

**CHALLENGES OF IMPLEMENTATION OF CUSTOMER
RELATIONSHIP MANAGEMENT STRATEGY IN NAIROBI CITY
WATER AND SEWERAGE COMPANY**

BY

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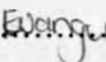
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DECLARATION

STUDENT'S DECLARATION

This project is my original work and has not been presented for a degree at any other university.

Signature...  Date ... 11.11.2012

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SUPERVISOR'S DECLARATION

This project has been submitted for examination with my approval as the candidate's University Supervisor.

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This study is dedicated to Family and in a very Special Way to my Late Mum who was my Mentor.

The Mum, who passed away last year, was a loving person who was always there for me. She was a great mother and a great friend. She was always there for me and she was always there for me. She was always there for me and she was always there for me. She was always there for me and she was always there for me.

I would like to express my gratitude to all my family members who have supported me throughout my life. I would like to express my gratitude to all my family members who have supported me throughout my life. I would like to express my gratitude to all my family members who have supported me throughout my life.

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ERP, Enterprise Resource Management

Ms. Innovation System

ICM, Knowledge, Skills and Competence

KSDF, Knowledge Factors

ICM, Knowledge, Skills and Competence

ABBREVIATIONS AND ACRONYMS

CMS: Customer Management System

CRM: Customer Relationship Management System

ERP: Enterprise Relationship Management

IS: Information Systems

KSC: Knowledge, Skills and Competence

KSF: Key Success Factors

NCWSC: Nairobi City Water and Sewerage Company

ABSTRACT

The main goal of the study was to determine the challenges of implementing customer relationship management (CRM) strategy in Nairobi City Water and Sewerage Company (NCWSC). The study employed a cross section survey design where respondents were interviewed at a one point in time study. The population of the study comprised employees of NCWSC who included: the Managing Director, the Commercial Director, the ICT Manager, Customer Relations Manager, Billing Manager, some Regional managers and the support staff who were part of the implementation team and some users in the commercial directorate. This was because these were the people with the best insights on the challenges of implementing CRM strategy in NCWSC. The study mainly used primary data which was information gathered directly from respondents by use of an interview guide. The data collected was mainly qualitative hence content analysis was adopted for data analysis; the findings were presented in prose. The major challenges identified included: many employees were resistant to embrace new technology at their places of work and stuck to the manual way of running operations i.e. change management; few employees in essence knew what CRM meant hence appreciate the concept to a less extent, the strategy applied by management was not effective hence faced resistance and inconsistent and inaccurate customer data; inadequate skills of the implementation team, data migration, knowledge transfer, and evaluation of the system among others. From the study findings, the researcher recommends that the organization should come up with specific mitigation measures to counter the challenges. As regards future areas of study, a broad based study on the challenges facing effective implementation of the CRM strategy and how it impacts on performance of both public and private organization should be conducted.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Customer Relationship Management strategy focuses on building long-term and sustainable customer relationships that add value for both the customer and the company. It is regarded as a process of computerizing a staff's knowledge about his or her customers because customer relation staff would normally need to remember their clients' requirements, behaviors, tastes and preferences in a usual business process. Strategy refers to the machinery of the resources and activities of an organization to the environment in which it operates (Johnson and Scholes 2002). A CRM strategy therefore is a business strategy that aims to understand, anticipate and manage the needs of an organisation's current and potential customers.

Traditionally, organizations were structured around their products and services (Shanks and Tay, 2001). However many are now beginning to transform themselves and have adopted a more customer focused orientation (Ryals and Knox, 2001). Companies have come to realize that their customers are their real assets and in a sense have become the product (Shanks and Tay, 2001).

As advances in technology transform how customers interact with utilities, managing customers' needs has increasingly become more critical across the industry. Customer relations management systems allow utilities to better know their customers.

Implemented poorly transformation initiative can wreak havoc, leading to incorrect account information, incorrect billing, unexpected down time and unexpected system performance issues. Some of the causes of failure include lack of visible, vocal and meaningful executive sponsorship, lack of formal and disciplined project management, lack of executive buy-in, dirty data which delays the project. If the implementation is successful, according to Gray and Byun (2001), CRM benefits include: enhance organizations' ability to retain and acquire customers, maximize customers' lifetime, and improve service at lower costs.

This study has been narrowed to focus on the challenges of implementing CRM Strategy in Nairobi Water and Sewerage Company for effectiveness as the area of CRM strategy is wide and cannot be exhausted if researched as a whole. This study is aimed at establishing the challenges that led to CMS not meeting its expectations at NCWSC.

1.1.1. Customer Relationship Management Strategy

Customer Relationship Management is a business strategy that aims to understand, anticipate and manage the needs of an organisation's current and potential customers. A CRM strategy is aligned with the corporate goal. It requires a customer-centric business philosophy and culture to support effective customer service and process. CRM is defined as a set of business activities supported by both technology and processes that is directed by strategy and is designed to improve business performance in an area of customer management. CRM as a business strategic tool could help organizations to achieve a variation of objectives.

Customer Relationship Management entails helping an enterprise allow the formation of individualised relationships with customers, with the aim of improving customer satisfaction and maximising profits; identifying the customers and providing them with the highest level of service, and providing employees with the information and processes necessary to know their customers, understand their needs, and effectively build relationships between the company, its customer base, and distribution partners (SAP 2004). According to Gray and Byun (2001), CRM benefits include: enhance organisations' ability to retain and acquire customers, maximise customers' lifetime, and improve service at lower costs

Although CRM is widely accepted as a business approach, there is no universally accepted definition for it. Swift (2001) defined CRM as an enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability. Parvatiyar and Steth (2000) viewed CRM as a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value of the company and the customer. It involves integration of marketing, sales, customer service, and the supply chain functions of the organisation to achieve greater efficiencies and effectiveness in delivering customer value. CRM is about managing customer knowledge to better understand and serve them. It is a concept that places the customer at the Centre of the organisation. According to Gartner (2001), The Top 3 CRM system Vendors in Energy/Utilities are SAP, Siebel Systems, and Oracle

1.1.2. Challenges of Implementing CRM Strategy

Customer Relationship Management has been implemented globally by organizations from different economies and regions (IBM report, 2004). Although CRM existed first in western organizations, it has spread almost all over the world as an increasing number of firms are implementing or planning to implement CRM. For a long time most companies believed that CRM software was the solution to a company's problems and use of CRM software would assist companies identify profitable customers, foster loyalty, increase customer satisfaction, and eliminate customer turnover, thereby increasing revenue.

