as well as on solving problems. Customer orientation bases on the three key components of a company, namely personnel, processes and technology; and only by implementing these components together with the customer at the centre, a company can achieve maximum customer orientation and competitive advantage towards competitors. (CRM Media, 2010; Raab, Riad, Vidyaranya and Goddard, 2008, p. 15)

To attain maximum customer orientation, a company should create a customer strategy aside the company's functional strategy. The function of customer strategy is to define an integrated customer process and policies throughout the company. Moreover, it defines and coordinates specific treatments of specific customer segments. (Bligh and Turk, 2004, p. 138) Thus, Bligh and Turk (2004, p. 142) define three key goals of customer strategy: definition of formal customer-management process, management of customer-related activities, and coordination of different treatment of customers.

Firstly, by defining the customer-management process company can ensure that goals and measurement of customer orientation and customer management are set and aspired to. In addition, by defining the customer-management process, company can ensure that customer data collection, analysis and sharing are done throughout the organization. In addition, with the definition company can ensure that incentive plan is consistent with the customer goals. (Bligh and Turk, 2004, pp. 138-139, 142)

Secondly, once the process is defined, company must manage its customer-related activities. With proper management, a company can ensure that policies and processes are adhered to, and that performance throughout the departments and value chain is directed towards the same goal, namely, customer satisfaction. Integrated processes and policies bring along efficiency and competitive advantage, since instead of each department setting customer processes and policies on its own, all departments throughout the organization apply same processes and policies in a similar way. (Bligh and Turk, 2004, p. 139, 142)

Understanding the costs and value of individual customers as well as customer segments, is an important aspect in getting customer insight. The third function of a customer strategy is thus to coordinate customer treatments. Once company has defined the specific customer segments, company can ensure with the strategy that customers are not only divided into these different segments, but also that each segment is provided tailored service. The objective of tailored service is to adjust service to needs and desires of particular segment, and through that, to support growth of these customer groups/segments, and to improve and strengthen company's competitive advantage. (Bligh and Turk, 2004, p. 95, 142)

Thus, as Bligh and Turk (2004, p. 76) crystallise, CRM can create competitive advantage in two ways: either by emphasising the company's "unique approaches and methods that lead to greater value" or by making the web of company's policies, processes, and activities more efficient. In the following two chapters preconditions of CRM as competitive advantage will be discussed in terms of company capabilities and key components of CRM, namely company's personnel, processes and technology.

2.1.6. Personnel and processes in customer relationship management

Company's personnel are in key role in customer orientation, and it is of great importance that the CRM and customer-oriented thinking are incorporated in the minds of personnel at all levels. "Only universal employee orientation within company can lead to lasting external customer orientation, and thus to a competitive advantage" (Raab, Riad, Vidyaranya and Goddard, 2008, p. 16).

However, company's goals and guiding principles alone are found inadequate in supporting long lasting customer orientation, but successful customer orientation is found possible only "as a result of the permanent performance efficiency and commitment of employees" (Raab, Riad, Vidyaranya and Goddard, 2008, p. 16). Internal cooperation and support for customer-oriented tasks are thus in important roles, since they increase the motivation and interest of the employees in the external quality of customer interaction. Moreover, it is important that employees get experiences of success, since it increases both employee satisfaction and willingness to commit. Thus, rewards for high-quality work with incentives are highly motivating. (CRM Media, 2010; Bligh and Turk, 2004, p. 6; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7; 16)

In addition, customer-oriented remuneration system has been found useful in increasing employee satisfaction and thus in increasing customer orientation. (For a more detailed discussion, see Raab, Riad, Vidyaranya and Goddard, 2008, pp. 18-20.

From the operational point of view company's personnel are in a key role also in customer encounters and interaction. On the one hand, employees' independent, responsible action is a necessity in fulfilling customer oriented approach and customer satisfaction. On the other hand, support from management is needed as well. Moreover, as the objective of front-desk duties in many cases is to make decisions and solve problems quickly and at the spot, basic tools, technology and processes are required. However, before implementation of a CRM, preferably even before investing in tools and technology, company must ensure that right attitudes and disciplines are set and adhered to. In addition, company must dedicate time and provide necessary training for employees to ensure the benefits of tools and systems will fully be utilised (employees know what to do, why and how). Right attitudes and observance of processes together with knowledge of what to do and how will ensure getting the benefits and advantages of the IT system and similar processes. (Cheverton, P., 2006, p. 202; Homburg & Werner, 1998, pp. 208-209 referred in Raab, Riad, Vidyaranya and Goddard, 2008, p. 24; Raab, Riad, Vidyaranya and Goddard, 2008, p. 24)

Basis of trust must also be achieved between employees and management. Employees must have possibilities for independent and responsible work, without excess control, and employees must accept responsibility needed for carrying out tasks and making decisions. (Homburg & Werner, 1998, pp. 208-209 referred in Raab, Riad, Vidyaranya and Goddard, 2008, p. 24) As mentioned above, experiences of success increase motivation and commitment.

In customer orientation, access to information is of great importance. Necessary information, such as information on products, prices, customer and contracts, should at all times be available to responsible employee. It is also important that information can be further processed (whenever possible). Information on the service and transactions is required also in maintaining customer oriented approach. Company can target its activities toward the customer needs and wishes only when employees have the knowledge of which services customer was interested in and which especially liked, what product or service was purchased most recently, what problems there have been and what customer has found unsatisfactory. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 35)

Access to information requires not only the information being available but also proper and suitable tools. In case of field personnel, for example sales representatives, portable computers with access to customer, product and capacity information at any time and place are a necessity. With access to information and proper tools, field personnel are able to carry out duties and tasks independently, and at location required by the work/service. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 35)

However, availability of information must also cover sharing of information. Proper tools can provide possibilities for information sharing, but Harrington (2005, p. 113) describes “changing the organization’s culture from a knowledge hoarding on to a knowledge sharing culture” as the biggest challenge of companies. (Harrington, 2005, p. 113)

Organizational structures must therefore support the customer orientation in a way that every department and all employees at all levels involved in process of creating value to customers are integrated in the process at every stage of the process. Moreover, company structures must neither hinder nor complicate realisation of customer orientation at any stage of the operations/processes. On the contrary, to gain success, bureaucracy, formalism and artificial, departmental barriers must be eliminated and customer relationships managed holistically. Furthermore, management of the processes is of great importance in improving the efficiency and customer orientation. Strategically significant performance processes should be supervised and controlled by a named responsible party, but these processes should also be “supervised and controlled in a function and department-spanning manner” (Sommerlatte & Wedekind, 1990, p. 25 referred in Raab, Riad, Vidyaranya and Goddard, 2008, p. 34). Personnel must be encouraged to cross-departmental co-operation, and customer orientation should take primacy over most other departmental issues. Moreover, communication and information technologies must enable and ease coordination and execution of all business processes. (Bligh and Turk, 2004, p. 137; Raab, Riad, Vidyaranya and Goddard, 2008, pp. 34-35; Meffert, 200, p. 1087 referred in ibid.).

2.1.7. Technology, IT

There is an abundance of companies offering CRM solutions for enterprises and companies of all sizes, for example SAP, Microsoft and Oracle. Many of these companies offer standard CRM software solutions, but also solutions from partly customized to totally tailored solutions are available to fulfil companies’ needs and desires as well as to meet the requirements of company’s operations. Alongside traditional CRM software, web-based solutions, also known as cloud computing solutions, have become more common. Investments in the CRM infrastructure and software can be large, but web-based CRM solutions allow companies to get the benefits of CRM system but similarly reduce both resources and costs of IT: the web-based solutions bring CRM available via web browser, and company pays only to use the software instead of paying for licences. Thus, company gets the system with no investments in the infrastructure, with no maintenance costs, and with no need for own IT department for implementation and maintenance of the software. Especially costs of software purchasing, deployment and maintenance can be lower as well as costs of resources required for maintenance of and support for the software[2].

However, technology alone does not bring success; it does neither create a customer-centric/-oriented company nor guarantee successful management of customer relationships. In many cases, however, technology is in the lead of CRM projects: a study of Andersen consulting (Accenture) has reported that only 40 per cent of the intended effects of a CRM project depend on the technology (Göbbel, 2001, p.27 referred in Raab, Riad, Vidyaranya and Goddard, 2008, p. 7). (Patel, 2010, p. 8; Peppers and Rogers, 2011, p. 17; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7).

As explained above, CRM is "both a business approach to improved management of customer operations and a collection of technologies to assist automating those operations" (Bligh and Turk, 2004, p. 7). Thus, successful customer relationship management requires creating and implementing a strategy incorporating the components of personnel, organizational structures and processes together with technology. Committed leadership and committed personnel are also required, and organizational structures and processes must be consistent with the CRM strategy and support it. Only after that technology can properly support the strategy and bring competitive advantage. (Bligh and Turk, 2004, p. 7; Peppers and Rogers, 2011, p. 17; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7).

Technology, however, can be a powerful tool (Bligh and Turk, 2004, p. 180). Companies aspire to efficiency and profitability; they want to have knowledge of customer behaviour, needs and desires, but also of sales potential and sales channels. There is an abundance of systems to support companies' desires; and the purpose of these software systems and solutions is precisely to coordinate activities and processes of a company in a customer-oriented manner. Moreover, the purpose is to ensure that all departments share the same goal, but to do that, the program must incorporate organization,

[2] on CRM software in more details for example at http://www.salesforce.com, http://msdynamicsworld.com/ and http://www.oracle.com/us/solutions/crm/index.html [Accessed 21st August 2012]

processes and policies together with technology. A CRM system that provides the company with accurate and timely information and mechanisms for continuous feedback (to anticipate customer needs) and supports company's processes and organization in a flexible manner enables the company to achieve operational efficiencies and improvements as well as competitive advantage. (Bligh and Turk, 2004, p. 180; Gentle, 2002, pp. 10-12 p. 2; Peppers and Rogers, 2011, p. 17; Raab, Riad, Vidyaranya and Goddard, 2008, p. 2, 7)

To gain efficiencies and competitive advantage, not to mention true customer orientation, thorough knowledge of customer(s) and markets is required. Customers are continuously interacting with company in many ways; and in many cases the necessary information already exists in the company. Bligh and Turk (2004, p. 107) explain that properly organized customer-focused infrastructure enables "creation of comprehensive analysis and reporting on customer-related issues". They describe furthermore that: "by generating an enterprise solution, architecture, and philosophy through an enterprise data warehouse, a company can leverage customer information across the firm and graduate to more sophisticated customer-insight techniques". The role of technology is thus to evaluate, organize and administrate the customer information in customer-centric manner; and in doing so, it provides the company with most valuable information (customer insight) and creates possibilities for improvements and improved profitability. (Bligh and Turk, 2004, p. 75, 91, 94, 107, 115; Raab, Riad, Vidyaranya and Goddard, 2008, p. 27)

Technology must take into account specific requirements of various tasks of company. The information must be available and processable by each responsible employee, regardless of the place where they perform the work/tasks. However, technological solutions must not only cover the tools (computers and network) but also contents of information must be taken into careful consideration. Employees with direct customer contact will get a remarkable use of and arms for competition with detailed customer information. For example, complaint management can be used as an important tool and excellent source of information in respect of customer commitment and (re)creation of customer satisfaction. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 35, 89)

(Information) technology must also be closely related to processes, management and planning. According to Lientz (2009, p. 7), the value of IT and technology is in their "contribution to the business through business process performance and use of knowledge and information for cumulative improvement". In creating a CRM system, changes to the business processes must be linked together with IT, and technology and business processes must fully support each other. Only that way IT objectives, strategies and actions become more realistic, and tangible benefits for business and IT can be created. Moreover, IT and key processes and businesses become more uniform. (Lientz, 2009, pp. 10-11)

Furthermore, technological solutions must also fully support the execution and realisation of customer orientation, as well as support the integration of whole organization and value chain towards customer orientation. Customer satisfaction must be the objective of each and every department, and technology must not only enable fulfilment of this objective, but also create easier and smoother processes and cooperation within the company. Customer satisfaction depends not only on the quality of product and service, but also on communication within the company and between company and customer, as well as all on the modes of the service and distribution. Excellent and smooth service creates customer retention, which on its behalf creates long-term relationships and enables fulfilment of company goals. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 35, 83)

However, alongside technology, change management and company's personnel must be taken into consideration. Change resistance is very usual, and furthermore, as Lientz (2009, p. 14) emphasizes, old habits are hard to overcome. Therefore it is of great importance to understand and consider the close relationship between technology, process improvement and change management. Moreover, in order to gain efficiencies, change management must be included into project of creating CRM and customer-centric company (with all its features). (Lientz, 2009, p. 14)

2.1.8. Successful implementation of CRM

As discussed above, technology must not be the leader in CRM process. It must be consistent with the company requirements and needs, but at the same time the choice of system must ensure efficient use of both human and financial resources. Moreover, there are other factors of great importance that have to be taken into account in order to implement CRM successfully. Such factors are described by several sources. For example, Bligh and Turn (2004, pp. 165-166) have defined the best practices needed to implement CRM successfully and in a well-planned manner. Also Gentle (2002) has defined both critical success factors (pp. 49-145) and risk factors (pp. 149-166) for CRM.

Firstly, active executive sponsorship, alignment and leadership are required. The executives must act as examples, create enthusiastic support and a positive climate. Moreover, senior executives must clarify the benefits of the system, communicate accurately and honestly the key messages and support both employees and the implementation in all possible ways. However, it must be ensured that the executive sponsorship is credible and active, since without real support of executive level any major change is difficult to realise. (Bligh and Turk, 2004, p. 166-169; Gentle, 2002, p. 10; Stone et al, 2004, p. 99)

In getting management alignment, Bligh and Turk (2004, p. 168) emphasise data collection, analysis of current business situation and comparison of capabilities to competition. They also name executive workshops for building ideas and hypotheses as well as creation of plans for communication as efficient tools. However, they remark that data analysis and workshops alone are inadequate, but also an executive steering committee during the implementation process is of great importance. (Bligh and Turk, 2004, p. 168)

Secondly, definition of the strategic context specifying the scope and objectives of the program is a necessity for successful implementation. The strategic context serves as a guide to implementation team but it also describes the strategic advantages the company aspires to. Clear and uniform expectation throughout the organization is of great importance in implementation, since clear and reasonable objectives together with clarified effects will ease the realisation of benefits and results of the system, which in turn will bring along credibility and support for the system. Moreover, with fastening the targets to measurement, a company can clearly measure the benefits it aspires to, and thus it can gain real success. (Bligh and Turk, 2004, pp. 169-170; Gentle, 2002, pp. 56-58, 78)

Building a balanced implementation team is a third important factor in successful implementation. Successful implementation requires not only technical knowledge, but also cross-functional views. A team must be built accordingly, with company's top performers and designated executives. Technological experts, especially those of the system provider, must not constitute a majority of the team, but experts on business projects and change management as well as business analysts should be included in the team as well. (Bligh and Turk, 2004, pp. 171-172; Gentle, 2002, p. 152)

Fourthly, as implementation requires time and resources, it is of great importance that the company understands it and dedicates both time and resources for the project in a disciplined manner. The implementation process should be rapid and timely, but not rushed. Dedicated time-frame or an implementation program helps keep the implementation in discipline. Deploying the systems in separate stages and/or running pilots usually facilitate the adoption of the new system, and, moreover, help realising the benefits at early stage and thus supports both adoption of the system and results as well as brings along credibility and support. However, attention has to be paid also to organizational politics and decision-making processes, which should facilitate the implementation, not hinder or slower it. Importance and primacy of implementation project must also be understood and taken into consideration by everyone in a company. (Bligh and Turk, 2004, pp. 171; 175-176 with reference to p. 104; Gentle, 2002, pp. 75-78)

Fifthly, in implementing CRM it is of great importance that customer strategy is created and fully taken into account. If there is no customer strategy, it should be defined before implementation of CRM software. Customer strategy is in an important role in implementation as CRM software may require changes to existing customer strategy; new technologies may both enable and require new channels and approaches in sales and in customer service, and these have to be defined. Implementation of CRM software usually requires changes also in company policies, processes and procedures, and in assignments and tasks as well. Also in this, customer strategy plays an important role; it expresses the impacts of the project throughout the company, but it also serves as a starting point in assessing the impacts. (Bligh and Turk, 2004, p. 173)

The sixth factor, developing a roadmap, is very close to defining the strategic context, but the function of a roadmap is of more practical nature. The roadmap must make clear what the benefits and/or changes of the strategy are for each personnel group and for customers. It must ensure that everyone in the company knows what the project is about and works for the same objectives. In addition, a roadmap serves as a support for change management, but it must also contain long-term perspectives for fully support the whole strategy. (Bligh and Turk, 2004, pp. 173-174)

As discussed in chapters above, successful customer resource management consists of integration of three important components, namely personnel, organization, including processes, and technology. Thus, successful implementation requires integrating and addressing of these three components as well. CRM will bring along changes; new tools are implemented and old ones seize existing or are used differently, processes may be changed, or may require changing, communication and interaction within company and with customers may change, and new roles and skills are defined and required. It is thus of great importance to remember that resistance is very common and motivation to adopt new systems and practices is not automatic. Moreover, unenthusiastic reception can deteriorate or even damage CRM implementation. Therefore change management should be taken into account at all stages of the project, but even more when the implementation proceeds. Training is also of great importance in creating confidence and satisfaction, as well as in decreasing resistance. The role of executives is prominent, and with their experience, influence and authority many of the organizational challenges can be overcome. (Bligh and Turk, 2004, p. 176-178; Gentle, 2002, p. 58; Lientz, 2009, p. 14)

At last, the company must in every way avoid technology traps in implementation process. Bligh and Turk (2004, p. 178) emphasize that the role of technology is only a supportive, not a leader. The organizational, process and policy changes are in a primary role, and only after changes in those are identified, should the consideration of technology take place. Bligh and Turk (2004, p. 178) further explain that companies usually overemphasize the importance of technology and think that IT alone brings the success. However, the most successful companies regard technology as “a highly valuable enabler to be used in conjunction with fundamental business changes” (Bligh and Turk, 2004, p. 178; and more on technology traps, see ibid.). Therefore the starting point in CRM implementation process should be at strategic level. Technology can bring both operational effectiveness and competitive advantage, but only when the whole process integrates all components of CRM, and when the system itself integrates all three aspects as well. (Bligh and Turk, 2004, pp. 180-181)

2.2. Customer information management

Management of customer information is of great importance not only in terms of company efficiency but also in terms of customer orientation. Patel (2010, p. 61) explains that “delivering superior customer value is a prerequisite for sustainable competitive advantage”. In his opinion “managerial decisions and actions cannot be customer oriented when customer data is lacking” (Patel, 2010, p. 59). Thus, management of customer information[3] is a precondition for company success. (Desouza and Awazy, 2005, p. 118; Patel, 2010, p. 59, 61).