The reality is CRM is not the universal remedy we hoped it would be, and global CRM implementations have not wholly delivered on the vision. John Wookey (2002) CRM failure rates have remained high during the last ten years, indicating that many organizations don't receive full benefit from their CRM initiatives. 2001 Gartner Group: 50% Gartner released numerous CRM-related reports during the 2001-2002 periods. It is documented in a significant number of articles that most problems in CRM are not technical (Achuama and Usoro, 2008; Rigby and Ledingham, 2004). Instead, common problems include organizational change and fluctuation, inconsistent and inaccurate customer data, and changes which affect the business, for example mergers.

Generally, developing countries face different obstacles when implementing western technologies, management processes, and information systems and techniques that have been created in developed countries (El Sawah et al, 2008). Other challenges are: skills of the implementation team, data migration, knowledge transfer, change management and evaluation of the system

1.1.3. Water Sector in Kenya

In general, developing countries face different obstacles when implementing western technologies, management processes, and information systems and techniques that have been created in developed countries (El Sawah et al, 2008). CRM takes on special meaning for water utilities which often operate under tightly regulated monopolies and cater to clients who have very limited options in terms of providers. The utility companies are looking at back-end database integration solutions that link collected data with customer information and work requests. The analytics push is a result of the highly regulated environment that utility companies typically operate in. It's not like utility companies can go out and change their products. Many of these companies have come to realize that customer service is the only way to differentiate them.

Most water utility companies experience similar problems across the board. Issues that cause the most frustration include inaccurate and late bills, estimated bills, poor customer service, Manual data entry, inaccurate records, decentralized data records, unaccounted water, Meters and Accounts not in system often referred as non-gathered, and political interference. Bills are calculated incorrectly or calculated based on estimates due to incorrect meter reading or simply meters not being read at all, which undermines the confidence of the consumers in the billing.

Poor customer service such as unanswered and unreturned phone calls and e-mails, untrained call center staff providing incorrect information, rude call center staff will most certainly generate criticism from the customer. There is no method of recording customer complaints with some of the complaints getting lost and no order in place for resolving customer complaints. This has led to the implementation of CRM systems in utility organizations in a bid to improve service delivery to the customers.

1.1.4. Nairobi City Water and Sewerage Company

The Nairobi City Water and Sewerage Company were established in December 2003 under the Company Act CAP 486 as the leading provider of quality water and sewerage services to the residents of Nairobi and its environs. One of the main business objectives of the company is Quality Service Delivery and Customer Satisfaction.

The rapid progress of technological change has revolutionized the way organizations behave. Companies have come to realize that their customers are their real assets and in a sense have become the product. Rather than focusing on simply supplying utilities, business strategies need to expand to meet the sophisticated needs of their customers which require improved customer information systems. CRM systems allow utilities to better know their customers. Integrating customer information with service history and billing preference lets a utility provide a higher level of service to the customer.

At the time of formation, the company was facing a myriad of problems associated with billing and customer care to the extent that only a few customers had confidence in the services provided by the company. In an attempt to restore consumer confidence, the company saw resolving billing problems as an opportunity for it to demonstrate its commitment to tackling the many problems facing water consumers by implementing a billing system .

The Company therefore implemented the Customer Management System (CMS) in 2004 in order to improve service delivery especially with regard to billing and customer data aspects in order to reduce customer complaints; which would lead to the improvement of the company's image in the public domain. However, the implementation of CMS has not led to the attainment of some of its objectives leading to the general objective of this study. This study aims at establishing the challenges that led to CMS not meeting its expectations at NCWSC.

1.2. Research Problem

Customer Relationship Management strategy is not the universal remedy it was hoped to be, and their implementations in some organisations have not wholly delivered on the vision. On the introduction of the strategy to NCWSC by implementing CMS, the expectations were high. This included efficiency and effectiveness, faster resolution of customer complains within 7 days, updated customer database, accuracy in the billing cycle others. Achievement of these expectations then could have led less estimated bills if any, Centralization database, Proper procedures of performing the various processes.

The water sector in Kenya operates under tightly regulated monopolies where the customer is left with almost no other choice of a competitor. This therefore puts the water sector under pressure to of service delivery and the only way to differentiate the various water companies is there CRM strategies. Implementation of these strategies experiences almost similar challenges of course with consideration of the various different company attributes. At the time of formation of NCWSC there were many problems associated with Meter reading and billing hence very many complains resulting from the same to an extent that only a few customers had confidence in the services provided by the company. In an attempt to create and enhance good customer relations, the company opted for not only improved face to face customer relations but also coming up with a CRM system to help resolve the meter reading and billing complaints hence less if any customer complains.

There are several competitive advantage business strategy implementation challenges studies and research in Kenya that have been done such as Kering (2004) in his study on implementation challenges of Resource Based Strategy at Barclaycard ,Gakii (2010) established a study on challenges of implementing business outsourcing strategy in EABL ,Ekipra (2008) looked at the implementation challenges of competitive strategies of Nation Media Group, other strategy implementation studies are strategy implementation in Kenya Media industry Thuo (2002), implementation of strategy in public sector Namenge (2001) , challenges of implementing strategy in NSSF Tanui (2008).

In as much as these studies looked at challenges of implementing various business strategies none studied challenges of implementing CRM strategy in NCWSC. It is therefore clear that there exist a gap in research information on challenges in implementing CRM strategy, the research therefore intends to establish what are the challenges of implementation of customer relationship management strategy in NCWSC?

1.3. Research Objectives

The objective of this study was to determine the challenges of implementing customer relationship management strategy in Nairobi City Water and Sewerage Company

1.4. Value of the Study

The study was intended to lead to an in-depth understanding of the challenges experienced in the implementation of CRM strategy thus leading to the establishment of appropriate principals and effective approaches with regard to the management of CRM strategy in organization. The research is being conducted to find out the challenges that were experienced in CRM strategy implementation in NCWSC.

NCWSC set up CMS to obtain its CRM strategy. These systems are very costly and if implementation challenges are not resolved, they will not achieve the intended function which is to enhance efficiency and effectiveness of service delivery, increase customer confidence in the company and increase revenue. This study will enable the management of the organization to establish the challenges and make a decision whether to correct the existing CRM strategy implemented or to obtain another CRM strategy system.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes review of literature in the field of CRM strategy Implementation. The literature is majorly on the several CRM strategies KSF's the several KSF's lie in three CRM components which are: people, process and technology. Key/Critical Success Factors (KSFs) is foremost a methodology that focuses on identifying factors that are critical for an organization or strategy's success as an absence of such factors could lead to failure (Huotari and Wilson, 2001). Identifying CRM success factors is a critical issue to ensure successful implementation but more importantly it is required to link these factors to implementation process and manage them.