In order a company to be truly customer oriented and to deliver superior value to its customers there must be understanding of what customers need and value. Moreover, a good and thorough understanding of customers requires good information on customers. An IT system can provide company with abundance of information and ensure that there is information available, but there must also be knowledge of what information is important, in order a company to utilize information effectively. (Patel, 2010, p. 61)

Desouza and Awazy (2005, p. 20) claim that in a competitive business environment successful knowledge management requires an organization to possess certain capabilities. They specify that “the organization must be able to create, transfer, store, retrieve, and apply knowledge”, and that “an organization can claim capability in knowledge management if it can execute these activities with rigor, clarity, effectiveness, and efficiency.” (Desouza and Awazy, 2005, p. 20)

The objective of collecting customer information is ultimately the “development of closer, more profitable relationships with individual customers” (Peppers and Rogers, 2011, p. 115). Patel (2010, p.61-62) emphasizes that “good customer information must support the decisions and activities of the firm” and “drive all business processes of the firm, including anticipating and meeting customer needs, creating and delivering services, and anticipating and recovering from service failure.” Moreover, availability of customer information will usually facilitate customer relationships, since availability of customer information can make customer’s further transactions not only easier and simpler but also faster and cheaper. Customer information can thus be regarded as an asset with which company can gain competitive advantage. (Patel, 2010, p.61-63; Peppers and Rogers, 2011, p. 115)

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[3] Desouza and Awazy (2005, p. 118) use term “customer knowledge”.

2.2.1. Contents of customer information

An IT system can ensure availability of appropriate customer information for company's customer-focused actions and decision. However, it has to be clear what information is needed. In order to gain customer understanding and customer orientation, to support customer-oriented decisions, and to build relationships with customers company needs information on customers' needs, values, preferences, attitudes and behaviour, as well as criteria for brand and product choices. This information is evitable also to match company's products and services as suitable solutions to customer needs. (Patel, 2010, p. 61, 63; Peppers and Rogers, 2011, p. 103)

In order to make customer-focused decisions and take actions accordingly, customer information is required at two levels, namely at the aggregate and at the individual levels. At the aggregate level customer information concerns market information, particularly information on typical customer in the segment. The individual level refers to information on specific customer. In case of large companies, where it is not effective, in many cases not even possible, to concentrate on individual customers, "the customer profile is aggregated and constructed at the market segment level" (Patel, 2010, p. 65). However, whether the customer information is at individual or at market segment level, it provides a profile of the customer, and this profile must guide company's actions and decisions in a customer-oriented manner. (Patel, 2010, pp. 65-66; Peppers and Rogers, 2011, p. 103)

Peppers and Rogers (2011, p. 114) define three types of data required: behavioural data, attitudinal data and demographic data. Behavioural data contains information of purchase and buying habits. Attitudinal data reflects attitudes about products, such as satisfaction, desired features, brand preferences, and personal values and opinions. Demographic data is descriptive information, and contains information on the customer itself (age, gender, educational level etc.). (Peppers and Rogers, 2011, p. 114)

Patel (2010, p. 66) on his behalf defines two categories of more broad nature, namely: background profile and consumption profile. Background profile refers to general customer information and it is not directly related to the product, whereas consumption profile is directly related to the product. Moreover, consumption profile concerns also behaviour related to the consumption of the particular product. (Patel, B.K., 2010, p. 66)

Desouza and Awazy (2005, p.118) discuss on customer knowledge, and introduce different categories for managing this knowledge. In their model three types of customer knowledge is required for efficient customer knowledge management: *about* the customer, *to support* the customer and *from* the customer". Also Woodcock, Stone and Foss (2003, p. 234) define slightly differing categories compared to the categories presented above; more specifically, gaining customer understanding requires information on "customer profitability, customer buying values and customer segmentation". (Desouza and Awazy, 2005, p.118; Woodcock, Stone and Foss, 2003, p. 234)

In the following chapter demands on customer information is discussed in more details following broadly the categorization of Patel, subtitles of which can be broadened to cover most of the issues of categories defined by other researchers above.

2.2.1.1. Background information

Background information, or demographic data, is descriptive information that helps in identifying the customer. It contains information on the customer itself, such as age, gender, educational level. In case of business customer, background information entails data on the size of the company, type of the industry they operate, the value company creates, corporate culture, etc. Background information helps to identify customers and to understand their values and behaviour in relation to particular product/service. (Patel, 2010, p. 67-68; Peppers and Rogers, 2011, p. 114)

Patel (2010, p. 68) emphasizes that in order to fully understand customer value and to get comprehensive view on benefits and costs of a customer, systematic information on customer's purchase and the use of product/service is required. Moreover, information on customers help companies not only to get understanding on its current customers but also to get view on "target population of customers" (Desouza and Awazy, 2005, p.121).

2.2.1.2. Consumption information

Consumption profile entails information on customer behaviour, values and attitudes. The scope of information on customer behaviour is broad. Behavioural data contains information of customer's purchase and buying habits, and attitudinal data reflects attitudes about products, such as satisfaction, desired features, brand preferences, and personal values and opinions. Patel (2010, p. 68) specifies in more details that the scope of information comprising the consumption profile consists of information on where product/service is purchased and used, what it is used for, whom it is purchased and used, when was it purchased, how was it purchased, how much was purchased and what were the alternatives. Behavioural information and data analysis provide the company with holistic and wide insight into customer. They clarify customers' attitudes and behaviour as well as reveal what actually happens in relation to specific need and product/service. Thus, this information comprises the consumption profile, which in turn helps company in gaining understanding on processes of purchase and consumption behaviour. (Patel, B.K., 2010, pp. 68-69 and Fig. Customer Information Based on Customer-Value Analysis, p. 68; Peppers and Rogers, 2011, p. 114)

Consumption profile thus provides company with information on why customers buy, and that information can be used in deciding on marketing strategies and customer service. Woodcock, Stone and Foss (2003, p. 235) define, that incorporating the customer knowledge into actions require: "

- identifying the key values that drive customer behaviour;
- understanding customer preferences and the trade-offs people are willing to make;

- segmenting customers based on their values and decisions;
- developing product, channel, pricing, service strategies and value propositions that best serve those segments.”

Woodcock, Stone and Foss (2003, p. 235) argue that value-based segmentation supports company strategy, decrease costs, and improve both processes and customer responsiveness. However, they remind that proper analysis of the information and segmentation require the capture of data on transactions, more precisely on “products or services purchased, how much, when, sales versus full price purchases, and so on – as well as demographics, lifestyle and life stage data, when available” (Woodcock, Stone and Foss, 2003, p. 236)

2.2.1.3. Other aspects on customer information management

Information on customer profitability, or more specifically, profitability on segments of customers, enables company, to manage the costs to serve customers by balancing “the cost of serving a customer with the current or potential value of that customer” (Woodcock, Stone and Foss, 2003, p. 234). Moreover, profitability information enables company to pursue better product strategy. It enables company to tailor offerings particularly to the customers that drive company’s profitability rather than needs of entire customer base. (Woodcock, Stone and Foss, 2003, p. 234)

In addition to information on/about customer (background information), Desouza and Awazy (2005, p.118) emphasize that information *to support* the customer and *from* the customer are required as well. Moreover, they remind that recognizing the three types of information is inadequate, but information management activities must be addressed to and integrated into all three types of information. Only that, in their opinion, will create comprehensive customer knowledge management program. (Desouza and Awazy, 2005, p.118)

Desouza and Awazy (2005, p.124) define the knowledge to support the customer as "knowledge that improves the user experience with products and services". To support customers successfully, a company must manage customer information and use it to personalize and improve the quality of pre-purchase, purchase and post-purchase support. The company must thus ensure that the customer has a pleasant experience while purchasing and consuming the product/service. The role of CRM systems in tracking interactions with customers and in improving the delivery of products and services is important, but Desouza and Awazy (2005, p. 127) also highlight the importance of human aspect in customer support. (Desouza and Awazy, 2005, p. 124, 127, 130)

Apart from customer feedback and complaints, a company receives also other type of information from customers. Desouza and Awazy (2005, p. 130) specify that "knowledge *from* the customer can be defined as the insights, ideas, thoughts, and information the organization receives from its customers", and explain in more details that "these insights can be about current products and services, customer trends and future needs, and ideas for product innovations". Information and knowledge from the customer bring forth ideas and feedback from customers, and the company must utilize this information to better meet the customers' desires and needs. (Desouza and Awazy, 2005, p.130)

2.2.2. Success factors of customer information management

"Knowledge is the key to organizational success" (Harrington, 2005, p. 113), and thus customer knowledge management can be regarded as a strategic imperative (Desouza and Awazy, 2005, p.144). Customer knowledge creates customer insight which is evitable in creating targeted sales, marketing and customer service actions as well as in differentiating company's products and services. Understanding and management of customer segments together with measurement and study of customer satisfaction can not only increase the cost efficiency of company's operations but also increase the value a customer receives and thus improve customer satisfaction and customer retention. Moreover, it can reduce the costs related to deploying the product/service to the customer. Through effective customer information management and understanding, company gains customer relationships of long-term nature and competitive advantage. Moreover, through that, company can also gain improved return on investment (ROI). (Desouza and Awazy, 2005, p.144; Woodcock, Stone and Foss, 2003, pp. 223-224)

Woodcock, Stone and Foss (2003, p. 84) define three characteristics required for excellent performance in terms of customer information and technology. Firstly, companies must have improved data understanding. Secondly, customer information must be visible and accessible to company's employees and partners. Better visibility creates wider understanding of importance of the data and leads to better accuracy. Internet and intranet systems enable information sharing and visibility. Finally, customer information must be visible and accessible also to customers. Having some or all customer data visible and maintainable to customers enables customers to adapt certain degree of control of the relationship as well as to maintain their information by themselves. It leads to better accuracy and value of the information, but also reflects the trust in customers, which may contribute to superior performance and deepened relationships.

It is also important to manage the abundance of the information. Due to technological development and implementation of software systems, tremendous amount of customer information is available for companies, and the amount of information has brought along a new challenge, namely: overload of information. If the company cannot extract relevant information from the databases in a proper and efficient manner, the data becomes difficult to analyse and, ultimately, information serves no purpose for the company. Properly implemented data gathering provides company with easily-understood, relevant and useful information. For example, statistical methods of analysis and data mining[4] are common in extracting the relevant information. (Bligh and Turk, 2004, p. 91; Desouza and Awazy, 2005, p.121)

In addition, continuity is of great importance. Customer information management, and more particularly analysis of customer information (especially customer behaviour), provides company with possibility to serve customers better and provide them better solutions and thus avoid losing customers who search better and/or cheaper alternatives. However, Desouza and Awazy (2005, p.123) emphasize that only constant monitoring of information and data on current customers will enable the company to “detect emerging patterns of purchasing behaviour and predict future trends”. Moreover, only the continuous monitoring will enable the company to react to the needs of customers quickly and thus increase the customer retention. (Desouza and Awazy, 2005, pp.122-123)

However, as Harrington (2005, p. 113) reminds, “most of the organization’s knowledge is still not documented” but “it rests in the minds and experiences of the people doing the job”. This knowledge is essential to company, but at the same time it bears a high risk, since it is highly dependent on the person, and whenever there are changes in the personnel, a lot of information disappears. To secure capturing of this information and to ensure effectivity of information management, company must establish a knowledge management system, the purpose of which is to “capture the ‘soft’ knowledge needed to run the organization” (Harrington, 2005, p. 113) and to analyse it. Harrington (2005, p. 113) emphasizes the importance of such system, but he also recognises the problem in transforming the knowledge of individuals

[4] Raab, Riad, Vidyaranya and Goddard (2008, p. 28) specify that data mining is used primarily in two cases. Firstly, “data mining can be used via intelligent statistical procedures where adequate segmentations can be identified, which enable the output of a targeted item for information”. Secondly, “data mining can be used for the calculation of purchase probabilities”. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 28)

(containing knowledge on processes and behaviour) into such a form that it can easily be shared by technological means/tools. (Harrington, 2005, p. 113)

Customer information does not only help company to improve service and better target solutions for existing customers, but company can also use the analysis of information on potential customers to attract new customers more effectively. However, Desouza and Awazy (2005, p.124) emphasize that even if customer knowledge can help company with better serving and attracting customers, new and existing ones, "once the sale is complete organization's success is based on how well it can *support* the customer in using the purchased products and services." (Desouza and Awazy, 2005, p.124)

Therefore, as Woodcock, Stone and Foss, (2003, p. 195) remind, not only analysis of customer information with the help of IT systems will produce success, but other areas must be developed and changed as well. These include planning and strategy, people, processes, contents of data, and measurement. Company's processes and actions must be consistent with customer orientation and structures and employees must support it. (Woodcock, Stone and Foss, 2003, pp. 195-196)

2.3. Features of global customer relationship management

Customer relationship management is a customer-focused strategy, and with the focus on customers, it aims at creating long-lasting relationships with customers. What companies ultimately aspire to is efficiency and competitive advantage. However, when having a global aspect the strategy needs more attention. In global customer management both the preferences of local customers and pressures for efficiency the company desires must be taken into account. CRM strategy is found useful in balancing these two aspects, by having emphasis on the profitability of customers and thus clarifying which customers are the most profitable and important for the company. Moreover, with appropriate CRM (containing all its components) company can also find the most suitable and efficient ways to satisfy its customers. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 3)

2.3.1. Factors of global customer management and customer strategy

Yin and Bink (2007, p.60) define four factors that have an effect on company's ability to develop and implement global strategy. These factors are very close to key elements of CRM and elements of organizational success, as defined above in 2.1.1. and 2.1.2. respectively, but global environment brings along differing features and demands that must be taken into account properly. The factors are: organization structure, management processes, people, and culture. Each of these factors further comprises several individual elements of organization. (Yin and Bink, 2007, p. 60)

Similarly as in domestic operating environment, also global customer management requires appropriate company structures and organizational support. Moreover, it must be integrated into all operations at all levels. However, according to Cheverton (2006, p. 17) a serious challenge of global account management is "achieving consensus and collaboration across functions and operations, in order to present a uniform face to the customer". There must be a proper organizational structure to support global account management, but special attention must be paid to avoid particularly formalism and bureaucracy. Yin and Bink (2007, p.60) also warns of a division between domestic and international organizations, which, in their opinion, presents a threat to efficient global customer management, in that getting all responsible parties involved may be difficult when separate parts of a company have a high level of autonomy. However, global account management must not replace local structures but merely merge with them. In addition, there must be a common set of skills and processes together with suitable culture and management processes to ensure consistency of customer orientation. These bind together constituent parts of global customer relationship management and provide necessary resources and shared company commitment. (Cheverton, 2006, p. 17 and pp. 40-41; Yin and Bink, 2007, p.60).