2.2 Concept of CRM Strategy

Defining CRM strategy is required for developing a clear understanding and vision of what CRM means to an organization, while the lack of such clear understanding is considered as a barrier to successfully implement CRM. CRM is a business strategy that aims to understand, anticipate and manage the needs of an organisation's current and potential customers. A CRM strategy is aligned with the corporate goal.

CRM is an IT enabled business strategy, the outcomes of which optimize profitability, revenue and customer satisfaction by organizing around customer segments fostering customer-satisfying behavior and implementing customer centric process (Gartner Group, 2008, p. 2).

CRM is an integration of Technology and business processes used to satisfy the needs of a customer during any interaction. More specifically, CRM involves acquisition analysis and knowledge about customers in order to sell more goods and services and to do it more efficiently (Bose.2002. Pg. 1).Brown (2002) referred to CRM as a key competitive strategy that is needed to focus on customers' needs and to integrate an organizational customer-facing approach.

As many researchers agree on the main components of CRM which are business processes, technology, and people (Ali and Alshawi, 2002), there emanates a definition for CRM that is built around these components. Thus, CRM can be defined as A customer relationship management (CRM) systems is a combination of people, processes, and technology that seeks to provide understanding of a company's customer and to support a business strategy to build long-term, profitable relationship with customers (Shang and FengKo, 2006).

Although researchers have developed different definitions for CRM, these definitions are closely related. There is a general acceptance among researchers of the categorization of CRM components. CRM consists of three major components: Technology, people, business culture and relationship, and Process (Ali and Alshawi, 2002). The contribution to each component varies according to the level of CRM implementation.

Technology refers to computing capabilities that allow a company to collect, organise, save, and use data about its customer. Technology is the enabler for CRM systems to achieve their objectives of collecting, classifying, and saving valuable data on customers. Integration technology allows organizations to develop better relationship with customers by providing a wider view of the customer behavior (Thompson et al., 2006). Thus, organizations are required to integrate IT to improve the capabilities of understanding customer behavior, develop predictive models, build effective communications with customers and respond to those customers with real time and accurate information (Chen and Popovich, 2003).

For an organization to integrate IT, concepts such as data warehouse, software customization, CRM Success process automation, help desk and call centers, and internet influence should be addressed (Mendoza et al. 2007). Although CRM has an organization-wide impact, process that has direct interaction with customers should be dealt with as a priority when integrating and automating business processes. According to (Mendoza et al. 2007) the main business processes that should be addressed in CRM implementation are: marketing, sales, and services.

People which shall entail Employes and customers are a key factor for successful CRM projects. CRM is built around customers to manage beneficial relationships through acquiring information on different aspects of customers. The main objective of CRM is to translate the customer information into customized products and services that meet the changing needs of customers in order to gain their loyalty. Nevertheless, a full commitment of the organization's staff and management is essential for an effective CRM implementation to best serve customers and satisfy their needs (Mendoza et al. 2007).

Customer Relationship Management is a business strategy that has its philosophical basis in relationship marketing (Chen and Popovich, 2003). CRM success requires a change of business processes towards customer – centric approach. As such, all business processes that involve both direct and indirect interaction with customers should be analyzed and assessed (Mendoza et al. 2007). Although CRM has an organization-wide impact, process that has direct interaction with customers should be dealt with as a priority when integrating and automating business processes. According to (Mendoza et al. 2007) the main business processes that should be addressed in CRM implementation are: marketing, sales, and services.

Another CRM strategy related components is data factor. Data analysis and quality has been suggested by many researchers as being important to CRM initiatives (Nelson 2002b; Goodhue et al. 2002; Swift 2002; Winer 2001; Abbott et al. 2001; Ryals and Payne 2001). Winer (2001) argues that traditional analysis of customer data is based upon customer a segmentation decision which is quite different than the customer strategies which form part of CRM strategies today that rely more on “1-to-1 marketing” and “lifetime customer value”. Abbott et al. (2001) studied seventeen organisations implementing CRM strategies and found that clean customer data was essential to successful CRM performance.

Nelson (2002) argues that poor-quality customer data and information is a top cause of failure of CRM initiatives, resulting in poor data analysis and decision making. Ryals and Payne (2001) suggest that data quality and quantity is a barrier to successful CRM initiatives, they found that having more detailed customer data to add to the data warehouse was important, as well as having quality data. Goodhue et al. (2002) argue that successful CRM initiatives will require great effort to improve data quality and underlying data infrastructure to the level needed for successful CRM initiatives. Swift (2002) also supports the view of Goodhue et al., and suggests that there is a propensity of firms that have failed CRM initiatives because they avoided the data issues required by their CRM initiatives.

2.3 CRM Strategy Key Success Factors

Different reasons may cause the failure of CRM to meet its objectives. While some of these reasons are inevitable, many can be avoided (Payne, 2004). In general, CRM failure is caused by the complexity of technical and organizational issues that are associated with CRM implementation. However, the CRM failure, as reviewed in the literature, is related to different aspects of CRM components and process.

However, identifying CRM success factors is a critical issue to ensure successful implementation but more importantly it is required to link these factors to implementation process and manage them. Success factors could be defined as the generic ingredient that has to be the essential part of any successful CRM implementation (Pan et al, 2007.).Esteves and Pastor (2001) have identified success factors as the limited number of areas that are when satisfactory will successfully enhance the competitive performance of an organisation.

According to Almotairi 2008, There is no a universal procedure to collect and analyse CSFs, Hence many researchers have applied different types of methods to identify these factors such as interviews, prior list of CSFs from literature, and interviews followed by questionnaires. In the following part of this section the literature on CRM success factors is discussed and therefore these success factors are organised based on their presence in the related studies. Through an extensive review of literature on CRM success factors in the fields of IT and marketing, a wide range of factors have been identified by the researchers.

The success factors varied from wide and general identified factors to more specific and technical ones. Some studies emphasised the strategic nature of CRM success factors and the need to consider the importance of the holistic detention of CRM. For instance, Goodhue et al (2002) identified the following as CRM success factors: Top management support, vision, willingness to share data, and willingness to change process. Similarly, Alt andPuschmann (2004) highlighted a number of success factors that have a strategic and wide scope such as evolution path, timeframe, organisational redesign, system architecture, change management, and top management support.

On the other hand, a number of studies concentrated on more specified or more technical factors. An example of this approach is the work of Roh et al (2005) in which the researcher identified the following factors as requirements for CRM success: process fit, customer information quality, system support, efficiency, customer satisfaction, and profitability.

Wilson et al. (2002) described five groups of success factors (determine the intent, access the context, describe content, construct intervention process, manage intervention process) and within these factors he identified specific factors for success. Goodhue et al. (2002) provided four general success factors: top management support, vision, willingness to change processes, willingness to share data. Cordeau and Li (2003) addressed the factors of assessing technological readiness and knowledge management capabilities. In addition to mentioning the integration of back office processes and the software customization, Siebel (2004) considered the clear communication of the CRM strategy as a success factor for CRM

Chen and Chen (2004) agreed on top management, systems integration, and knowledge management as critical success factors for CRM in addition to the alignment of business IT. King and Burgess (2007) combined all the previous studies in nine CRM success factors: Top management support, communication of CRM strategy, KM capabilities, willingness to share data / processes, technological readiness, cultural/customer change, process change, and system integration capabilities. Chalmers (2005) listed nine interrelated factors for CRM successful implementation: management awareness, defining mission and objectives, creation of committee, official appointment of coordinates, development of the project plan, monitoring and control, prevent resistance to change, motivate staff, measure the degree of the participation.

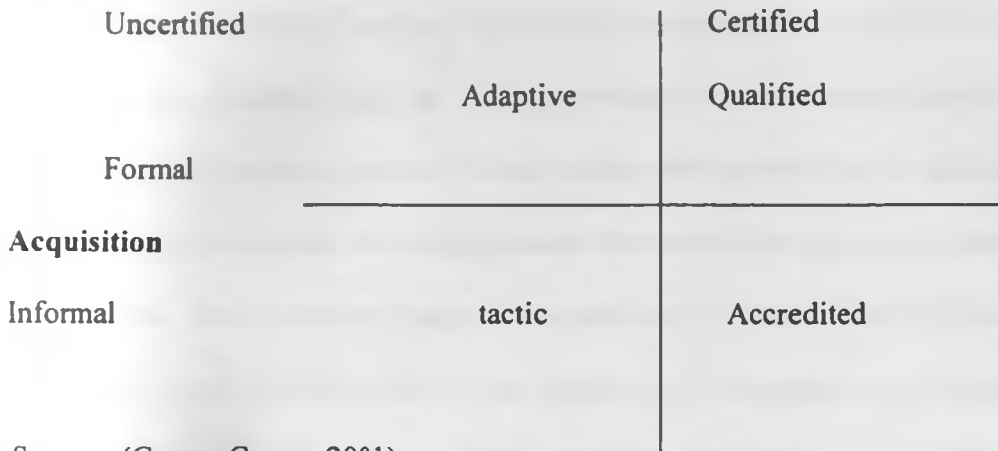
Rainer Alt and Puschmann (2004) developed six steps for a successful implementation of CRM (evolution path, timeframe, organizational redesign, system architecture, change management, and top management support. In illustration for this previous study, Dasilva and Rahimi (2007) a list of 13 CRM success factors with concentration on involving customers in CRM design and implementation. In their work Pan et al (2007) added the factor of managing the budget of the project to ten success factors similar to the factors mentioned by the previous studies. In a comprehensive study conducted by Salomann et al. (2005) on CRM implementation seven success factors were identified. The study of Mendoza et al. (2006) linked the CRM success factors to its components and provided a set of metrics to measure the success of CRM implementation.

According to Sherif and Newby (2007), the lack of factors such as top management support, aligning internal processes, linking CRM project to organisation's higher-level strategies, focus on ROI (return on investment), achieving success early in the project could eventually contribute to the failure of CRM implementation. Chalmers (2006) has supported some of the previous failure reasons as he pointed out the following factors as causes: Thinking of CRM as a pure technology; Lack of management support; Lack of customer-centric culture; Lack of readiness process; Poor quality data; Lack of change management; Lack of vision and strategy; Lack of involving the final user in designing CRM solutions.

Other evidence supporting previous factors is found in the work of Kale (2004) where the author has named seven reasons (sins) for CRM failure as the following: Viewing CRM as a technology; Lack of customer-centric vision; Insufficient appreciation for customer life-time value; Inadequate support by top management; Underestimating the importance of change management; Failing in re-engineering business processes; Underestimating difficulties related to data mining and data integration.

One of the KSF of CRM strategies is CRM Strategy implementer, Skills and Competence. One of the key virtues of focusing on knowledge, skills and competences, is that these relate to earning outcomes or outputs, irrespective of the routes of acquisition involved, rather than on learning inputs. The line between formal and non-formal learning is indistinct (Cullen et al, 2000) and cannot be rigidly defined. However, drawing upon the analytical frameworks developed in the Leonardo da Vinci projects VALID and DEVELOP, four broad routes can be distinguished in terms of the mechanisms through which Knowledge, Skills, and Competencies (KSC) are acquired and recognized

Recognition



Source: (Gartner Group, 2001)

Figure 2.1: Formation routes of Knowledge, skills and Competence

(Bjornavold & Tissot, 2000 pp. 204-205) offer further refinement of distinguishing between formal learning within an organised and structured context, non-formal learning embedded in planned activities that are not explicitly designated as learning and informal learning daily life activities involving experiential or accidental learning. (Straka, 2002 p.156) offers a more sophisticated analysis, distinguishing routes to learning by learning types explicit, accidental/incidental or implicit and environmental conditions formal or non-formal. It is also important to consider the actual learning process, and different processes may be associated with the development of different aspects of KSC.

The organisational learning and learning organisation literature (Dodgson, 1993) commonly distinguishes two kinds of learning “single-loop concerned with obtaining knowledge in order to solve specific problems based on existing premises and double-loop learning concerned with establishing new premises such as mental models and perspective. To develop comprehensive solutions and to overcome, the implementation team would not just require people from a certain division, but from a diverse range of departments, functions and technical expertise. The modern-day team usually requires the expertise of consultants and vendors, the business knowledge of users and the coordination and management of in-house IT professionals and developers. The sheer variety of team members transforms the traditional IT Business relationship between users and IT professionals to a multi-faceted one with the addition of consultants and/or vendors. It is no wonder that the complexity of the implementation team dynamics is growing and it is becoming a managerial challenge rather than a technical challenge to ensure the success of the project (Pinto & Millet 1999).

Traditional IS implementation teams consisted of in-house developers and had little or no user participants. As the scope of IS expanded, implementation teams tended to involve a small number of users in addition to in-house developers. When many large organizations started implementing enterprise systems such as ERP and CRM in the late 1990s, the team requirement expanded to include people with both domain knowledge and technical dexterity. The implementation team now typically consists of external consultants in addition to user representatives and in-house IT professionals.