In relation to organizational structure Yin and Bink (2007, p. 60) wants also to pay particular attention to reporting structure of the company. Yin and Bink (2007, p. 61) emphasize that a global organization requires integration of global authority with which geography-based decisions within businesses can be avoided. In other words, reporting to same person globally (within same business) supports global customer orientation instead of emphasizing local preferences. They remark that a split between domestic and international organizations may threaten the efficiency of global customer management. Furthermore, Yin and Bink (2007, p. 61) suggest a company to take into careful consideration also the reporting lines of global account managers. The reporting line of global account managers underlines not only the authority of global account managers but also importance of global customer orientation. There are many possible ways to organise the structures and authority, but Yin and Bink (2007, p. 61) emphasise that only thorough integration of global customer management in the company's organization can guarantee efficiency. (Yin and Bink, 2007, p. 60-61)

As to the company's processes, management processes, such as budgeting, planning and IT, are in a key role not only in company's ordinary processes, but in regards of global customer management they are in particularly important role. Especially IT and technological solutions have made global management and global customer management not only achievable but also easier. In global operating area the information collection and sharing is of great importance and it is self-evident that information from all geographical areas is needed. However, the information is to be available not only at headquarters, but also throughout the company's geographical area. (Yin and Bink, 2007, p.62)

Furthermore, Yin and Bink (2007, p.62) emphasise that global strategic planning is an important process to be taken into careful consideration in global environment. It is not the same as corporate strategic planning process, but "global strategic plan might integrate the plans of a specific business in different countries, or integrate strategies across worldwide businesses." (Yin and Bink, 2007, p.62)

Yin and Bink (2007, p.64) define also global customer management itself as a process, which can have an effect on many of the company's other key management processes, as well as on systems. Global customer management can improve "the global strategy information system by providing a focal point responsible for collecting all strategic information about a multinational account". Thus, global customer management coordinates processes and operations from cross-country basis, and can further encourage and move the company towards more "global performance and compensation practices rather than solely country-based ones". (Yin and Bink, 2007, p.64)

With the third factor, people, Yin and Bink (2007, p. 64) refer to global human resource policy. They encourage companies to take a global view on human resources, and in particularly when selecting employees. In their opinion global view leads to more cross-border postings, and relocating resources becomes easier. Thus, human resource policy supports global customer management. (Yin and Bink, 2007, p. 64)

According to Yin and Bink (2007, p. 60), the fourth factor, culture, "comprises the values and rules that guide behaviour in a company." In respect of culture, company must take into account both global and local aspects, and find a working balance between them. Yin and Bink (2007, p. 65) point out that in regards of global culture it is of great importance that key managers have a global way of thinking, for company's culture has an important role in the success of global customer management. (Yin and Bink, 2007, pp. 65-66)

Yin and Bink (2007, p. 62) include technology into organization's processes, but due to its highly important role, aspects of technology in global respect will be discussed separately in the following chapter.

2.3.2. Technology

Companies aspiring to apply their customer orientation strategy globally may collide with difficulties in terms of technology. Especially pursuing a standardized data collection may be difficult, since technological development and infrastructures vary across the countries, and thus availability of technology and networks are very different from country to country. The costs of data collection can become very high, but also the quality and quantity of the information can be affected by the differences. Moreover, differences in the operating environments may appear in varying customer expectations and in drivers for satisfaction. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 124-125)

Therefore success in global customer-oriented strategy requires managing of cultural differences not only at organizational but also at customer and operational level. By taking local differences, especially differences related to customers and environment, into careful consideration, company can pursue its customer-oriented strategy globally, fulfil needs and desires of customers, and gain competitive advantage. In this, the role of data collection and sharing becomes more important, and modifications to the CRM platform may be needed. With the modifications company can secure the quality of information and customer service, but also support the global nature of customer relationship management. It is also of great importance that the company's management fully supports the customer orientation strategy and creation of an organizational culture in which information collection and sharing are fully encouraged. (Raab, Riad, Vidyaranya and Goddard, 2008, pp. 124-126)

Global customer management infrastructure must cover all basic facilities, services and installations essential for functioning of such solution/system. However, due to the complicated nature of global customer management and two-fold company objectives (local preferences vs. company efficiency), there are elements of which global customer management requires much more than straightforward domestic customer management processes and functions. Even more, such elements are particularly important for success of global customer management. Yin and Bink (2007, p. 170) discuss especially on company's information and communication systems. They explain that these "systems have to be standardized and globally linked for them to be effective for the global operations". As to information management, Cheverton (2006, p. 200) specifies in more details that a system that helps capturing and sharing information across the global team in a user-friendly manner will bring most valuable benefits for the company. Both Yin and Bink (2007, p. 170) and Cheverton (2006, p. 200) also point out that the information system(s) must help in analysing of the information as well as provide tools for reporting. As for communication, the complex environment of global customer management (including both geographical and divisional areas) requires such an IT system that helps in management of communications and facilitates relationships with various parties. (Cheverton, P., 2006, p. 200; Yin and Bink, 2007, p.170)

Successful global account management thus calls for systems for capturing, analysing and sharing the data and information. In terms of global customer management a system which combine all of the information “in one place” (especially in case of customer that are in the system as different entities, operating under different company names in various regions and divisions), providing clear account information, is vital for global account manager (Yin and Bink, 2007, p.171). Moreover, communication tools are of great importance. However, not only the tools and software, but a great deal depends on shared practices, disciplines and people (Cheverton, 2006, p. 42 and p. 202). Thus, as Yin and Bink (2007, p. 170) define, global customer management programme require special support functions, namely: infrastructure, personnel and executive support (Yin and Bink, 2007, p.170).

In order to ensure successful global account management, company must make sure the availability and application of IT solution is universal. Different and various IT solutions and systems will create problems for global customer management, not to mention different practices and application of systems. Moreover, in implementing the shared system demands of global account management must be taken into considerations as also implementation in steps may cause problems for global account management. (Cheverton, 2006, p. 42 and pp. 202-203)

In addition, Yin and Bink (2007. p. 171) remind that effective and functioning global customer management require application of global aspect in the measurement systems of a company. (Yin and Bink, 2007, p.171)

2.4. International strategies

As mentioned above, in global customer management both preferences of local customers and pressures for efficiency the company desires must be taken into account. These two-fold company objectives are at the heart of international strategies, and basing on extensive studies, Bartlett and Ghoshal (1987) have defined four different strategies/approaches with which companies can overcome complexities and challenges of international environment. These strategies are further referred for example in Raab, Riad, Vidyaranya and Goddard (2008, p. 3-4.) The four strategies can be used as a starting point in defining the global customer strategy and deciding on solutions of global customer relationship management.

The first strategy is called **home replication strategy.** In that strategy the company replicates the business conduct of domestic market in every international market of operation. Companies using this strategy consider the customer preferences similar throughout the world, and thus companies' core competencies of domestic markets could and should be replicated to other markets. In cases where markets are very similar, the home replication strategy can be a success, but in most cases at least some changes are required. Home replication strategy does not usually lead to high responsiveness to local preferences, but to higher company efficiency instead. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 3)

The second international strategy, close to decentralization, is called **multi-domestic or multinational strategy.** This strategy is suitable for worldwide businesses in which local differentiation is required. Thus, multinational strategy enables high customization to the markets company competes in, with independently operating subsidiaries sensitive to local needs. However, as a disadvantage, the communication between independent subsidiaries is not always smooth/frictionless, and thus valuable data is not communicated and company loses valuable information. Therefore, company efficiency is not best possible, but local responsiveness in turn is highly effective. (Bartlett and Ghoshal, 1987; Raab, Riad, Vidyaranya and Goddard, 2008, p. 4)

The third international strategy a company can opt for is a **global strategy**. This strategy, as an opposite of multi-domestic strategy, can be described as “one size fits all mentality” (Raab, Riad, Vidyaranya and Goddard, 2008, p. 4), meaning scale-intensive manufacturing and worldwide exports of standardized global products. Global strategy requires smooth communication and distribution of market-specific knowledge throughout the company. Moreover, a company must set a focus suitable for all markets of operation, since world is seen as “a single marketplace, with the primary goal of creating standardized goods and services that will meet the needs of customers worldwide” (Raab, Riad, Vidyaranya and Goddard, 2008, p. 4). Global strategy creates corporate efficiency, but local responsiveness is dependent on both data collection and communication. In other words, in order to gain local responsiveness the preferences of target customers must be understood, and these differences must be communicated within the company when creating a global strategy. (Bartlett and Ghoshal, 1987; Raab, Riad, Vidyaranya and Goddard, 2008, p. 4)

Businesses are continuously being more driven by simultaneous demands for both global efficiency and national/local responsiveness, for which the **transnational strategy** can provide best approach. Balancing between multinational and global concerns as well as compromising with complexity characterizes this strategy. Successful companies have transferred domestic innovations and expertise to worldwide use while ensuring retaining balance of responsiveness and efficiency of international operations. Companies can for example assign tasks and responsibilities “to areas best able to achieve the desired balance between the efficiency and flexibility” (Raab, Riad, Vidyaranya and Goddard, 2008, p. 4) or outsource activities. (Bartlett and Ghoshal, 1987; Raab, Riad, Vidyaranya and Goddard, 2008, p. 4)

Regardless of the chosen strategic approach, a company that can both be efficient (reduce costs) and fulfil customers’ desires and needs in turbulent business environment, will gain success. Furthermore, to become truly transnational requires, according to Bartlett and Ghoshal (1987), building “a multidimensional organization capable of developing new strategic competences while protecting the existing strengths". (Bartlett and Ghoshal, 1987; Raab, Riad, Vidyaranya and Goddard, 2008, p. 4)

3. THEORETICAL FRAMEWORK: CUSTOMER ORIENTATION AND CRM AS COMPETITIVE ADVANTAGE

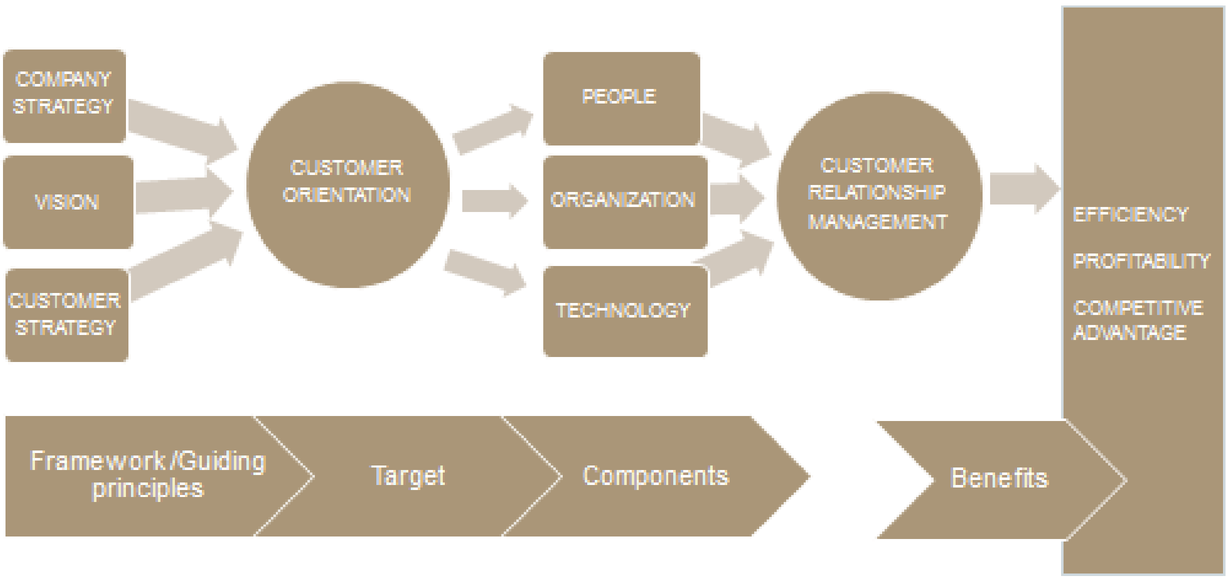

Figure 2. Theoretical framework

Customer relationship management is at the core of all operations of a company aspiring to efficiency of operations, improved profitability and growth, customer satisfaction, and long-lasting, profitable customer relationships.

Moreover, with efficient customer relationship management a company can achieve competitive advantage towards competitors.

As can be seen in Figure 2, at the heart of customer relationship management and its constituents must be customer orientation. Company strategy and customer strategy must be aimed at customer orientation and reiterate it. Moreover, customer orientation must be integrated also into company vision. Company strategy and vision as well as customer strategy act also as guiding principles throughout the operations at all levels and throughout the value chain(s), and reiterating customer orientation they create framework for customer relationship management and give the case company its excellence and brand (that separates it from other companies).

Customer orientation on its behalf must be incorporated in the operations of a company at all levels. Moreover, only through integration of customer orientation into company's personnel (people), processes (organization) and technology, can true, customer-oriented and successful customer relationship management and objectives of a company be achieved. Successful customer relationship management thus consists of implementation of key components, namely people, processes and technology, and integration of customer orientation into these components and into company and customer strategy.

Customer information management is an integral constituent of efficient customer relationship management. Customer information management is also in close relationship with company's processes and personnel, and it thus reflects the contingence of these processes with customer orientation and principles and objectives of customer relationship management. The objective of the case company is to gain efficiency, profitability and growth, and customer information management can create basis for gaining these objectives. However, in order to create basis for sustainable development and growth, customer information management must be examined in the light of customer relationship management and customer orientation, through which sustainable competitive advantage can be gained most effectively.

Therefore customer information management is in this thesis discussed together with the wider concept of customer relationship management and its constituents. Moreover, company strategy and vision act as guiding principles throughout the work. This research work also tests feasibility of existing literature and theories, as well as importance of components of customer relationship management.

4. METHODOLOGY

The methodology chapter of this thesis will first present the research design of the study, theory behind it and its purpose. Methods of collecting and analysing the empirical data are explained in the following chapter, after which the reliability and validity of the study are discussed.

4.1. Case study as a qualitative research method

This study is closely related to a real-life phenomenon. As Eriksson and Kovalainen (2008, p.3) argue, the use of a qualitative method enables focusing on complicated business-related phenomena in their real contexts. Furthermore, a qualitative method can be used to provide critical but reflexive views and complicated details on business and its processes. It also provides information and knowledge on why the phenomena work in specific way and how these phenomena can be thoroughly understood. (Ghauri and Grønhaug, 2010, p. 106; Eriksson and Kovalainen, 2008, p. 3.)

Case study as a qualitative research method, or as an approach, as Eriksson and Kovalainen (2008, p 116) specify, is always related to a real-life case or cases investigated in their natural setting. As Ghauri and Grønhaug (2010, p.108) clarify, case study research is useful particularly, “when the phenomenon under investigation is difficult to study outside its natural setting and also when the concepts and variables under study are difficult to quantify”. (Ghauri and Grønhaug, 2010, p.109 Eriksson and Kovalainen, 2008, p. 115, Yin, 2003, p. 1, 13.)

The purpose of the case study is to get understanding of the case and learn from it in order to produce both detailed and holistic knowledge by analysis on the multiple empirical sources. (Eriksson and Kovalainen, 2008, p. 115; 117 and Tellis, 1997 quoted in Eriksson and Kovalainen, 2008, p. 117.) The research questions are posed to reach this target, and as Yin (2003, p. 1) states, “how” and “why” questions relate to case studies.

This study concentrates solely on one case, and thus presents a single case study as classified by Yin (2003, p.39-46). Yin describes the single-case design to be suitable especially when the case entails “a rare or unique circumstance”, or when the case has a revelatory purpose, and in this study, the two conditions are satisfied. (Yin 2003, pp.45-46.) Firstly, the study concentrates on the processes of one particular company, processes no similar to other companies in the field, and secondly, the purpose of the study is to investigate processes in order to find gaps, cornerstones and best practices.

Eriksson and Kovalainen (2008, p. 118-19) refer to Stoecker (1991) and Harré (1979) in saying that case study research can be divided into intensive and extensive case study research. In this view, this study follows an intensive research design, with focus on one case only and the emphasis and aim at investigating it in order to reach understanding of the particulars, processes and perspectives of the case.

This study uses both descriptive and exploratory research design (Ghauri and Grønhaug, 2010, pp. 56-57). Descriptive design is appropriate to describe the processes and practices of the company, and exploratory to find out not only cornerstones and hindrances but also best practices in order the company to make its processes more efficient.

4.2. Case study process

Yin (2003, Contents) divides the case study process into following phases: designing the study, conducting the study, analysing the study evidence, and reporting. Research design is “*a logical plan for getting from here to there*”

(Yin, 2003, p. 20), more particularly, a path going from “the initial set of questions to be answered” to “set of conclusions” (ibid.). Yin (2003, p. 20) further describes that “between ‘here’ and ‘there’ may be found a number of major steps, including the collection and analysis of relevant data”. (Yin, 2003, contents, p. 20)

The conduction of a case study may be divided into two parts: preparation for data collection and collecting the evidence itself (Yin, 2003, Contents). The purpose of preparation is to help in conducting a case study of high quality, and it includes training for the specific case study, including training of desired skills for conducting the data collection and analysis and developing a protocol for investigation (Yin, 2003, pp. 57-58).

Case study evidence can come from many sources. Yin (2003, p. 83) defines six various sources: “documents, archival records, interviews, direct-observation, participant-observation, and physical artifacts”. Understanding and usage of these various sources require knowledge of different methodological procedures. In addition, a high-quality case study requires the use of multiple sources of evidence, and establishment of case study database. Moreover, a chain of evidence must be established, that is, there must be explicit links between research questions, collected data, and research findings/conclusions. (Yin, 2003, p. 83)

Analysis of the case study evidence requires not only a general analytic strategy, defining the framework for analysis (what to analyse and why), but also specific analytic techniques. Moreover, comparison to rival propositions has to be pursued as well as threats to internal validity must be examined. (Yin, 2003, p. 109, 139)

This research work consists of two cycles, first cycle basing on the analysis by company units and the second cycle consist of the revision of the original research plan according to the findings of the empirical research, analysis by functions. The final findings and managerial suggestions will be presented at the end.