One of the main problems for the failure of these large projects is that there is no proper integration between the different levels, functions and processes. There is also insufficient planning especially planning for change which is evident from user resistance and dissatisfaction of the system in many past projects (Taylor 1998; Huang et al. 2003). These large monolithic systems can affect thousands of employees but only a small percentage of users in comparison are involved in the implementation team (Markus and Mao 2004). The minimal involvement of users in the implementation team also contributes to failure. As the engagement of consulting services becomes more prevalent, the complexity of involving more parties in the implementation team and the risks of failure increases. In short, implementation team dynamics have become more complex due to the diverse groups of people, their roles and the stronger inter-group relationships.

With the increasing sophistication of IS and the complexity in IS implementation teams, it is essential to consider the interrelations between members of the development team. There are three main ways which team members can positively impact the project ; the creation of psychological buy-in, the improvement of system quality and the emergent interactions between developers and users (Markus and Mao 2004). Nonetheless, there are two standing issues within the emergence explanation that needs further exploration.

The first gap is the relationship between the users and developers. Today's IS projects do not only involve the traditional user representatives and IT professionals but also comprises the IT consultants and technology vendors. How does the complicated mass of relationships affect the implementation team? The second issue is the gap between user participation's functional and its relational outcomes (Markus and Mao 2004). It cannot be assumed that a good relationship between users and developers will lead to system success.

Another CRM strategy KSF is CRM system data clean up and migration. Data cleanup is the process of detecting and correcting or removing corrupt or inaccurate records from a record set, table, or database (SAP 2004). Used mainly in databases, the term refers to identifying incomplete, incorrect, inaccurate, irrelevant, etc. parts of the data and then replacing, modifying, or deleting this dirty data. After cleansing, a data set will be consistent with other similar data sets in the system. According to SAP 2004 the inconsistencies detected or removed may have been originally caused by user entry errors, by corruption in transmission or storage, or by different data dictionary definitions of similar entities in different stores.

Data migration is a process which involves the migration of data from an existing database to a new database. Whenever an organization decides to upgrade or change its database, it will need to transport the existing data to the new database. Data migration activity typically will include everything that is required with respect to data to ensure that the new database is up and running without any defects and it also contains all the legacy system data and the data has been migrated correctly. These two processes are aimed at taking care of the data quality aspect. The quality of data is a factor that can lead to success or failure of a CRM system.

Another CRM Strategy KSF is Knowledge transfer and Management. Knowledge transfer is nominally concerned with the process of moving useful information from one individual to another person. Notably, in order for this transferred information to have utility, it must be critical to the success of the organization (Davenport & Prusak, 2000). Although knowledge transfer is an important component of knowledge management (Davenport & Prusak, 2000), it has quixotically received the least attention in the business community.

There are two types of Knowledge: Tacit Knowledge that people carry in their heads. This knowledge is often difficult to share because the people who possess it do not often access it to communicate it. This knowledge often provides context for ideas, experiences, people, and places and is not easily captured. Tacit knowledge is highly personal (Nonaka, 1991). It is unstructured, hard to formalize and, therefore, difficult to communicate to others. It consists partly of technical know-how skills. Tacit knowledge has an important cognitive breadth. It consists of mental models, beliefs, and perspectives deeply ingrained, spontaneous and organizations take them for granted and therefore, cannot easily articulate them.

Explicit which is either Structured – Data elements that are organized in a particular way for future retrieval, e.g. documents, databases, and spreadsheets or Unstructured – Information not referenced for retrieval, e.g. emails, images, audio or video selections The other type of knowledge that resides in the consulting organization is explicit knowledge and if captured and recorded, can be codified. Nonaka (1991) argues that explicit knowledge is formal and systematic and thus, can be easily communicated and shared. Experts have recognized different form of explicit knowledge. Knowledge repositories are used to save the captured structured and unstructured knowledge.

Another CRM strategy KSF is Change Management. Kale (2005) suggests that change management provides the most appropriate business process management strategy to guide planning of successful CRM strategy implementations. Kostka and Mönch (cited in Pries & Stone, 2004) define change management as the "process of continuous planning and realization of profound changes" (p. 353). He also suggests that organizational change is responsible for 29 percent of CRM failures, making it the main cause of failed CRM projects. CRM Business Strategy is based upon two essential building blocks: A clear and precise understanding of customer needs and values, and the alignment of organizational capabilities to better meet customers' needs and to provide maximized customer value.

According to Adidam and Sindhav (2001) people, culture, and business process are key focus areas of a CRM implementation. Price (2002) posits that CRM implementation success involves "business process and change management more than the ability to hook up the boxes" (para. 9). Kale (2005) posits that change management provides the most appropriate business process management strategy to guide planning of a successful CRM implementation. Kale (2005) also calls change management the defining factor between success and failure.

Emergent practices are categorized according to four major categories of change management initiatives provided by Kale (2005): training, leadership, infrastructure change, and performance Measures. He suggests that these criteria encompass four of the imperative initiatives of change management. Training is necessary in order to successfully implement infrastructure change. Leadership is necessary to sell change to internal customers (Kale, 2000). Infrastructure change is imperative in order to select the right people to lead the organizational change. Performance metrics is essential in order to assess performance in the changed environment (Kale, 2005).

One of the most basic challenges inherent in a customer relationship management (CRM) business strategy is to establish the set of metrics to be used to gauge the success of a CRM implementation. CRM implementation is a continuous process that has no specific end Hareej & Horvat(2004). Although the importance of measuring the impact of CRM strategy on organizations' performance, significant number of managers (21%) do not measure CRM performance Salomann et al(2005).

Relevant Performance metrics; CRM should be measured on its desired goals; based on direct outcomes of its underlying activities; whether it's lowering call center staffing costs, speeding response times or billing errors. The organization should undertake regular assessments against these goals and investment should be driven based on the results of these assessments .You need to decide what the reason for the implementation of the CRM strategy is. This would help determine the focus of CRM performance. Once the objective of CRM Strategy implementation is clearly defined, you can go ahead evaluating the best CRM for your business. This would help to judge how good or bad your CRM initiative has been? (Almotairi, 2008)

Mendoza et al (2006) suggest using four categories of metrics to measure CRM performance: strategic metrics, customer metrics, operational metrics and output metrics

Much work is needed in order to incorporate intangible key performance issues such as word of mouth (referrals), customer satisfaction, employee satisfaction, perceived quality, perceived value, customer loyalty, commitment, empathy, trust, disposal to buy again, etc. to CRM measurement systems.

After reviewing the preceding studies in the field of CRM success factors, a group of common factors for CRM success can be identified the following factors have received general acceptance by most of the reviewed literature: Top management support / commitment , Define / communicate CRM strategy ,Inter – departmental integration , Skilful staff ,Key information on customers , Manage IT structure ,Customer involvement ,Define CRM processes .Every CRM success factor has, by nature, is directly or indirectly connected to the CRM components (Mendoza et al. (2006)). Hence, the taxonomy of the identified CRM success factors will be based on linking each success factor to its dominant component. Nevertheless, one or more predominant component could influence one success factor. Table 2.1 shows the proposed taxonomy of the CRM success factors.

Table 2.1: Taxonomy of CRM success factors

CRM Component CRM Success factors	Human (People)	Technological	Process
Top management support /	X		
Define / communicate CRM strategy	X		X
Culture/ Structure	X		X
Inter – departmental integration		X	X
Skillful staff	X		
Key information on customers		X	
Manage IT structure		X	
Customer involvement	X	X	X

Source :(Mendoza et al. (2006)).

Top management involvement in the CRM implementation plan has been identified in almost all success factors studies as a crucial factor that ensure the successful implementation of CRM. Considering the scope of CRM implementation as an enterprise-wide strategy requires a full support by the top level of the organizational structure. The role of board level is essential in backing the CRM implementation process and securing required amount of financing for putting CRM projects into action.

A clear definition of the CRM strategy and alignment of this strategy to the company's strategy would facilitate the transition of changing work structure and environment toward customer-centric approach. The absence of a clear CRM strategy or the lack of developing such a plan could cause the failure of CRM implementation (Greenberg,2004). Additionally, publishing the strategy to the staff is required to raise their awareness of the CRM objectives, implications, and benefits.

In order for CRM to succeed in realizing its objectives, organization should develop a culture where all staff are encouraged to share and learn from new work structure and information that is based on customers (Alexander, 2004). Expected resistance of new ways of conducting work tasks within the organization's culture should be addressed and minimized. From s strategic perspective CRM implementation has an organization-wide influence. Different functions and departments of the organization should be integrated and connected with a structure that supports the flow of information

Employees play a key role in the success of CRM projects. Issues of the nature of learning new work systems, training programs, change resistance, willingness to share information, and motivating staff should be taken to consideration (Kale, 2005). Acquiring and analyzing the right quantity and quality of information on customers helps to meet customer's needs. The right information is the base for designing customized products and services. Considering CRM as only a technological solution is a vital misconception that resulted in increasing failure of CRM projects. Nevertheless, IT is an enabler for acquiring and managing valuable data on customers. Technological aspects such as data warehouse capabilities and software configuration in addition to the influence of the internet are crucial for CRM successful implementation (SAP,2004)

Direct and indirect Involvement of customers in CRM designing is a tool for strengthening practical CRM. Such an involvement helps the organization to analyze the customer relationship life cycle and consequently find the areas of problems that can be managed by CRM (Rigby and Ledingham, 2004). Furthermore, customers' acceptance and interaction with CRM systems could be enhanced by involving those customers in building CRM system

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used to carry out the study. This included the research design, data collection tools and data collection technique, and data analysis method and presentation. This research methodology was aimed at enabling the researcher to obtain and process the data on challenges of implementing customer relationship management strategy in NCWSC.

3.2 Research Design

Dooley (2007) defines a research design as the scheme, outline or plan that is used to generate answers to research problems. This research was conducted through a case study. Case study has been chosen as it enables the researcher to have an in-depth understanding of the study. A case study design is most appropriate where a detailed analysis of a single unit of study is desired as it provides focused and detailed insight to phenomenon that may otherwise be unclear (Mugenda and Mugenda, 2003).

The primary purpose of a case study is to determine factors and relationships among the factors that have resulted in the behavior under study. This is advocated by Yin (1994) who acknowledges that a case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study. It's a method that drills down, rather than cast wide.

3.3 Data Collection

The study mainly used primary data which is information gathered directly from respondents. Interview guide is the primary data collection instrument. The interview guide was designed to give a brief introduction of the study and had open-ended questions. With unstructured questions, a respondent's response gave an insight to his/her feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back (Asika, 1991).

The interview guide was administered through personal interviews with employees of NCWSC who were part of the CRM strategy implementation team. Personal interviews are advocated by Parasulaman (1986) as having the potential to yield the highest quality and quantity of data compared to other methods because supplementary information can be collected in the course of the interview. Copper and Schindler (1998), emphasized the value of personal interview when they stated that it enabled in depth and detailed information to be obtained.

The respondents were employees of NCWSC. This include the Managing Director, the Commercial Director, the ICT Manager, Customer Relations Manager, Billing Manager, some Regional managers and the support staff who were part of the implementation team and some users in the commercial directorate. This is because were the people with the best insights on the challenges of implementing CRM strategy in NCWSC.

3.4 Data Analysis

Data collected was purely qualitative and was analyzed by conceptual content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study Mugenda and Mugenda(2003). It involved detailed description of phenomena that comprise the object of study. The researcher used the data with an aim of presenting the research findings in respect to the challenges of implementing CRM strategy in NCWSC.

According to Mugenda and Mugenda (2003) the main purpose of content analysis is to study the existing information in order to determine factors that explain a specific phenomenon. Kothari (2000) also observed that content analysis used a set of categorization for making valid and replicable inferences from data to their context. Data was then presented in a continuous prose as a qualitative report on the challenges of implementing CRM strategy in NCWSC

CHAPTER FOUR

DATA ANALYSIS AND INTERPRATION OF RESULTS

4.1 Introduction

This chapter presents the analysis of data collected from the interviews conducted. The researcher targeted to conduct 20 interviews in total but managed to conduct 16 of them successfully. The interview guide contained questions that addressed the objectives of the study.

4.2 Demographic information for Nairobi City Water and Sewerage Company Employees

Respondents were required to mention the period they had worked at the NCWSC. 9 of the interviewees have worked for a period of over 10 years followed by 4 of whom had worked for a period of between 5-10 years whereas the remaining 3 of them had worked for less than 5 years. The CRM Strategy implementation was commenced in 2006 December This therefore implied that majority of the respondents had worked long enough in the organization hence aware of CRM Strategy implementation process conducted in NCWSC and also the changes and dynamics facing the implementation of the same in the organization.

Majority of the respondents in this study had attained bachelor's degrees. The study findings revealed that all the support respondents had attained high school level of education and that those in the majority of the employees in the management level had attained postgraduate qualifications. This was very crucial information because as per the organizations strategic plan, strategy implementation and especially with regard to customer focus and satisfaction education background and education of those formulating and implementing the strategy is very key as they should be in a position to later be ambassadors of the strategy throughout the organization

4.3 Engagement in Strategic Management Planning

The study findings revealed that 12 of the respondents were involved in the strategic management planning for the organizations while the remaining 4 of them indicated otherwise. Further, it was clear that those involved in the strategic management planning were mainly from the management staff while those who indicated otherwise were from lower management level. From the findings Strategic Management planning in NCWSC is done mostly by the management staff but with a great extent of involvement by the other members of staff and with a lot of communication to all staff.