4.3. Collection of data

Empirical data (primary data, as described by Eriksson and Kovalainen, 2008, p. 77) of this thesis consist of information gathered and/or received in three subsidiaries, namely Estonia, Hungary and Slovakia, Global Customer Management –team, located in headquarters, and from Lindström's administrative competence centres, namely Human Resources and Quality (HRQ) and Information Technology (IT). The management (managerial level) of the chosen subsidiaries were informed on the study and visits related to it beforehand, and they took part in planning of the visits and choose of persons and functions to be interviewed.

The researcher works as Customer Service Manager in Lindström Finland (in Profit Centre of South-East Finland). Therefore, gathering of and access to the information was easier. Moreover, deeper analysis of processes and practices was possible as the researcher already has knowledge on the company and processes received through working experience. As the parent company (Lindström Finland) has recently implemented a new CRM system, the researcher also has experience on customer information management before and after a modern CRM system, as well as experience on the implementation process. This knowledge and these experiences were of great help in analysing the data gathered from subsidiaries.

In subsidiaries, empirical data was collected during two-day visits to each subsidiary (Estonia, Hungary and Slovakia) in March 2010, and in headquarters, during March 2010-March 2012. Lindström's Sustainability Reports (available at internet pages), reports and extra materials received at visits and during interviews are used as background and additional information. This information is referred to as "secondary data", according to Eriksson and Kovalainen (2008, p. 77).

The data was collected mainly through interviews, but also observation was performed. In addition, one interviewee answered in written to same questions, due to difficulties in scheduling and organizing the place of interview. The interviews lasted from 30 minutes to 2 hours, and observations from 30 minutes to 3 hours.

The purpose of qualitative interviews is to produce empirical material for the case study (Eriksson and Kovalainen, 2008, p. 78). It is described as “one of the most important sources of case study information” by Rubin & Rubin, 1995 cited in Yin (2003, p. 89), since interviews tend to provide more information than originally intended (Yin 2003, p. 89), including experiences, opinions and knowledge of the people involved in the case. Moreover, interviews enable receiving information usually not found in a written form, as well as information on constructs of the case. (Eriksson and Kovalainen, 2008, pp. 80-81.)

Due to different mother tongues in subsidiaries, the interviews were conducted mainly in English, but in Estonia and in headquarters the interviews were conducted both in English and in Finnish (some of the interviews only in Finnish, some only in English, some using both languages).

The interviews were semi-structured and questions open ended. In semi-structured interviews the outline of topics, issues and themes are prepared in advance, but the structure of the interview is not fixed. It enables the interview to be more flexible and conversational, even if it is at the same time systematic and comprehensive. Moreover, the situation being more informal, the interviewee may feel freer also to raise other important issues. (Eriksson and Kovalainen, 2008, p.82)

Semi-structured interviews with open-ended questions also enabled the respondents to answer more freely on the questions, provide more details and specified answers, and because of combination of foreign language together with fairly complicated issue the chosen structure/method gave also possibility for both participants and researcher to ask further questions, ask for more information and specifications but also to check understanding on specific question or answer. (Eriksson and Kovalainen, 2008, p.82, 84-85)

The interviews focused on subjects related to customer information management in the case company. The subjects are:

- management, reporting, planning and customer service and care.

All the subjects were further opened up in more details in relation to their

- contents, means, tools, practices, follow-up and handling;

with the focus on the practices and tools of the work and the operation of the organisation.

Interview questions dealt more specifically with following subjects:

- Background information
    - about organization / team /tasks
    - observance of strategy, values, service culture
- Working methods
    - what the work/tasks includes
    - how it is done
    - means and tools (including IT systems)
- Information
    - what information is needed
    - how/from whom information is received/got
    - how information is shared and stored
    - how it is handled /what steps are required in handling that information
    - what solutions/tools are available
    - is there access to information
    - is necessary information available
    - is the information usable
- Quality and effectivity
    - quality of information
    - steps needed to handle the information
- Customer feedback
    - how it is collected, handled and stored
    - availability, usability
    - follow-up

- General issues
    - What are the most time-consuming matters
    - Expectations for the future

As mentioned above, in addition to interviews, one questionnaire was used, and it follows the same formula as interviews. However, in interviews the structure was freer and questions opened up if necessary with further questions and specifications. Some further guidance was given also in questionnaire as additional information (similar to further questions and specifications in interviews) in parenthesis. Questionnaire is in appendix 1.

The professionals/functions to be interviewed were set in advance. These were management (of the subsidiary/team), customer service, customer account management and also sales in respect of customer information management. This categorisation creates also basis for data analysis.

The objective and purposes of the research and development work was explained to each interviewee at the beginning of the interview. The purpose of interview questions and chosen interviewee groups was to examine practices and aspects of customer information management from the point of view of various tasks, and to find out best practices, cornerstones and needs of customer information management in order to create basis for creation of common IT system (CRM system). At the same time, the purpose was to map degree of integration of company strategy and vision as well as customer orientation in each group and practices, and to examine practices and tools and their effectivity in terms of customer orientation and customer relationship management. Human aspect is within whole interview in that answers reveal attitudes and expectations together with straight answers given.

Observation to some degree was carried out all the time during the visits to subsidiaries, but in that respect it was only to strengthen information and conceptions and understanding received through interviews. According to Ghauri and Grønhaug (2010, p.115) observation entails “listening and watching other people’s behaviour in a way that allows some type of learning and analytical interpretation". Furthermore, in their opinion, observation enables interpreting and understanding the situation and its dynamics more accurately (Ghauri and Grønhaug, 2010, p.115). Observations focused on following issues:

- what is done in regards of customer information handling
- how it is done
  - tools
  - practices
- who does it / division of work --> observation of different tasks
- how issues (dealing with customer information and reporting) are handled
  - which solutions
  - phone/email/paper/personally
- effectivity
- attitudes; co-operation, and
- observance of strategy, values, service culture (visibility, appliance)

Experiences of practices in Finnish organization as well as theory on customer information management and customer relationship management were used as comparison during the observations.

In this study, however, the language barrier hampered efficient observation considerably, especially in Hungary and Slovakia. For this reason, observations were informal and they were made throughout the field visits, but only to provide possible additional and specifying information for interviews and for secondary data received at the visit.

4.4. Analysis of data

Eriksson and Kovalainen (2008, pp. 127-128) describe that the analysis of empirical data starts at early level of the research. So was also the case in this study; due to the nature of the methods of data collection, analysis of the data coincided with the collection of data. Notes were taken during the interviews and the notes were supplemented immediately after the interview in order to capture as much information as possible and the data to be valid.

The purpose of data analysis is to gain insights and understanding of collected data and through that to gain understanding of processes and its constituents and to clarify problems. As qualitative data can be in several forms, also qualitative data analysis can be approached in several ways. Ghauri and Grønhaug (2010, p. 199) refer to Miles and Hubermann in distinguishing components of qualitative data analysis, namely data reduction, data display and conclusion drawing or verification. Data reduction aims at simplifying, selecting and transforming collected data in order to create understanding and explanation to the phenomenon under study. Categories and themes are appropriate tools to identify similarities and classify data and findings and thus to reduce data. The purpose of classification is to identify information or data as "belonging to, representing or being an example of some more general phenomenon" (Ghauri and Grønhaug, 2010, p. 200). Data display on its behalf, and as described by Ghauri and Grønhaug (2010, p. 200), is "an organised, compressed assembly of information that permits drawing conclusions and taking action". (Ghauri and Grønhaug, 2010, pp. 199-200.)

Bauer (cited in Flick, 2009, p. 323) talks more specifically on content analysis, and defines it being "one of the classical procedures for analysing textual material no matter where this material come from – ranging from media products to interview data". The use of categories is one of its constituents, and the purpose is to reduce material. (Flick, 2009, p. 323.)

Flick (2009, p. 325) further defines the concrete methodical procedure, namely summarising content analysis. In this, reduction of material is done by paraphrasing the sections and sentences, skipping less relevant ones and summarising similar sections and sentences the aim being at "summarising the material on a higher level of abstraction". (Flick,

In this study the data are analysed by means of summarising content analysis, with the use of categories to classify data both beforehand and afterwards.

The categories, or themes, were first set for the interviews (interviews by company units as defined above in 4.3.), and during the data analysis these themes and their relevance were tested. Furthermore, during analysis the data was partly redefined under new themes or categories more suitable for solving the research problem according to issues arisen from the data. In other words, some of the themes/categories set for the interviews were not relevant for solving the actual problem or research question, and thus more relevant themes arose out of the empirical data received.

The categories set for the interviews based on the task of interviewees, and these categories were:

- management,
- customer account management, including both local and global customer management, and
- customer service.

These categories were opened up in details in relation to the issues of interview questions, more specifically in relation to

- contents of tasks/operations,
- means and tools, and
- practices;

but also special attention was paid to

- effectivity,
- follow-up, and
- fulfilment of customer orientation (in planning, carrying out duties, in information management).

The (interviewee) categories were chosen due to the nature of their functions: they all encompass the handling of customer information in several levels, and finding out the content, practices and tools reveals firstly how these functions are carried out, secondly the effectivity and possible problems arising, and thirdly, how the information goes through the organisation. Also other issues may arise.

4.5. Reliability and validity

The quality of a research work can be tested with certain tests. Most common tests are reliability and validity, but also other tests can be performed. To establish the quality of research or study, Yin (2003, pp. 33-34) suggests the use of four tests that are widely used in social science methods. These tests are: construct validity, internal validity, external validity, and reliability (Yin, 2003, p. 34).

Validity means “the extent to which conclusions drawn in research give an accurate description or explanation of what happened” (Eriksson and Kovalainen, 2008, p. 292). A valid study presents true and undisputed findings and explanations. Eriksson and Kovalainen (2008, p. 292) explain that the validity can be gained through analytic induction and reflexivity.

In Yin (2003, p. 34) construct validity refers to “establishing correct operational measures for the concepts being studied”. Such measures are the use of multiple sources of evidence when doing the case study and “to have the draft case study report reviewed by key informants” (Yin, 2003, p.36). In this study several sources have been used, both interviews and observations of several key actors. Moreover, written material has been used as a supportive material at all stages of the study. The empirical data received and findings have also been discussed with the key persons of the commissioner in order to discuss their validity and importance after the data was collected and after the analysis was done.

Internal validity pertains to explanatory or causal studies (Yin, 2003, p. 34). It refers to causal relationships, and to increase internal validity explanation building and the use of rival explanations can be used as tools. Existing theory is used as a basis of explanation building and causal relationships but rival explanations are used as a comparison. (Yin, 2003, pp. 109-122)

External validity refers to the level to which findings of the study can be generalized beyond that particular study. According to Yin (2003, p.34), the use of theory in single-case studies increases the external validity of that particular case study. (Yin, 2003, p. 34; 37.) In this research work theory on customer relationship management has been reviewed in respect of both domestic and global customer relationship management, and data analysis is done in light of this theory. Wide literary review together with analysis in comparison to existing theory aims at increasing external validity of this research work.

Reliability refers to the degree of consistency of research work in the sense that the study can be repeated by another researcher with similar findings (Eriksson and Kovalainen, 2008, p. 292). The purpose of reliability is in minimising errors (Yin, 2003, p. 37). Qualitative researchers, however, do not agree on whether the consistency and accuracy of qualitative data (for example interviews and observations) can be evaluated to same degree and with same criteria and concepts as quantitative data. (of this discussion in Eriksson and Kovalainen, 2008, p. 292 and Flick, 2009, p. 384.) To increase reliability Yin (2003, p.34, 38) emphasizes the importance of making operational steps, such as the use of case study protocol and case study database. Moreover, Yin (2003, pp. 38-39) suggests to consider the reader of the study being “auditor performing a reliability check” of the study, and to remember that at the end of reading this “auditor” must come to same conclusions.

Since the subject of this study is very context related, and primary data (data from interviews and observations) is heavily dependent on the situation, interview protocol and predesigned themes were used to improve the reliability of the study. During the interviews notes were taken, and the notes were supplemented immediately after the interview to increase the validity and thus reliability of data. Simultaneous but multiple categorisations of data were also performed, and all information and data was saved as a case database throughout the research process.

5. RESULTS

This research work entails two cycles. First cycle, analysis by company units, will introduce the original plan and analysis of empirical data in light of the plan. Due to findings of empirical data, revision of the original plan was required. The second analysis of empirical data, analysis by functions, is done afterwards, followed by discussion in relation to existing theory. Managerial recommendations are presented at the end, after which the evaluation of whole research work is done.

5.1. Analysis by company units

5.1.1. The research plan

The main objective of this research work was to examine how the customer information is handled and managed in Lindström's subsidiaries in Estonia, Hungary and Slovakia, in order to find out prevailing practices and needs in relation to customer information management. Especially practices and tools in relation to communication and sharing and storing of customer information, in both local and global respect, were examined. In more details, information was to be received on how the customer information is gathered, how it is handled, shared and stored, and how both internal and external reporting is taking place. At the same time, subsidiaries' level of readiness to adopt new customer relationship management system were investigated as well, together with deficiencies and frailties related to customer relationship management.

Customer management as well as customer information management and handling were examined from the perspectives of operational groups focusing also on communication between them. Thus, the interviews and as well as the analysis of empirical data were performed under following categories of interviewees:

- management,
- customer account management, including both local and global customer management, and
- customer service.

These categories were opened up in details in relation to their

- contents of tasks/operations,
- means and tools, and
- practices.

As related issues, attention was paid also to the level of readiness to adopt new customer relationship management system as well as to frailties and deficiencies related to customer information management/handling.

5.1.2. Analysis

Analysis section begins with analysis of empirical data concerning managerial level of subsidiaries. Information handling in operational groups/team is somewhat overlapping and as some of the issues related to customer management, such as reporting, can be also regarded as part of company management, reporting and other issues related to general administration and management are analysed under the management section. Next, analysis related to customer account management (local level) followed by customer service are provided. Finally, empirical data concerning global customer account management is analysed.

5.1.2.1. Management

Attitudes of subsidiaries' management towards this research work were very positive, although already at the beginning of the interviews it became clear that an IT system is not their first priority, but more urgent and more relevant issues need to be addressed. Some of the interviewees pointed out that there have been plans concerning a CRM system previously, but none of them brought along the system. Thus, they didn't believe this research work/project would bring along any change either.

The more urgent and relevant issues regarded by the management steered the interviews to some degree, but during the interviews, the weaknesses and deficiencies of current systems and practices were also discussed openly.

Customer service was mentioned by almost all interviewees as an issue needing attendance. More precisely, customer service efficiency was mentioned as the first priority in need of development by several interviewees. In this, IT system was seen as a good solution, since current IT system, Solar, was not seen as a user friendly, but as containing "*too many steps to do things*" (I5) it was rather seen as impediment of good efficiency. One interviewee defined more specifically that *"information handling must be more efficient in current customers"* (I1).

Information handling and IT systems were, in spite of first opinions however, regarded as grievance and weakness. "*Information saved in customer service is not sufficient*" (I1) and it is considered relevant for only a short time, in the words of one interviewee: "*information fades and goes old soon*" (I1). A customer service management system was not regarded as necessary; as mentioned by one interviewee: "*a good customer management system would be ok"* (I1), but general opinion seemed to be that things can be managed properly also without a CRM system. By some of the interviewees CRM system was however considered useful and necessary for management of sales (but only for that).

"*Lindström needs more flexible IT systems*" was the opinion of one interviewee (I11). This was supported by many interviewees, and in more details, it concerned Solar and financial systems. Also "*better tools for projects*" (for example price changes) were called for (I1), since information sorting and handling was regarded troublesome and time-consuming. Moreover, the interviewees were of the opinion that getting enough information is in many cases very difficult. For example, a project concerning customer's products is launched, and instructions and related customers are listed, but prices are not in the list. Searching for missing information is in many cases very difficult from the subsidiaries' databases and systems and thus very time-consuming. The need for tools to do quick analysis was also mentioned.

However, it is worth mentioning that as to customer information and IT systems, there was also a contrary opinion. One of the interviewed sales managers was clearly of the opinion that for sales management IT systems are good and information is easily found. Moreover, history information was also considered enough. However, analysis of the data brought along a question, whether the age of subsidiary and experience of managerial level has an effect on this, namely, older the subsidiary and longer the experience more experience and expectations there are also for the systems, and in contrary, shorter the experience, simpler IT systems are found adequate. Environment may also have an effect on this, as there are big differences in the IT structure between the countries, and thus there is lack of knowledge of better practices and systems.

Information on potential customers varied throughout the countries. At worst, there is no information database/service provider available at all (such as for example Eniro that provides information on potential customers in Finland), but the sales representatives need to know very well the territory they are in charge of, and look for the customers themselves. Also mouth-to-mouth information (about new potential customers) is used in such a situation.