Therefore every single person whether they are part of the strategy planning team or not is well aware of the various organizational strategies. All the respondents categorically indicated that they did set goals, objectives and set milestones in one way or another in their areas of operations as this was in agreement with the vision and mission statements of the NCWSC. It was clear from the finding that the organizational vision, mission, goals and objectives are very well communicated to staff.

From this individual directorates also come up with their own Mission, vision, goals and objectives from which the different departments come up with objectives targets and milestones that later trickle down to individual members of staff in the various organizational departments whom were part of our interviewees.

4.4 Being Part of the CRM Implementation Team

Further respondents were required to mention whether they were part of the team which implemented the CRM strategy at the NCWSC.10 of the respondents categorically mentioned that they were part of the team which spearheaded the implementation of the CRM strategy. These mainly comprised of employees from the management level and the consultants from Indra which was the consultant to implement CMS.

Further findings pointed out the CRM strategy implementation team composition which was led by the then Commercial Director comprising of members from ICT department, Commercial and billing, customer care, finance and planning monitoring and evaluation. The company had also hired a consultant who was implementing the same. The Commercial Director was the organizational team leader with a lead consultant as the consultant's (Indra) team leader. Both team leaders would report progress to the organization's board of management fortnightly.

4.5 Opinion on the CRM Strategy Employed by Company

The researcher sought to get the opinion of the respondents on the type of CRM strategy employed by NCWSC. The respondents indicated that at NCWSC, Commercial Directorate was charged with the responsibility of sourcing for new customers and ensuring that the existing customer needs were met effectively. There exist a Customer Management system that contains all relevant customers data for the gathered customers and vigorous data clean-up and gathering is on-going to have all data in the CMS up to date, there are also other customer service portals that exist for example 5571, Corporate website, 24 hours call centre amongst other. This facilitates assist in faster communication with the customers.

The commercial directorate is charged with the responsibility of ensuring that the services provided by the organization are offered effectively to the customer's .Under the commercial directorate are various umbrellas charged with correct customer meter reading, the billing department ensures that the clients are invoiced with the right charges and customer service charged with the responsibility of customer service.

It was clear from the research findings that all the departments in the organization had focus on customer satisfaction at all costs. Individualized customer attention was encouraged with the aim of improving customer satisfaction and maximizing profits, identifying the customers and providing them with the highest level of service. All the operations at NCWSC were designed in such a way that the employees are provided with the information and processes necessary to know their customers, understand their needs and effectively build relationships between the company and its customer base.

4.6 Challenges that the Company Faced While Implementing CRM Strategy

Respondents were further required to mention the challenges their organization had faced while implementing the CRM strategy. The following were the challenges mentioned during the research: Integrating business processes with the system, there are many business processes within the commercial directorate that were either not well integrated into the system or not integrated at all. many employees were resistant to embrace new technology at their places of work and stuck to the manual way of running operations, change management; few employees in essence knew what CRM meant hence appreciate the concept to a less extent also the top management did not prepare and properly communicate to the staff on the implications of adopting an automated way of dealing with our customer and more so managing our customer expectations.

Another challenge that arose from the findings was the implementation strategy applied by management was not proper as the implementer was the user hence challenge of striking a balance between intended result and what was actually implemented. Proper data migration as well as clean up was not done before implementation of the CRM strategy system hence the data that was migrated into the CMS system does not match a lot of what is in the ground hence a lot of inconsistencies and mismatch between what was uploaded into the system and what is actually on the ground. It also came out clearly that proper documentation of the system during implementation and post implementation was not done.

Another finding was the integration of the CMS system with legacy systems, several customer management and billing system existed prior to CMS and they all required to interlink which was difficulty for the new system and the already existing. The skills of the implementation team were also lacking as proper training for this team was required and very necessary but instead it did not happen the team hence it was a key challenge. Another challenge was control and evaluation of CRM strategy, there was no proper control and evaluation for the strategy.

4.7 Mitigation Measures against Challenges Faced by NCWSC

Further, respondents were required to suggest how the challenges of implementing CRM at NCWSC could be contained. They categorically mentioned that resistance to change management could be contained by effective and sensitization of employees on the benefits of embracing CRM strategy. A competitive team which is informed on all aspects of CRM should be appointed to oversee the exercise of proper implementation of CRM. The management should ensure that proper technology is in place to ensure accurate customer data bases are created and maintained. Effective customer feedback should also be encouraged. Proper technology will enhance accurate data migration and easy system evaluation.

Training for employees who are not computer literate should also be carried out to instill the skill into them for easy appreciation of the concept. The management should also instill policies which enhance effective implementation of CRM strategy. Proper and regular communication to staff on strategies was also suggested. The company is in the process of procuring an ERP with a very elaborate CRM module amongst others, a suggestion was made for more change management and sensitization to commence early for user acceptance of the system.

4.8 What the NCWSC has not done in Dealing with the Challenges Faced

The research findings however revealed that the management of NCWSC had done little in ensuring effective implementation of the CRM strategy. It was clear that little had been done by management in creating goodwill among its stakeholders with regard to implementation of CRM strategy. The level of technology appreciation in the organization also wanted hence need for training and capacity building among employees. There is little customer feedback hence need to put in place mechanisms to capture this.

The top management approach towards strategy implementation has not changed and a lot requires to be done. There are various data clean up exercises that have been attempted but to no avail as proper project management skills are lacking. An effective control and monitoring strategy has not yet been and is crucial for strategies to meet there expectations.

4.9 What the Management has done During Strategy Implementation

The management had established a team of professionals who were charged with the responsibility of ensuring that a proper CRM strategy is implemented NCWSC. This team had drafted a CRM implementation policy that entails a wider scope and clear guidelines on implementation which was yet to be implemented but is intended to be in place by March 2013 that shall be implemented as part of the CRM strategy in the ERP module.

The management is in the process of doing capacity building for its employees which will ensure that they have the necessary skills. A lot of awareness and change management trainings are also in place for all cadres of staff. Regular communication is being done for staff on the various strategies in place and most importantly the ERP which shall be a business process automation strategy for all organization's key areas.