As to other issues and needs mentioned in the interviews, need for access to information and systems was raised. Company computers are not self-evident in every subsidiary (concerning account and sales representatives and their laptops needed for performing their duties), and thus access to internal information in such case is limited only to office. That makes the work more complicated and decreases efficiency notably. Moreover, it increases the amount of phone calls to customer service with internal phone calls taking time from customer calls, since account and sales representatives have to ask the information needed from customer service personnel located in the office. Lack of information was regarded also as hindrance to competition in relation to customers, and in the words of one interviewee: *“Lindström does more visits, but competitors can offer more information with invoicing”* (I16).

CRM for sales management was clearly regarded as an advantage and as a good tool for both work and customer management. With more information available (e.g. end dates of customer contracts) and better IT system, interviewees considered, the work and workload could be better managed, more systemic and better planning would be possible, and having more information (easier) available readiness to various situations would be better. *"Lot of time is spent at customers, and lot of work is done at home*" (I16) but lack of proper tools and limited access to information decreases efficiency. Further, CRM was expected to standardise and automate reporting, which would save time and bring along further advantages with more information available, but also common tools and practices together with better automation were considered to minimise mistakes. CRM was considered to better support growth.

The needs regarding access to information concerned also reporting and customer contracts. Reporting is discussed in the following chapter, whereas the needs related to customer contracts are dealt with in more details in customer service –section.

As to previous projects and development work, interviewees mentioned that even if IT systems and practices have been developed, development considers usually only small parts/issues, while big entities remain unchanged. With this, interviewees referred also to flexibility, as minor changes were not considered increasing flexibility and efficiency notably, but on the contrary, in some cases even increasing stiffness and making things more complicated.

Combining all the issues discussed above (except the views and expectations of sales management in regards of CRM), throughout customer orientation and customer relationship management –thinking seems to be missing, and it is also unclear whether there is a clear knowledge throughout the operations what is a CRM as an IT system, what are its benefits and how it can be utilised in different positions and tasks of customer service, customer account management and management of operations in total. From the company point of view, the empirical data seems to support independent authority and differences of subsidiaries, and common customer orientation and common objective of customer relationship management seems to be missing.

5.1.2.1.1. Reporting

Throughout the operations and functions as well as in between the headquarters and subsidiaries, excel is the main reporting tool. A lot of information and reports are sent back and forth for receiving, sharing and giving information. Excel files are used also for information storing in many cases.

Reporting requires a lot of handwork, even if macros are in many cases used for combining information and reports. There are many reports used in all subsidiaries, but even more reports used only for purposes of one subsidiary. Similar information is thus collected in nearly every subsidiary, but the solution and tools of handling that information are made separately in subsidiaries. The amount of various and different reports is very high; in case of the three subsidiaries the superficial touch on the issue revealed nearly thirty different reports.

Outlook/form and nature of the reports are varying as well, even if the underlying purposes of reports are similar. Moreover, there are lot of files to collect various data, but the data/information is in many cases not usable as such. For example, the data may be saved as text, even if the data is entered into excel, and thus it is not possible to sort it in any way. Moreover, there are cases, for example regarding customer feedback with no further details or explanation on the issue given. Particularly in cases of customer feedback details and explanations on the problem and solutions are vital for solving the problem as well as for development of the operations. Also in relation to global customer reporting details and history information report base is available but history information is lacking. "*You have to find [the information] from your own files, email and so on*" (I5) in order to give further details and explanations. Lack of evitable information makes also the information sharing more difficult, as the information given need to be opened up by the person making the entry originally.

Information for reporting is received also from Solar. However, "*reports are slow and difficult to get*" and "*basic reports should be available in easier way*" (I2).

In general, managerial level of subsidiaries did not consider reporting too time-consuming or complicated; and automatic reports were even considered a risk by a few interviewees. It was found good that one must take time for making the reports (at least to some degree) and analysing the figures, since it was considered to bring along understanding on the situation, what is happening around and what and why actions are needed. In some reports the origin of figures was however unclear, and in such a case getting understanding was considered more difficult.

The high amount of various reports was discussed in all interviews. Balance of reports to some degree was called for, as interviewees felt there are too many excel files. Moreover, several interviewees (I2, I4, I8, I15, I16, I17) mentioned that there are lot of excel files and important information, but access to the information is limited only to certain persons, and thus availability of information is not real, and getting the information is not efficient (but requires help of the person having the access/authority to the data). The lack of history information (especially concerning customer information) and/or availability of information were also considered problematic. In general, excel was found deprecated for reporting purposes, and the challenges of this day were considered to require better tools. By the words of one interviewee: "*management reporting could be better*" (I8). Also the lack of comprehensive and integrated management of all reports was raised by interviewees; as mentioned by one interviewee "*no-one is in charge of reports in total*" (I2, similarly also I8).

Uniform reports were also in some cases found difficult and stiff to use, since reports cannot be changed/modified to be more suitable for subsidiary's purposes. Moreover, in some cases uniform reports were considered to become even more difficult to use due to development of the reports. Many of the reports are developed with minor changes yearly, but in case of many of the reports, no one is in charge of them as total, and thus there is also no training on the use of reports.

Timing of reporting also caused discussion. Many reports were considered to be available too late as regards to operations and actions needed. Thus, on-time reporting was called for.

As to customer reporting, nearly all interviewees were of the opinion that modern reporting for customers is needed. Customers in all areas were expressed the need for control and information on the service, and e-systems were called for. Customer reporting, however, will not be dealt in more details in this research work, since eLindström (Lindström's e-service) is already available in Finland and in some subsidiaries, and coverage will further grow.

5.1.2.1.2. Other issues

In regards of information archiving and sharing, one major issue came up in the interviews, namely, there is no common system for storing information and making safe copies throughout the subsidiaries. A lot of back-ups are done by IT systems only, and making safe copies in many cases is one's own responsibility, and therefore most commonly safe copies are done to personal files/disks. In some subsidiaries there are common drivers, but only desk tops are linked to the drivers. Reports and files are in most of the cases saved at personal computers, and thus information sharing and collecting as well as management of data and information becomes more complicated. Saving reports and files personally increases also the risk of losing the information. Moreover, in many cases "*all necessary information is usually in between one's ears*" (I2). Thus, a lot of information is not stored at all.

Company Vision and Strategy as well as Service culture are followed very carefully throughout operations in every subsidiary, and they are clear at all levels of operations. However, as the principles of operations are similar and object is the same, the various tools and practical solutions do not support most efficiently realisation of service and operations, and thus, pursuant of company vision is not most effective from the company view. A lot of time and effort is wasted on the same issues in different subsidiaries.

Headquarters and their service and administrative competence centres were expected to more consult subsidiaries in decision-making and in all aspects of changes, and especially in regards of issues dealing with global and/or international issues headquarters and management of subsidiaries was expected to plan and develop issues and solve problems together. As an example, aspects related to products of global sales and personnel, such as motivation systems, were mentioned. Personnel of subsidiaries were of the opinion that they could bring along views and information on local issues and aspects, and this information is vital for creating succeeding solutions.

Subsidiaries are very development-oriented, especially one of the subsidiaries has mapped various solutions to manage and perform tasks and operations, and there were also technical solutions wherever possible. Outsourcing of some services, for example invoice printing, was used. Teams in this subsidiary were very willing to develop things and come up with ideas. However, this development and efficiency is not shared with other subsidiaries, and thus development orientation is utilised in that particular subsidiary only.

Customer satisfaction in the subsidiaries was at good level. However, managers were generally of the opinion that effectiveness of operations is not at good level, but especially fastness and preciseness is needed. Practices and some issues are in many cases heavily dependent on person(s), and there are no common practices throughout the subsidiaries, except practices dependent on particular IT system. Operations of each subsidiary bases on its own best practices, and neither these practices nor ideas of development are shared between subsidiaries.

5.1.2.2. Customer account management

Interviewees of customer account management were most clearly of the opinion that "*better IT system is needed"* (I16) and particularly that proper customer relationship management system is needed. All of the interviewees mentioned that there is not enough information available, and access to information in many cases is difficult, even impossible outside the office, and in most of the cases getting the information requires contacting customer service.

Also customer reporting was considered complicated and time consuming. A lot of data is available only in Solar, and thus getting information requires help of customer service. Moreover, in many cases the data is not usable as such but it requires editing and modifying.

Customer account managers also pointed out workload and share/division of work between customer care and customer service. Interviewees called for better use of resources and more focus on bigger customers. More specifically they mentioned that a major part of work concerns dealing with problems of the service at the customer, and in this, small customers generally take time from bigger customers. Customer care called for help of customer service, since in their opinion, many of the problems could be solved on the phone as well. Moreover, dealing with urgent issues with customers' service happens in many cases to the detriment of customer care plans; in many cases effective and systemic scheduling for planned customer visits is not possible due to high amount of time needed for dealing with problems and due to the urgent nature of these problems. Therefore, "*customer service must have enough competence and means to solve the problems of customers"* and "*not to send information for reps [representative] and reps will have to visit customer*" (I16). In sales, the planning scale is relatively short as well, pre-planned scheduling being in weeks rather than in months.

Interviewees of customer account management also mentioned that their work contains a lot of paper work, and that there are many issues requiring customer signatures. Moreover, their work contains a lot of administrative work. Excel is used for both planning and reporting, whereas Outlook is not utilised for planning and information sharing at all. Access to customer and company information in many cases is restricted to office premises only, in some cases even to table computers located in the offices. Due to the nature of the work of account representatives and amount of problems in need of solving at customers' premises, they spend a lot of time at customers'. They consider it major disadvantage and hindrance of effectivity not having access to customer information outside the office (except via phoning to customer service) and not being able to solve problems and finish administrative matters at once. Thus a lot of administrative work is performed on paper, outside office hours and due to time spent at customers' a lot of administrative work is performed at home. *"All time-online is needed"* mentioned by one interviewee (I7) crystallise and enclose the needs of customer care, mentioned by all interviewees, very well. This was also considered a disadvantage compared to competitors, since competition was found hard and problematic in the field, and due to lack of information needed at customers' (such as prices, service, contract conditions) customer account management can't effectively compete with competitors.

5.1.2.3. Customer service

Customer service is, in general, happy with the current situation, and regard current systems and practices adequate and effective. However, the data received in interviews varied, and there are persons regarding current systems and practices as user friendly and efficient, but also persons calling for better user friendliness and efficiency. Most of the interviewees were of the opinion that there are too many steps to do things with the current IT system. They also mentioned that a lot of tasks are performed and issues handled on paper, but it was generally considered effective and good. On the contrary, almost all of the management mentioned that better efficiency for customer service is needed, and in that, the system and practices played important roles.

Regardless of general opinion on the situation, almost all interviewees mentioned the reports and reporting as a grievance. First of all, everyone mentioned that reports are not usable as such, but have to be modified and edited for readable form. As management and customer account management were generally of the opinion that reports are slow and difficult to get, it must be noted that the customer service personnel was not of this opinion. For customer service personnel (I3, I4, I10) the problem was more how and from where to get the necessary information, and editing and modifying information was regarded as a part of their duties.

For information storage, contract archives in the form of paper archives located in the offices are used. Every customer has own file, and most of the data concerning that particular customer is saved in that file. In general, customer service was of the opinion that finding information is easy, but that it requires experience. Thus, searching and finding relevant information, as well as storing the information, was generally regarded as the job of customer service.

As a drawback, lack of relevant history information was mentioned by all operational groups. The lack of information on exceptions, failures, problems etc. was mentioned as the most severe failure. Several interviewees (I2, I3, I5) also mentioned that in many cases information is received and noted, but the exact data on what is expected and by whom is not recorded at all, that is, the problem is recorded, but the solution is missing. Furthermore, a lot of information is stored into personal notes and files, not available to any other persons, and there are information and also reports only in oral form, especially in case of small customers. This is the case particularly in regards of customer service. A lot of necessary information is usually only in one’s head only, especially in case of long-term employees, and there is neither time nor place to share this silent information.

5.1.2.4. Global customer account management

In global customer and account management communication is of great importance. With no common and alike practices and IT systems (including reporting systems) receiving customer information is not always a matter of course, nor is the mode of information received of uniform mode. Getting and sharing of customer information varies throughout subsidiaries, but in general, it is more challenging to get information from subsidiaries than from Finnish organisation. It becomes even more difficult in cases where language barrier is causing problems, and sometimes the customer is trying harder to overcome language problems than Lindström's own personnel (in subsidiaries). Moreover, as lot of communication takes place with managerial level, as *"the managerial level is mainly responsible on big customers*" (I17). In addition, due to this, getting and sharing customer information is more difficult when managerial level of subsidiary/subsidiaries is occupied with several countries and/or profit centres. Information sharing and receiving requires thus different modes (phone, email, meetings), and various tools (such as Excel, PowerPoint and Word) must be used to highlight important issues and to make sure everything is understood.

In general, GKAMs felt they do not receive enough information, even though there also are subsidiaries and account managers providing enough information as well. The feedback and information received from subsidiaries is varying a lot, and getting information is not easy. Since there is no common and uniform way to store the information, little history information on customer and customer's service is stored in subsidiaries. A lot of information is on personal files and emails etc. in subsidiaries, and moreover, a lot of information is also in one's mind only in subsidiaries. Thus, if it is clear whom to contact, getting information is easy, but at the same time, information is heavily dependent on persons, and thus a lot of necessary customer information is under great risk of being lost. However, getting necessary information from subsidiaries "*is something which would need to be and we try to improve continuously*" (I18).

Both in interviews with GKAMs and personnel of subsidiaries, it became obvious, that the importance of information (and information sharing) and connection/chains (that is, chains and connections in and between customer information, customer service and operations) is not always clear in subsidiaries. This follows the fact that there are many persons from different teams and competence centres in headquarters asking for different and same information from subsidiaries. The role and operations of headquarters is not always clear, and as to customer management and customer's service management, GKAM is in important role and is required to draw a bigger picture for personnel in subsidiaries: "*assuring everyone gets understanding"* and *"understanding the meanings and connections are of great importance"* (I17).

Without common and alike IT and reporting systems and practices, the role of GKAM in getting the information becomes more important. *"GKAMS are responsible to collect and share the info between HQ and local level and our people [the GAM team]"* (I18), and *"communication related to accounts and their issues is extremely important"* (I18). GKAM emphasised that there are cultural differences that must be noticed; and in many subsidiaries it is important to follow protocols. In this, it must be clear whom to talk to and not to step to anyone's toes. Thus, a lot of issues are handled through managers (at least at first), and in many cases the best and easiest way to solve issues and problems is to call manager(s). In many cases it is not even clear whom to contact, and thus managers are contacted. Moreover, GKAM also pointed out that sometimes the easiest way to solve problems is to contact the customer. Due these reasons, people get easily left out from information chain.

Moreover, GKAM pointed out that clarity and nuance of communication are of great importance. First of all, customer care plans and information must be in simplest possible form/mode, and GKAM must make sure everyone understands everything. Excel, PowerPoint and Word are used for highlighting important issues and for putting information in a clear, understandable form. As to nuance of communication, the contact with managers is in many cases a must for "*giving feeling of importance"* (I17)*,* and with humble attitude and *"asking for help instead of giving instructions how and what to do"* (I17) co-operation is much easier.

Altogether, in global account management a lot is dependent on the activity level of GKAM. GKAM is in charge of getting and sharing customer information, and all problems with customer are at the end brought to GKAM for solving.

In addition, two structural problems were also mentioned. First of all, *"two lines of management"* (I17), referring to managing of issues and managing of persons, was mentioned in the interviews. In practice, GKAMs *"must be able to manage account managers and the customer without being a real manager to anyone*" (I17) (and account managers must be managed by person other than manager of GKAMs), and it was considered very challenging. "*The one being most charismatic and most convincing will do/manage the best"* (I17)*.* Furthermore, *"In making decisions and thinking of solutions, one must show others one's authority, that is to pretend having authority, even if having no authority at all".* (I17)

Secondly, managing global customer was experienced challenging in situations in which customer's headquarters in not in Finland. Furthermore, there are global customers that are not always Lindström customer in Finland, and/or customer may not even be Lindström customer in the country where customer's headquarters is located.

As to reporting, GKA management team produces a lot of reporting manually, using excels. A lot of excel reports and sheets are sent to and fro with subsidiaries, and at the end, combining the information received is a must. Reporting was felt time consuming and complicated, and reliability of information was considered dubious due to mistakes and variation of user skills. In Finland, the same information is usually received from BO (Business Objects, reporting tool/system) or CRM.

In regard to customer feedback, Key Account Manager(s) (later KAM, or KAMs) are in important position in relation to global customers. However, GKAM pointed out that a great proportion of customer feedback and reports are not received from subsidiaries as such. In many cases individual feedback is received straight from customer, and moreover, the feedback is usually better, that is *“more straight and exact”* (I17) when coming from customer. It was also pointed out that customers must be trained to give feedback as well as trained how to give it. Therefore, it is an interesting question why customer feedback is not shared between the subsidiaries and GKAM team, since practices and importance of feedback should be clear for all Lindström’s personnel as well. However, customer feedback is of great importance, and getting the information is vital for GKAM. Severe abnormity of service may adjust notice, and thus customer feedback should always be available to GKAM.

The expectations of GKAM is to get better and easier tools. Pricing and reporting were felt time consuming and complicated, and access to information was regarded inadequate (this applies also to getting figures in Finland). Customers also needs reports on invoicing figures and feedback, and proper tools must be available to create reports for own purposes as well.

More and better co-operation with subsidiaries was also felt necessary, and a need for more systemic and planned, even close, co-operation with subsidiaries was mentioned as well. At the time of interviews, GKAM team felt they are more in contact with customer contact persons that personnel of subsidiaries. Communication and information sharing between GKAM team and subsidiaries were felt inadequate and thus mentioned amongst most important issues to be improved. Moreover, *“a mutual target of increasing business geographically and by service is needed*” (I18). GKAMs also pointed out that *“close co-operation between the team and subs*” (I17, I18) is needed, and that regular meetings between GKAMs and managers of subsidiaries *“would be of great importance”* (I17) and help in managing global customers according to company targets. In addition, GKAMs considered it important to get subsidiaries’ managers’ expectations for GKAMs in order to create closer and more systemic co-operation with subsidiaries, as well as to use resources better.

5.1.3. Findings and conclusions

Information handling, practices and tools in subsidiaries vary considerably. Main tool for information storage, sharing and reporting is Microsoft Excel; and there is a huge amount of various reports. However, not all tools and solutions are similar throughout the subsidiaries, but in many issues every subsidiary develops its own solutions and best practices. IT system for customer relationship management was not considered the first priority issue in subsidiaries, but better effectivity and management of customer service and information handling.

Thus, the needs of the subsidiaries were not as thought at the beginning of this research work. Moreover, the data received through the interviews and observation revealed many issues needing attendance and development, before an IT system could be developed and implemented. As several writers, (for example Raab, Riad, Vidyaranya and Goddard, 2008, i.a. p. 7; Bligh and Turk, 2004, i.a. p. 6) imply, true customer relationship management require more than just an efficient IT system; it requires also proper processes and CRM thinking by the personnel. The processes and practices of subsidiaries are not adequate and efficient enough in order an IT system to create efficient customer relationship management, but practices and processes of subsidiaries both individually and together must be revised as well in order to create true efficiency of operations and in order to create true customer relationship management in regards of Lindström as a global company.

For this reason, the research plan was revised, and discussion with the commissioner was carried out. In the following chapters the data will be analysed in the light of aspects needing attendance in order to create basis for real customer relationship management. The themes under which the data is analysed are presented first, and after that data analysis and discussion in the light of theory and previous literature will follow. Finally, managerial suggestions for commissioner will be presented.

5.2. Analysis by functions

5.2.1. The revised research plan

The new plan, and thus cycle two of the analysis, required handling of the empirical data once more, and basing on the first analysis (by company units), new themes for the data analysis were set. The new plan also required a meeting with commissioner, whether to continue with the original plan and draw suggestions from that, or to revise the original plan and through further data processing analyse the real situation of subsidiaries in terms of customer relationship management. The commissioner regarded the information on existing situation in terms of customer relationship management as the most valuable, and thus the research work continued with the revision of the plan and data analysis.

The revision of the original plan had also an effect on theoretical framework. As analysis of data at the first cycle gave grounds to re-categorise the empirical data, it also made it necessary to emphasize more the issues of customer relationship management and global customer management instead of technological issues, and thus information technology will be discussed only under this framework.

In the following chapters the empirical data will be re-categorised and analysed, after which the findings and managerial suggestions for the company will be presented.

5.2.2. Analysis

New categories set for the analysis of empirical data base on the most urgent issues arisen in relation to true customer orientation and effective customer relationship management. These categories are:

- administration, management (concerning subsidiaries, global customer management and management of operations in relation to corporate level)
- information handling
- reporting
- practices and tools, and
- CRM understanding.

The components of customer relationship management, more particularly processes/organization and people, encompass these categories. The aspect of technology is within the analysis of these categories as well, in terms of tools and practices.

5.2.2.1. Administration

Issues dealt with under this heading do not touch only the management but also issues of more general nature considering administration and management. The analysis of empirical data contains thus information received from interviews of all operational groups, not just from managerial level. Therefore, this section is further opened up in relation to:

- practices, ways of doing (several ways -> one common way)
- orderliness and level of planning
- reporting (which is dealt in more details under information handling), and
- global management, both company and customers.

Lindström Strategy and Vision as well as Service Culture are followed up very carefully and consist part of everyday operations in Lindström subsidiaries. However, there are no common systems and practices with headquarters and other subsidiaries, except for those required by quality management, even if both parent company and subsidiaries are sharing same guiding principles and policies (strategy and values), and even if there may be same customers (global customers). Moreover, all group companies are pursuing towards the same goal and share common importance and duty of Lindström brand.

Due to the lack of common policies, practices and systems, things are planned individually in subsidiaries, and in many cases, considering the issue at hands only, not taking into consideration the big picture and growth (including other services). That causes inefficiency and is very likely to cause problems and difficulties later when growth is at hands, as well as deepen the difference and independence of subsidiaries. *"Co-operation with other subsidiaries would be very good and help solving issues"* as *"usually same work is done in all the places" (I8)*. Moreover, *"when one knows nobody, expect for names, it is difficult to be in touch"* (I8). More education and joint communication was called for to ease up things.

There seemed to be unclear understanding of contents and importance of customer relationship management throughout the operations, and in many cases, the fact supported also by practices of global customer management, the understanding of CRM and global view relied only on managerial level (expect for certain account representatives dealing with global customers). There were also no expectations on better systems; many interviewees expressed the need for change and more efficient systems, but at the same time nearly everyone considered current situation and systems satisfactory. Most urgent issues, instead of common CRM system, raised by the interviews were:

- customer reporting
- customer service efficiency and facilitation of the tasks, and
- amount of reports/Excels.

Operations are managed in a fairly structured manner. Management practices and reports are similar in each subsidiary (those set by quality management and certificates), but each subsidiary has also practices and reports for the management of their own subsidiary. Microsoft Excel is the main tool for both planning and reporting. However, Excel as a reporting tool, especially in case of management reporting, entailing high amount of information on various functions, is somewhat burdensome, and it decreases efficiency due to complicated information collection and combining.

Excel as a planning system serves at the same time as a basis for reporting. It allows adding information for both planning and reporting purposes and allows easy data transfers to other reports and other purposes, provided necessary linking is done. Planning combined to and together with management reporting was of excellent formula as well as under excellent management. However, as discussed above, the use of Excel contains risks of mistakes and decreases efficiency. Moreover, the use of Excel for purposes of management of time and meetings increases time consumption, since not all data can be added through macros but it requires a lot of separate entries (done similarly in many cases also to calendars).

As to planning of operations and customer orientation, all subsidiaries under this research work manage their operations in efficient manner, considering tools and systems, and in a customer-oriented manner. However, the main focus of customer orientation is in local customers, and global customer management relies mainly in the hands of management and certain persons of customer care only, and in terms of certain global customers, not as strategic approach. Moreover, a lot of planning and development of operations is done only with the view of local operations. The lack of cooperation with other subsidiaries and headquarters reveals that every subsidiary plans their operations individually, and global growth and customer relationship management is not fully taken into account. However, global growth and customer management as well as pursuing operations in more similar manner should be managed and supported more by headquarters, in order to enable real global growth and Lindström to be a real global partner of its customers. It is worth remembering that both Finnish organization and all subsidiaries are bound with company Strategy and Vision.

Level of development varies across the subsidiaries, in many cases depending on the age of subsidiary, but also on level of technological (especially IT) development of the country. However, interviews and differences also revealed that not always same development is necessary, but that other issues are considered important throughout the subsidiaries (at the same time emphasizing local view). Together with local business culture, it may cause huge differences on the practices of subsidiaries, especially regarding customer service practices (paper archives, contents of archive, practices considering customer signature etc.), which in turn may be seen as differing customer service and management practices.

Major issue, from the company point of view, is effectivity. Same issues are dealt with in many places, similar practical solutions and problem solving is to be done in all subsidiaries, and these issues are done in many cases separately. It causes huge amount of time wasted and loss of effectivity. Moreover, company strategy, vision and customer orientation are not fully supported by practices and policies (for them not being same to all); and operations are not targeted to global growth jointly and as an entity, as a global company emphasizing on efficient internal cooperation and efficiency in internal operations, but the growth will be obtained (if it will be obtained) through operation of separate corporate companies. Due these issues, the company image may appear differently in different operational areas.

5.2.2.2. Information handling

Due to lack of common IT system and joint drivers, there are various means and tools for information handling and storing. Access to information depends on how and by what means the information is handled and stored, and thus also information sharing is not straightforward.

A lot of information is handled in Excels. There are a lot of different and separate Excel-files, nearly one for each use, even if there are also reports using macros for combining information from several reports/Excels. Some of the reports are same, that is same reports are used in all subsidiaries (for example management team reports), but there are several reports developed locally for local purposes. The level of automation is very low, which increases the risks of human errors and mistakes; and contents and usability of information varies throughout the subsidiaries.

A lot of information is handled also on paper. All customer files are in paper archives located in the offices. This makes also the availability of customer information very limited; moreover, one must know where and how to look for certain information. In many cases, it is the customer service personnel that know best where to find information.

The level of archiving and amount of information stored varies. Rules for archiving in Finnish organization are defined and available in the intranet, but no similar rules are available for subsidiaries. Therefore cultural and country-specific as well as personal matters affect the level of archiving. In all three subsidiaries a lot of issues were dealt on paper throughout the operations, and customer signatures were required for verification in many cases. All such papers were also archived, and the space needed for archiving is continuously growing. Not all customer information, however, can be stored and archived into customer archives, but there are also separate files and archives for issues, such as deliveries, orders and customer feedback. Thus, the form and place/file of storing customer information varies depending on the type of information.

Moreover, not all necessary information is recorded at all, and a lot of information is stored in personal files and notes. Depending on personal preferences, manners and orderliness, different amounts of customer information and communication as well as different type of information is stored. Much of this information is available only in personal files and emails, which thus makes internal communication of great importance, as well as the risk of loss of information very high. Also a great deal of history information in regards of customer information is missing, mainly due to suitable tools for storing that information. There is also lack of necessary details, as well as lack of information usable as such due to tools and means at use (for example, information saved on paper and information saved as text and not sortable as such). Moreover, a lot of information is stored in one’s mind only, and thus under great risk of being lost.

As to global customer management, the means and tools in use cause problems and require extra effort for information receiving and storing. As a lot of customer information is stored in personal files, communication is of great importance, and having a comprehensive information file of some sort depends on activity-level of GKAM. Moreover, the lack of common tools and systems makes information sharing and storing more complicated, and in reporting, as data and figures have to be filled by hands, validity of information becomes questionable. Lines of management and lack of information on person(s) responsible also makes global account management more complicated, and people get left out of information chains, even if inadvertently. Global customer management is thus not as efficient and co-operation between teams and persons not always as smooth as service excellence would require.

Instead of one place only, customer information is thus somewhat disassembled and available in several places. Moreover, a lot of information is completely missing, or under risk of being lost. Therefore, searching for information and editing it into a usable form requires considerable amount of time and effort. Same things are done in all subsidiaries, and every time same type of information is needed. The amount of time needed can thus be multiplied by the amount of subsidiaries and frequency of reporting/need of certain information, leading to great inefficiency. However, CRM system was not seen as a solution; in the words of one interviewee, there is *"no bigger benefit with CRM system in financial point of view, but daily work of people would be easier"* (I8).

5.2.2.3. Practices and tools

Practices in relation to information handling and reporting were discussed above in details, but as came out, there are several tools and means for information handling. Due to a lack of common system and common rules for information handling, practices vary throughout the subsidiaries. There are several ways to do same things, and nearly always, the solutions are done in subsidiaries separately. All subsidiaries deal with same issues as to customer service and operations (both internal and external), but they have to deal with practices and problems themselves. Each subsidiary has thus developed their own best practices, basing on their knowledge and experience, and they rarely ask for help or advice from other subsidiaries.

The level of development also varies. The older the subsidiary, the more solutions and development there usually are. However, also the structure and development of the country especially in regards of IT affects the development and practices of particular subsidiary.

Nevertheless, subsidiaries share same strategy and vision, and they all apply same service culture and basic rules for operations (especially as to operation of laundries and deliveries), but they do not share same practices and tools as to customer account management, customer service and overall management. Thus, service level and practices as well as effectivity vary throughout the subsidiaries; and the company does not present similar face to customers globally. Moreover, a lot of effectivity and time is wasted in dealing with same issues and solving same problems throughout subsidiaries.

5.2.2.4. Reporting

Reporting was regarded as the most important and urgent issue to be taken into consideration and under development by nearly all interviewees. The amount of various reports and Excels, as well as consumption of time related to reporting, was consistently named as the most critical aspects to be developed.

Reporting involves both internal reporting and customer reporting, but when counted in the amount of various reports, by far, majority of reporting in subsidiaries deals with internal issues. The exact amount of various reports is difficult to count, since, firstly, some of the reports are created through macros from other reports, secondly, almost all of the reports include several issues presented in various Excel sheets in same file; thirdly, some reports are of general form used in all of the subsidiaries and, at last, some reports are customised for the use of a particular subsidiary only. However, the amount of reports is in several tens rather than a couple or a few. Of the high amount of reports majority is dealing with internal issues of subsidiaries and a few are reports to headquarters.

There are also several sources of information used for reporting, and in many cases finding relevant information was found problematic. In one way or another, reporting also covers nearly all functions/personnel groups, but in many cases it is the duty of customer service to keep and update certain reports of more general nature. The reporting line is usually upwards, going all the way through functions up to management separately, but in many cases macros were used to combine several reports/reported issues into one report. However, even if many of the interviewees were of the opinion that reporting is not too time-consuming, the amount of various reports is very high, as is the amount of work it requires. Especially managerial level of subsidiaries called for reports and reporting to be "*in balance*" (I11), and *"to provide relevant and timely information for decision-making*" (I12). As one of the interviewees particularly noted, "*hundreds of excel sheets should be replaced*" and more "*professional system*" for management is needed (I8). Excel as a reporting tool was found outdated.

Availability of all necessary information and reports was also called for by many interviewees throughout the operations. Due to the lack of automated reporting system (a system which generates reports from existing database), all of the reports are created and handled in Excel. The lack of shared/common database also creates problems and decreases efficiency in reporting and information handling related to it. The data handling as well as the reports themselves require a lot of handwork, which increases the risk of mistakes and lacks of information, and decreases the efficiency. Moreover, as mentioned earlier, in many cases the information is not usable as such (due to the form, lack of details etc.), but some degree of modifying, editing and/or re-working is required, which again, increases time-consumption and decreases efficiency. However, reports are in many cases of excellent formula, and the use of macros in combining reports and information is efficient. Most of the management of subsidiaries were of the opinion that handwork increases the understanding of both reporting and its components as well as keeps the management at all times informed in the prevailing situation*. “To get the information is good for understanding what is happening and why actions are needed”* (I1). However, at the same time they agree it requiring a lot of time and in some cases also having a degenerative effect on efficiency, *“for everyone spends several hours for different reports in every level of operations”* (I2).

In terms of reporting, it is also important to notice that when a common database does not exist, a lot of information is stored according to personal preferences. This means thus that all necessary information is not always stored (at least in the first time), and issues considered important may vary. As much of the information bases on personal notes, the form of data varies from the notebook entries to email archives, and a lot of information stored is not usable as such, or stored in personal files. This was considered “*very dangerous”* (I2) especially by managerial level. Moreover, a lot of information is also on persons’ minds only (this being the case especially with long-term employees), and a lot of relevant information is thus dependent on the persons, which cause high level of risk.

In customer service the data handling is regarded as a part of their duties and thus considered neither problematic nor inefficient. However, it is worth noticing, that the current practices and tools are in most of the cases the only ones they know, and thus there is nothing to compare with.

Account and sales representatives found the reporting in many cases very time consuming and inefficient, and access to various reports was found complicated, even problematic. Also customer service found it difficult to find relevant information. Reporting of one’s own work (account and sales representatives), which includes also planning, was found very useful and efficient. Excel is used for all reporting, Outlook is not utilised even for reporting customer visits (planned and agreed visits). Many of the interviewees share the opinion that reports are getting more difficult to use. Especially the common reports used in all subsidiaries were not considered user-friendly and some interviewees were of the opinion that these reports do not take local conditions into account. Moreover, many interviewees called for possibility to make minor changes to common reports. Account and sales representatives were jointly in the opinion that reporting should not take time from customer visits.

The existence of several and various Excel reports makes the management of reports and files more important. Local reports and reports/plans of one's own tasks/duties/objectives were managed by persons themselves, or manager responsible on the issue, but the management of other reports varied. Some of the local reports were managed and developed by customer service personnel, some by management, and some reports were managed by headquarters. However, due to huge amount of various reports, all reports cannot be managed at the same way and to same degree. Also the lack of joint drivers and the fact that reports must be sent back and forth between persons and functions, makes reporting more difficult and increases the risk of defects and mistakes. Moreover, the management of original reports also becomes more difficult, and there is higher risk of errors and defects in formulas and schemes.