4.10 How Change Management has been conducted During the CRM

Strategy Implementation

The researcher further sought to know how the NCWSC had conducted change management during the CRM strategy implementation. Initially individualized client attention was not existent at the NCWSC and as such no much customer feedback was obtained. Customer databases were not organized which made it hard to know the specific needs of clients. Before CRM strategy was embraced at the organization employees were sensitized on what CRM strategy entailed and its benefits.

There after the strategy was implemented after the individual employees understood the current state then and the desired future state of the organization. To date time to time trainings on any updates or new modules of the existing strategy happen as well as communication of the same. Analysis on the various areas of the CRM strategy is performed and staff and users are trained on areas seeming to be less understood or with poor performance. Communication to the organization's customers is also being done on any issues necessary to them and also any changes happening within the organization

4.11 Knowledge Transfer at NCWSC

As per the findings, the organization always trains a group of staff who become trainers of trainers (TOT) who later hit the ground and pass the information to all members of staff throughout the organization. Mentoring by senior bosses to the low cadre staff has also been encouraged and is in high use in the organization

For effective knowledge transfer at NCWSC, the management had engaged the services of a management consultant who sensitized the committee overseeing implementation of CRM strategy. Once trained, the team thereafter transferred the skills and knowledge to the employees in different departments starting with departmental heads.

4.12 Other areas that might have affected CRM strategy implementation

Another crucial area that affected the implementation was that the agreed upon project time by the company and the world bank who was the donor had come to an end and for the project to be paid by the donor the implementation had to be indicated complete while very crucial areas were still pending. Management support of the CRM strategy, whatever was deemed as gospel.

Another area that affected the implementation of the CRM strategy for the organization was the political interference by various politicians. The company's under the water sector cannot fully alienate themselves with politics mainly because of the management setup of the sector and hence major decisions taken by individual companies are a lot of times affected by the political arena

4.12.1 Monitoring and evaluation approaches used by the NCWSC for the

CRM strategy

According to the findings, there is yet an effective approach for monitoring and evaluation of strategy; however there exist Planning, Monitoring and Evaluation, internal audit and ISO department which are the departments that take charge of the monitoring and evaluation. However currently they are only taking charge of the processes themselves and not strategies and how they are implemented, the CRM strategy processes are therefore under constant control and monitoring but whether the strategy itself is implemented as should or not is evaluated.

In the process of continuous improvement by the company, currently there is a team that has been set up in liaison with the planning , monitoring and evaluation department to come up with specific measures of performance for all the organizational processes and projects that have been or that are been rolled out in the company. From this performance measures then it is now easy to go back and review the performance of the CRM strategy that was implemented and evaluate its relevance.

4.13 Communication approaches used during CRM strategy Implementation

Communication was done via electronic mail, articles on newsletters, notices on the organizational notice board, emphasize during staff meeting and organizational function were the main approaches of communication adopted. The value of our face to face customer service has also been improved by continuous training of the customer service staff and also ensuring that they all the relevant information for purposes of communicating to customers.

Several other areas of communication have been setup, the company now has a 24hrs call center where the customers can call in any time and be assisted by the call center assistants. There is also a 5571 USSD for the organization that is used to send and receive information from customers. The corporate affairs department has also become very elaborate and it's constantly visiting various radio and Television station to communicate to our customers and also to interact with the customers.

CHAPTER FIVE

SUMMARY, CONCLUSIONS & RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the study, discussions and conclusions. The researchers then present the major limitations of the study and the recommendations for both the research and for the policy and practice.

5.2 Summary of Findings

The researcher targeted to conduct 20 interviews in total but he managed to conduct 16 of them successfully. The interview guide contained questions that addressed the objectives of the study. The research sought to establish the challenges of implementing customer relationship management strategy in Nairobi water and Sewerage Company. Majority of the respondents in this survey were involved in the strategic planning process of the organization under study and were in the team which was charged with the responsibility of implementing the CRM strategy in their organization. It was also clear that they did set goals, objectives and milestones in their organizations in one way or another.

The study findings indicated that at NCWSC, The commercial department was charged with the responsibility of ensuring that the services provided by the organization were offered effectively to the clients. The billing department ensured that the clients were invoiced with the right charges for the services and products offered and in time.

All the operations at NCWSC were designed in such a way that the employees were provided with the information and processes necessary to know their customers, understand their needs and effectively build relationships between the company and its customer base. This enhanced improved customer performance and revenue maximization.

With regard to the challenges faced in the effective implementation of CRM strategy at NCWSC, respondents passionately mentioned the following: many employees were resistant to embrace new technology at their places of work and stuck to the manual way of running operations i.e. change management; few employees in essence knew what CRM meant hence appreciate the concept to a less extent, the strategy applied by management was not effective hence faced resistance and inconsistent and inaccurate customer data.

In order to contain the challenges faced respondents further mentioned that resistance to change management could be contained by effective and early sensitization of employees on the benefits of embracing CRM. A competitive team which was informed on all aspects of CRM should be appointed to oversee the exercise of proper implementation of CRM. The management should ensure that proper technology was in place to enhance accurate customer data-bases were created and maintained. Effective customer feedback should also be encouraged. Training for employees who were not computer literate should also be carried out to instill the skill into them for easy appreciation of the concept. The management should also instill policies which enhanced effective implementation of CRM strategy.

The literature review supports what the respondents mentioned as ways in which the challenges can be contained. Pinto & Millet (1999) contended that in order to develop comprehensive solutions and to overcome the challenges, the implementation team would not just require people from a certain division, but from a diverse range of departments, functions and technical expertise. The modern-day team usually required the expertise of consultants and vendors, the business knowledge of users and the coordination and management of in-house IT professionals and developers. The sheer variety of team members transforms the traditional IT Business relationship between users and IT professionals to a multi-faceted one with the addition of consultants and/or vendors. Sherif and Newby (2007) also argued that the challenges can be contained by top management support of the strategy implementation.

The research findings however showed that the management of NCWSC tried to ensure effective implementation of the CRM strategy. The level of technology appreciation in the organization also wanted hence need for training and capacity building among employees. There was little customer feedback hence need to put in place mechanisms to capture that. However, the management had established a team of professionals who were charged with the responsibility of ensuring that the CRM strategy was implemented at the NCWSC. This team had drafted a CRM implementation policy which was yet to be adopted. The management was in the process of doing capacity building for its employees which would ensure skills acquisition.

5.3 Conclusion

From the study findings it can be concluded that the major challenges facing the implementation of CRM strategy at the NCWSC were resistance to change management, lack of knowhow on what CRM entailed, inaccurate customer data, inadequate skills on CRM implementation by the implementation team, data migration, knowledge transfer and evaluation of the system amongst a many others. This was arrived at after critically examining what each respondent mentioned.