The existence and use of joint/common drivers were not similar to Finnish organisation, where there are several joint drivers for different purposes. Generally, the joint drivers in subsidiaries, if existing, were for named purpose only and the access to these drivers was limited to named persons only. The storage and archiving of reports and information were thus merely a personal matter and duty. That makes the information sharing more difficult and increases the possibility of mistakes and defects, and increases the risk of information loss.

One issue in respect of reporting to headquarters was raised by several interviewees: they felt that there are several persons from different functions asking for data/information/reports, and sometimes it is unclear for which purposes the data/reports are used, especially in cases where similar information/report is already given previously to some other person (in headquarters)[5]. Many of the interviewees expected the information to be shared in headquarters, after they have reported it once. Moreover, the interviewees raised the question for purposes of them giving data/reports at all, since they were of the opinion that the driver containing the data is located in Finland and could be used as such: "*Servers are in Finland; why the data is not coming from there in right form instead of making separate excel sheets or reports."* (I2)

The issue of reporting was raised also by global account management. The interviewees of GKAM mentioned that sometimes the importance of information, chains and connections are not clear in subsidiaries. Therefore GKAMs need to justify their purposes more and work more for getting information, as well as to *"draw the bigger picture"* (I17).

Customer reporting was generally found inefficient and time consuming. Data for reports is retrieved from the IT system used for production purposes, Solar, and only accessed by customer service team. Moreover, data as such is not in a clear and readable form but has to be further processed, and this is done by customer service. The cornerstones of customer reporting were clearly the lack of reports available to customer account management and the need of help of customer service personnel in getting the reports.

In terms of customer reporting there are also country-specific matters related to customers, namely availability and access to IT. Especially in Slovakia, both account and sales representatives pointed out that there are many customers not having access to internet at all, in which case the reports must be printed on paper and sent to the customer by post, which, again, increases the amount of both work and time needed in processing the reports. [6]

[5] Subsidiaries report to Administrative competence centres, located in headquarters, especially in regards of financial issues, quality, purchases and customers and their service. In addition, issues related to service and products are reported to Service competence centres.

[6] According to information available at CIA Word Factbook, in Hungary 62% of population has access to internet, in Slovakia 74% and in Estonia 76%.The percentage bases on the estimation of population (in July 2012) of the three countries (Slovakia 5 483 088, Hungary 9 958 453 and Estonia 1 274 709) and internet users (Hungary 6,176 million, Slovakia 4,063 million and Estonia 971 700). (page visited at 4.6.2012)

5.2.2.5. CRM understanding

Knowledge of Lindström strategy, vision and mission was very high throughout the subsidiaries. However, overall view, understanding of overall management and customer relationship management of global nature seemed not to be as clear at all levels. Customers are served in best possible ways, and problems are solved with high priority. However, the views on operations, on planning and on solving problems as well as developing issues/practices seemed to be of short-term nature. Moreover, there seemed not to be overall understanding and vision on importance of overall customer management (in comparison to local customer management), and especially of global nature of operations.

The lack of need of more efficient IT system may be caused by lack of knowledge of such systems and better practices. However, it may also imply the lack of understanding of true customer relationship management. Especially in case of global customer management, information handling and sharing are problematic, and in many cases only the personal activity level and efforts of GKAM guarantee management of these customers effectively and with proper customer service. Also the fact that GKAMs deal a lot with managerial level of subsidiaries indicates that there is no real CRM thinking and knowledge throughout all levels of operation and that practices and structures of the company do not support customer relationship management, not to mention global customer relationship management.

6. KEY FINDINGS AND DISCUSSION

Research work and empirical study in the three chosen subsidiaries revealed that in order to obtain effective customer relationship management and thus efficiencies and more profitability, customer information management and a CRM system alone will not support the customer orientation and effective customer relationship management in the best possible way, but that there are various urgent matters to deal with before and together with implementation of a system for customer information handling and management. Key findings are discussed below in the light of related theory on customer relationship management.

The previous literature and theory (for example, Bligh and Turk, 2004, p.6 and Raab, Riad, Vidyaranya and Goddard, 2008, pp. 7-8) support the fact that only integration of and compliance with three key components, people/personnel, organization, and technology, can create successful customer relationship management and through efficiencies of operations also competitive advantage.

Information handling took a lot of place and discussion in the interviews and in the analysis. However, information handling as well as processes and practices related to it are dealt below in chapters concerning processes and people. Tools related to information handling are discussed with technology. This is due the fact that information handling itself is neither the reason nor solution to efficient customer relationship management in Lindström's subsidiaries; but as previous literary suggests, operations of a company must be looked from wider perspective, that is from the entity's (global) point of view, in which information handling presents only a small part. Thus, information handling processes and needs are not the key issue to gain efficient customer relationship management and competitive advantage, but integrations of key components of customer relationship management (people, process, technology).

6.1. Discussion on fey findings in light of previous literature

6.1.1. Processes

As stated in literature review in several places customer relationship management must be attached to company's structure and processes (for example, 2010; Bligh and Turk, 2004, p. 6, 137; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7, 35). Current organisational structures and processes, including practices, do not fully support efficient customer relationship management, and thus they do not support efficient implementation and subsequent use of CRM system. As discussed in analysis, due to lack of common policies, practices and system, things are planned separately in each and every subsidiary, and in many cases, the view is in the issue at hands only, not taking into consideration the big picture and growth (including other services). It is obvious from the subsidiaries' point of view that things are managed in such a way, and company has supported it by giving them authority and by developing fairly independent subsidiaries. However, it is somewhat conflicting with company's vision of being efficient global partner and desires to grow, and it may cause problems and difficulties later when growth is at hands even for subsidiaries themselves, as well as deepen the difference and independence of subsidiaries.

As Bligh and Turk (2004, p. 139) have defined, company can obtain efficiency and competitive advantage through integrated processes and policies, since instead of each department setting customer processes and policies on its own, processes and policies set in the strategy are applied similarly throughout the company. Organizational structure must support customer orientation also in a way that every department and all employees involved in the process of creating value to customers are fully and truly integrated in the process at every stage of the process. (Raab, Riad, Vidyaranya and Goddard, 2008, p. 35)

Previous literature emphasise the importance of holistic, company-wide management of customer relationships (Bligh and Turk, 2004, p. 6,). At the moment neither customer relations nor subsidiaries are managed in a holistic manner. Subsidiaries operate on individual basis and towards individual targets (and only individually creating a company target). Moreover, customer orientation seems to be somewhat fragmented; emphasis is in many cases on local customers and management of global customers is difficult and troublesome. Also small local customers seem to spend considerable amount of resources (both time and personnel). Local customers obviously are important to subsidiaries, but global customer orientation is lacking, and to gain it, more holistic and structured management is required. As Raab, Riad, Vidyaranya and Goddard (2008, p. 3) write, global customer management requires balancing of the preferences of local customers to pressures for efficiency the company aspires to. CRM strategy is best used to clarify company's global targets and to obtain those in practice as well (finding most suitable ways). (Raab, Riad, Vidyaranya and Goddard, 2008, p. 3)

Previous literature (for example Bligh and Turk, 2004, p. 6, 137;) also emphasises that organizational structures and processes must not only support but also strengthen CRM and all operations related to it, and thus thorough analysis and reengineering of current processes is required to develop best practices for managing customers most efficiently and in customer oriented manner (for example, CRM Media, 2010). As stated above in the literary review, processes and structures of all departments and units in the value chain must be integrated towards the same customer-centric goal. Moreover, company's structures must support and encourage co-operation between departments and functions in the value chain. (CRM Media, 2010; Bligh and Turk, 2004, p. 6, 137; Raab, Riad, Vidyaranya and Goddard, 2008, p. 7, 35)

Raab, Riad, Vidyaranya and Goddard (2008, p. 124) emphasise that the role of company management is important in developing organisational structures and conditions for efficient customer relationship management. Excess bureaucracy and division of global and domestic operations must be eliminated (Cheverton, 2006, p. 17 and pp. 40-41; Yin and Bink, 2007, p.60). In the case company, there may not be excess bureaucracy (organisational and management chart is very straightforward), but organisational structures do not support smooth cooperation between other subsidiaries and with global customer management. Information handling and reporting processes as well as procedures for cooperation support the lack of proper structures. Company management together with management of subsidiaries must support creation and sharing of customer orientation strategy of global nature. Moreover, organisational culture must also support information collection and sharing as well as cooperation between functions (also between GAM team and subsidiaries), and in this the encouragement and support of company management is of vital importance. Lindström's subsidiaries are fairly independent in their operations and how they get organised, but as Yin and Bink (2007, p.60) write, it may be difficult to get all parties involved in global customer management when separate parts of a company enjoy high level of independence. Previous literature finds it necessary to have common set of skills and processes as well as proper organisational culture and management to obtain success in global customer management (of this in Cheverton, 2006, p. 17 and pp. 40-41; Yin and Bink, 2007, p.60).

The company's structures and processes have also great impact on efficiency. In the case company, the lack of common systems and practices cause great deal of inefficiency in that same issues are dealt with several places. Yin and Bink (2007, p. 170) emphasise that standardisation of company's information and communication systems (combining the global linkage) supports the efficiency of operations. Yin and Bink discuss of global operations and global efficiency, but as the case company aspires to a position of a global partner to its customers and an efficient global company, opinions of Yin and Bink are worth noticing. Yin and Bink (2007, p.170) also define that the shared information system with "the ability to gather, combine, analyse and distribute information from all the different areas (both geographical and divisional) affected in the relationship with the customer" is the key to global success.

6.1.2. People

The role of the company's personnel, or human aspect of CRM, is discussed in literature widely. For example, Raab, Riad, Vidyaranya and Goddard, (2008, p. 16) write on the personnel being in the key role in customer orientation and successful customer relationship management.

As the interviews revealed, only (personnel of) customer account management found CRM system necessary and useful. Customer service personnel were mainly satisfied with current systems and practices and had no expectation on anything else. They also found information handling procedures and practices satisfactory, even if high amount of tasks require dealing with papers and Excels. However, this suggests that they have their focus on local customers, and moreover, in dealing with urgent customer matters and daily service of local customers. Customer relationship management as well as global customer management is thus not incorporated by personnel at all levels. As Raab, Riad, Vidyaranya and Goddard, (2008, p. 16) emphasise, CRM and customer orientation must be incorporated deeply in the minds of personnel at all levels. Furthermore, they stress that only employee orientation of “universal” nature can lead to lasting external customer orientation, and thus to a competitive advantage. In their opinion permanent performance efficiency and commitment of employees are required for successful customer orientation (Raab, Riad, Vidyaranya and Goddard, 2008, p. 16).

Global customer management relies heavily on persons. It is mainly through the efforts and information handling practices and orderliness of global account managers and the team manager that global customer management and information required for reporting is in order and available. Lack of common practices and tools however, complicate global customer management and decreases efficiency. Also the lack of thorough CRM thinking and global perspective as well as the lack of smooth cooperation (including planning) with subsidiaries (management and personnel) complicate global customer management. As one of the interviewees stated, *“a mutual target of increasing business geographically and by service is needed*” (I18).

Previous research (Raab, Riad, Vidyaranya and Goddard, 2008, p. 124) highlight the importance of data collection and sharing in regards of global customer management, and state that company management must fully support creation of such an organizational culture in which information collection and sharing are encouraged. With proper practices and tools for customer information management (collection and sharing) as well as through smooth cooperation between the operative groups and subsidiaries case company could improve the efficiency of global customer management and decrease the personal dependence on global account manager.

Empirical research thus revealed that there is no clear and thorough understanding of (global) customer relationship management at each and every level of operations. Moreover, the understanding of company and its value chain seemed to be unclear (for example, reporting to various teams in headquarters was found confusing). Bligh and Turk (2004, p. 138) discuss on the importance of a customer strategy. In their opinion customer strategy ensures that goals and measurement of customer orientation and management are set and adhered to. Moreover, with customer strategy, entailing definition of customer-management processes, company can ensure that customer data collection, analysis and sharing are executed and managed similarly throughout the organization, and the target being in customer satisfaction. (Bligh and Turk, 2004, pp. 138-139, 142)

6.1.3. Technology

This section covers discussion on reporting, tools and access to information. Also practices are discussed briefly, those not covered in the section dealing with processes.

Technology is found essential for efficient and successful customer management as well as for gaining competitive advantage and profitability. As previous literature states, these goals can only be achieved by a system incorporating organization, processes, policies and technology (Bligh and Turk, 2004, p. 180; Raab, Riad, Vidyaranya and Goddard, 2008, p.2). As Bligh and Turk (2004, p. 178) stress, the role of technology must be of a supportive nature, not leading. The organisational process and policy changes must be in a primary role, and therefore technology is discussed only in the light of and after them.

In addition to the role of technology, previous literature also stresses that successful implementation requires the integration and addressing of the three key factors as well. Bligh and Turk (2004, p. 176-178) as well as Lientz (2009, p. 14) discuss on the change management and the role of managers in implementation and adoption of new system and practices.

Customer information is the key to knowing customers and thus to efficient customer relationship management as well as to competitive advantage. In the case company there is neither common system nor common practices for collecting, handling and sharing of customer information. Various Excel reports are used for various purposes and collecting and processing information require and consume time. Moreover, possibilities of human errors decrease the validity of information/data. Previous literature discuss the importance of the customer information, and moreover, the importance of the practices of customer information handling: When customer information is collected, analysed and organised in a customer-centric manner, it provides company with most valuable information. Properly organized infrastructure enables creation of comprehensive analysis and reporting, and efficient customer information management entails possibilities for improvements and improved profitability. (Bligh and Turk, 2004, p. 75, 91, 94, 107, 115; Raab, Riad, Vidyaranya and Goddard, 2008, p. 27)

Furthermore, “by generating an enterprise solution, architecture, and philosophy through an enterprise data warehouse, a company can leverage customer information across the firm and graduate to more sophisticated customer-insight techniques” (Bligh and Turk, 2004, p. 107). Thus, customer information handling is not an irrelevant duty of customer service personnel but an integral part of customer relationship management, and thus it matters how it is organised.

Technological solutions must fully support the execution and realisation of customer orientation, and thus it must support integration of whole organisation and value chain towards customer orientation. In the case company, as discussed above, the constituents of customer relationship management are not integrated. Technology must in every way support the fulfilment of customer satisfaction, and it must create easier and smoother processes and cooperation within the company, so that customer satisfaction can be fulfilled in the operations of each and every department of the company individually and jointly. Requirements of global customer management must be taken into account as well. However, technological solution is not only an internal matter and not a matter of one system only. Communication within the company and between company and customer, as well as all modes of the service and distribution must be taken into account as well. Excellent and smooth service creates long-term relationships and enables fulfilment of company goals. (Partly, (Raab, Riad, Vidyaranya and Goddard, 2008, p. 35, 83)

Availability and form of information are also of great importance. As interviews revealed, access to information is in many cases limited. The form of information (paper/data/certain system), place of storage (paper/personal files/files for certain teams/persons only) as well as proper tools (computer and network) cause problems in getting and sharing information. Especially in case of customer account management (account representatives) limited access and lack of proper tools decrease the efficiency and do not provide efficient tools for competition in the field. Raab, Riad, Vidyaranya and Goddard (2008, p. 35) discuss on the importance of the availability of information. They emphasise that the information must be available for each responsible employee and regardless of the place of performance of the duties. Thus, technology and tools must take specific requirements of various tasks into account (laptop, wireless network, electronic archives, tools for reporting and analysis etc.). However, contents of information stored in system(s) must also be taken into consideration, since together with proper tools it provides means for competition and ensures efficiency.

The requirements for sophisticated IT solution for purposes of global customer management are discussed by Cheverton (2006, p. 199). Cheverton mentions that IT system must help capturing information in an easily retrievable manner and sharing the information across global team. Furthermore, the system must help in analysis of data and in reporting, as well as in managing the communications. These fulfil the needs and requirements of both subsidiaries and global customer management. However, as technological development and infrastructures across the countries as well as subsidiaries vary, the standardisation of data collection and management may collide with difficulties. Raab, Riad, Vidyaranya and Goddard (2008, p. 124-125) suggest that modifications to the CRM platform may solve these problems.

7. CONCLUSIONS

This section provides the summary of key findings and its reflection on the objects of the research work. After that, recommendations for commissioner are provided, and lastly evaluation of the study and suggestions for future studies are provided.

7.1. Summary of key findings

The objective of this research work was to examine information handling in Lindström's subsidiaries in Estonia, Hungary and Slovakia, in order to set basis for developing a system for managing customers. However, empirical research revealed situation in which implementation of CRM system would not be (best) primary task, but other, more urgent, issues would have to be considered in order the system to bring along efficiency and benefits.

Summary of key findings is listed in Figure 3, in the following page.

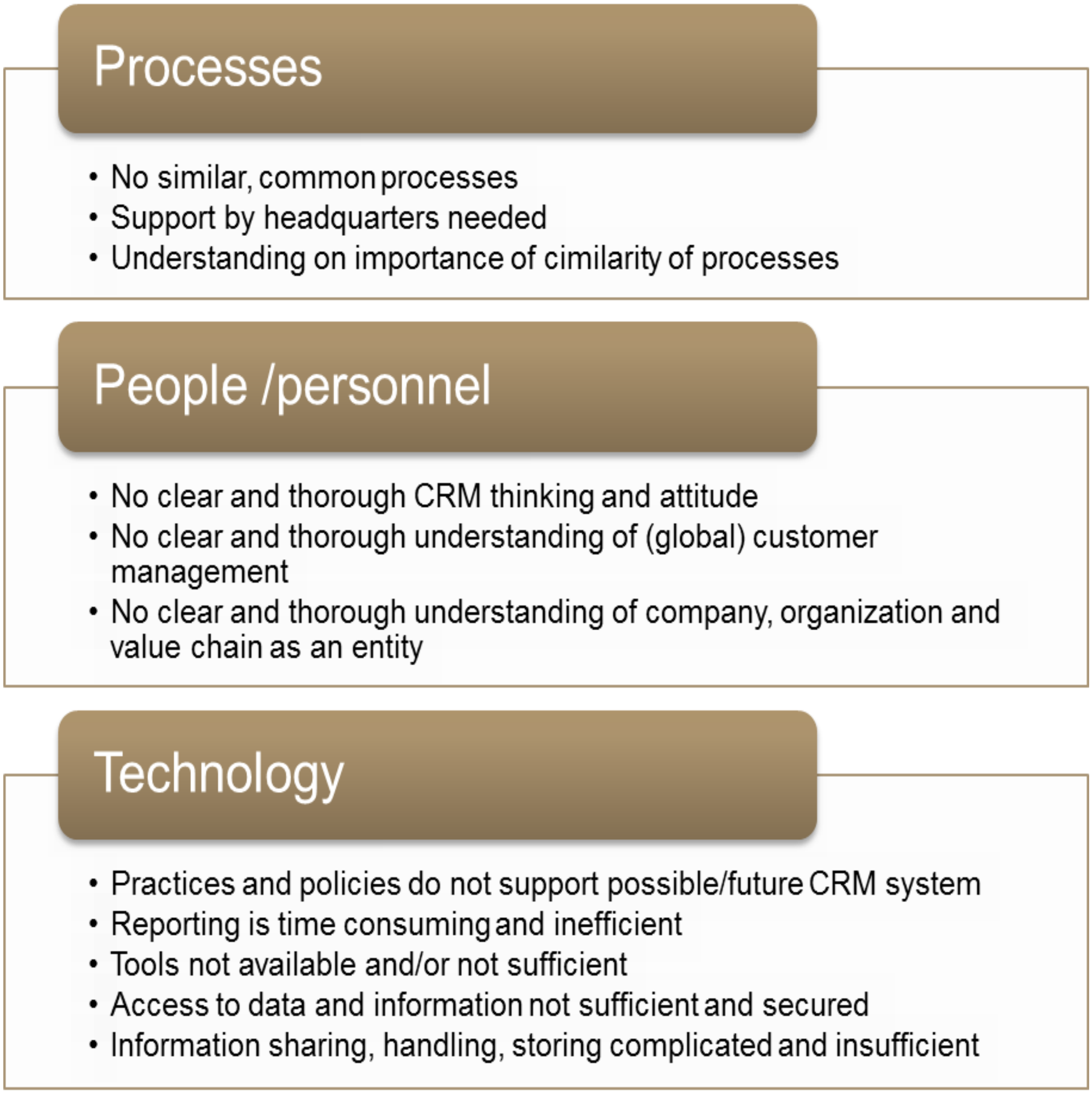

Figure 3: Summary of key findings.

Customer relationship management approach requires thorough integration of customer orientation in all components of customer relationship management, namely people, processes and technology. Technology must not be the leader of the process, and concentrating on customer information management and developing an IT system to support it would not bring along the benefits and success the company aspires to, but organization and processes need revision and development as well.

Common practices, policies and processes of subsidiaries must be developed and adhered to, since they are necessary for efficient and successful customer relationship management. However, only when processes and practices support technological solutions, and vice versa, can management of customer relationships be efficient. Moreover, CRM understanding and attitude of personnel must be incorporated in the development of customer relationship management, and finally, it must be assured that common processes and practices are adhered to by each and every level of operations.

7.2. Managerial recommendations

Lindström's values include profitable growth and long-term customer relationships, and Company Vision sets targets for strong growth and being a global company. Moreover, company aspires to well-managed customers, excellent service, reliable processes and systematic management. All these are key factors creating and leading to successful customer relationship management. This research work was set to increase efficiency of subsidiaries through organized customer information management, laying basis for company to create a CRM system. However, as to customer relationship management in Lindström's subsidiaries and objective of global customer management the findings of this research work revealed other factors to be taken into consideration before and together with creation of a CRM system.

Managerial recommendations are presented below in the Figure 4 and following chapters. The recommendations are divided into the key factors of successful customer relationship management, namely company's process and organization, people and technology, in this order. As presented in theoretical framework, these three key factors are heavily dependent on each other, and only through integration and implementation of these three together the company can gain better efficiency, more profitability and reduced costs as well as competitive advantage.

Processes

- Consistence with customer orientation and customer strategy (throughout the company)
- Common tools and practices
- Support co-operation, information collection and sharing
  - Decrease barriers & bureaucracy
  - Encourage collaboration
- Integration of global customer management into operations

People /personnel

- Understanding of and compliance with customer orientation and CRM
- Understanding of the value chain
- Global view
- Executive support and co-operation

Technology

- Only together with people & processes
- Access to and sharing of information
  - Any time, any place
  - Contents of data
  - Tools
  - Archiving and storage
    - From paper to database
    - From individual sources to common drivers
    - Availability and access to all personnel
- Reporting
  - Tools, automation
  - Adequate & timely information

Conceptualised office

- Similar operational model
- Similar tools
- Similar practices, policies and rules
- Similar functions and roles
- Similar interface to global customer management (team)

Figure 4. Managerial recommendations

7.2.1. Processes

Efficient and successful customer relationship management requires processes that are consistent with customer strategy and that support customer orientation throughout the company and at all levels of operations. Development of common practices and processes applied in all and every subsidiary, with only necessary adjustments to local conditions, is of great importance and a necessity in order to gain efficiency and reduce costs. Moreover, common practices and shared policies will ease management of global customer and bring along efficiency to that as well.

Organisational structure and common practices and policies must also support cooperation and information collection and sharing, and thus steps to decrease organisational barriers and bureaucracy must be taken. The company must encourage employees to better cooperation, and executives must support creation of company culture which does not emphasise the division to local business units and separate functions. Especially in terms of global customer management, company structures and bureaucracy must not hinder efficient and straight communication between responsible parties. Global customer management must be even more integrated in the operation of subsidiaries, in that customer orientation in both local and global respect can be obtained, and that teams and functions of company can operate and cooperate more smoothly. This requires increased person-to-person/team-to-team communication. Regular meetings between global account managers (and the team) and management of subsidiaries are suggested. Moreover, meetings with subsidiaries' personnel are necessary to create a shared customer orientation, smooth cooperation and for working towards the same goal. In addition, development of shared and common tools and policies are of great importance in terms of global customer management.

Through development of common tools and practices, development of operations and solving of problems become easier and more efficient. However, providing resources for support as well as naming responsible parties and persons in charge of reporting and tools are necessary in order to provide the support needed by subsidiaries.

7.2.2. People

A thorough understanding of and compliance with customer orientation together with CRM thinking must be created at all levels of operation. Moreover, customer orientation must be of global nature so that both local and global needs and preferences can be fulfilled. In addition, understanding on the company's organisation and value chain must be created. These require executives' cooperation together with effort and resources (mainly time), as well as close cooperation between different functions of company. Moreover, the support and cooperation must be of continuous nature.

Creation and application of same rules and practices is supported by creation and assurance of personnel adhering to them. Therefore company effort and management support are required for management of change as well as to assure the practices are fully implemented.

7.2.3. Technology

Technology should not be a leader in a CRM process, but only together with changes to processes/organisation and human aspect, it will bring along great benefits and success. In this research work it became obvious that changes to both processes and attitudes are required in order to create a successful customer relationship management, and moreover, in order to gain benefits of a CRM system.

Access to and sharing of information are of great importance, and firstly, reliable and modern tools for reporting must be created. Secondly, reporting must provide adequate and timely information in a form easily understood and enabling further processing. Reporting must thus be unified in order to ease information sharing between the subsidiaries and between headquarters and subsidiaries; and automated to avoid mistakes and increase efficiency. Access to reports and information must also be created and secured for all necessary parties, and moreover, employees in direct customer contact must have both tools (computers, network) and information (reports, databases) available at any time and in any place. Reports and information must provide employees and management not only with necessary customer data but also information that creates competitive advantage in customer encounters.

By creating modern tools for reporting and/or unifying reports and reporting, it is also possible to name a person responsible of reporting/reports and reported issues, which brings along efficiency in terms of development and problem solving. Moreover, unified reporting and/or modern tools enable better efficiency in that similar reports are not created in several places.

Data storage and archiving must also be taken into careful consideration within fairly short time, for a lot of important information and knowledge is in a form not available and usable as such (paper archives, minds of employees). It decreases the efficiency of operations and makes the availability of important information dependent on certain persons. Moreover, it hinders efficient customer encounters. Company must also take steps to secure transforming soft knowledge into a form in which it is secured and sharable. Data storage and archiving should gradually be changed from paper to databases, as well as from files and individual computers to common drivers. That, however, must also include change of practices.

7.2.4. Conceptualised office

Considering all the above mentioned key factors of customer relationship management and creation of best possible efficiency and competitive advantage to Lindström, creation of a “conceptualised office” along with conceptualised laundry would provide best efficiency ease the management and support of (back-office) operations.

Having a conceptualised office, company would have similar operational model in each subsidiary. All subsidiaries would have similar practices, policies and rules. Also functions and roles would be similar (except for necessary modifications according to local conditions). With having shared practices and rules, there would also be advice and guides available, as well as support from headquarters and from other subsidiaries. Conceptualised office enables more efficient problem solving, and creation of similar practices brings along great improvements in efficiency (one issue solved only once). However, it would also require creation of similar tools and systems; in the first place tools and practices for reporting and data archiving and storing (including what, how, for how long) should be similar.

Conceptualised office must also entail cooperation model with global account management, and in developing the tools and practices, the requirements of global account management must be taken into careful consideration.

Conceptualised office requires changes and adjustment in existing subsidiaries, but it brings along efficiency of operation and better possibilities for orientation towards customer, and, by having more efficient customer relationship management, company will gain competitive advantage towards competitors but also true and more efficient global customer management and efficiency of operations.

7.3. Evaluation of the study

Subject of this research and development work is very practical and deals with the topic of great importance and wide interest of business world, namely customer relationship management. During the analysis of empirical data the pre-set objective had to be set aside (partly) and other urgent needs to be taken into examination and discussion. This study proved that a research work can bring along unintended, but usually very valuable outcome, and that not even company management is always aware of needs and necessities of an organisation. Moreover, it revealed that sometimes the intended step is not what is advisable to take, but revision of plans and focus on more urgent issues are required.

The structure of empirical research, more precisely semi-structured interviews with open-ended questions, allowed collection of more information and data from subsidiaries as well as freer discussion with interviewees than a structured one would have provided. Thus the structure supported more urgent and necessary issues to come up. Also open-ended interview questions worked well, but on the contrary, more precise formulation of interview questions might have bring more exact information and shortened the duration of interviews. However, open-ended questions allowed freer speech and researcher not having tight control in situation.

This research work deals with key issues of customer relationship management, and it combines both theory and practice in an excellent manner, that is, practice proved the rightness of previous theory, but provided also more data to support theories. This research work offers also wide perspective on customer relationship management, entailing the aspects and necessities of global customer (relationship) management as well.

In this research work, experience received in working as a customer service manager in commissioner's Finnish organisation and experience and knowledge obtained in implementation and usage of CRM system were of great advantage, offering basis for comparison. However, as the new CRM system was only recently implemented in Finnish organisation, experience obtained before implementation of the new system entails also possibilities for comparison and brings along understanding of importance and benefits of common systems and practices.

Subsidiaries invested a lot of time and personnel resources as well as effort in visits and interviews; and they were interested in both the research work and Finnish organisation. Moreover, they were very open and honest in interviews, and shared a lot of valuable information. Language barrier, however, hindered in some cases the research and interviews, in which cases not all valuable information could be shared. The interviews of customer service personnel in Slovakia and Hungary had to be interpreted (by managers) due to lack of common language, and it prevented receiving straight answers. It also slightly decreased the validity of their answers, since the interviewer could not be sure who gave which answer and with which words. The use of trained interpreter might have eased the information sharing, but it might also have made the situation more formal, in which case freer sharing of information and opinions would not have happened.

For me, as a researcher, this research and development work offered first and foremost, an opportunity to concentrate on issues of international business, to get to know better Lindström as a company and as an employer, and to concentrate on development of a company through studying and making suggestions for development of management processes and practices. This thesis also created a possibility to develop myself through a demanding research work in a real business context.

Through the thesis I got better understanding of global customer and company management, and understanding of the chain of issues and decision-making in global context. Importance of not only company but also customer strategy become clearer, as well as the role of vision and mission as guiding principles at all levels of operation.

This thesis and research work strengthened my interest in both business management and international/global business aspects; and deepened my interest in cultures and their differences in businesses. Also aspects of company culture were effectively brought into my attention, and together with national cultures they are interesting features in managing businesses.

7.4. Suggestions for future research

This research work was aimed at creating basis for a uniform customer relationship management system for Lindström's subsidiaries. However, due to the prevailing situation and practices of subsidiaries from the view of entity (whole corporate), necessary aspects of getting an efficient customer relationship management were presented.

Therefore, for future research the system itself and contents of necessary information together with development of related tools, would be a useful subject.

Secondly, global customer relationship management offers many aspects for future research. Creation of understanding of CRM and creating CRM thinking within and throughout the organisation would bring along useful information and possibly also practical tools. Also studying and development of practices and tools of global customer relationship management would be of practical use, especially in terms of developing best means and practices.

Global management would offer a third possibility for future research. Management of global company and global operations are complicated, and especially management in terms of global thinking versus country-based thinking would be interesting (that is, to what degree management and practices base on the parent company; also to what degree culture steers the management, and which culture in case of global company).

In case of the commissioner, one possible topic for future research is also development of structures and solutions of Finnish organisation from global point of view.

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APPENDIX

<u>**INTERVIEW QUESTIONS - GLOBAL CUSTOMER ACCOUNT MANAGEMENT**</u>

YOUR WORK AND RESPONSIBILITIES

- **Your responsibilities** (shortly; including geographical area of responsibility)
  Answer:

- **What are the main IT systems you work with**?
  Put in order, most used first (e.g. crm, excel, outlook, eLindström).
  Answer:

- **What are the most time consuming matters/issues?**
  A:

GLOBAL CUSTOMER MANAGEMENT

- **How/from whom do You get information for customer's account management?**
  (Information on service, on invoicing etc.; e.g. from crm, from subsidiaries, from Finance etc.)

- **What information do you need <u>from subsidiaries</u> for customer account management and planning?**
  A:
  How/from whom do you <u>get</u> this information <u>from subsidiaries</u>?
  (e.g. excel-files; email)
  A:

- **How do You make sure <u>subsidiaries have</u> all necessary customer information?**
  (e.g. meetings, mail, excel-files)
  A:

- **Do you get <u>enough</u> Information** (for account management)**?**
  A:

- **Is it easy to get <u>enough</u> information** (for account management)**?**
  A:
-
- **What system You use for customer care plans?**
  (e.g. crm, excel)
  A:
- **Do You share customer care plans with subsidiaries? How?**
  A:

- **How do you follow-up customer service being in accordance with the contract?**
  A:

- **How do you get customer feedback?**

(e.g. excel report/email from subsidiaries; from customer)
A:

- **Where do You record this information?**
  A:

- **How and where do You archive customer information?**
  (e.g. crm, server, own archive, paper archive)
  A:

CO-OPERATION WITH SUBSIDIARIES

- **In which matters are you co-operating with subsidiaries'?**
  A:

- **Whom you prefer to be in contact with?**
  A:

REPORTING

- **What reports are most used**? (max 5-10)
  Add reporting <u>frequency</u> (daily, weekly, monthly) and report <u>type</u> (excel, crm, eLindström etc).
  A:

- **From whom you get reports? From where do you get information for reporting?**
  A:
  To whom do You have to send reports?
  A:

- **Do you get <u>enough</u> Information** (for reporting/out of reports)**?**
  A:

- **Is it easy to get <u>enough</u> information** (for reporting/out of reports)**?**
  A:

- **Anything else about reports and reporting? Your comments, opinions etc.**
  A:

EXPECTATIONS

- **What areas should be improved?**
  Put in priority order!
  A:

- **Expectations for the future?** (In customer/account management point of view)
  (e.g. better tools, more time, better organization…)
  A:

OTHER
Anything else? Comments, suggestions, ideas, etc.
A: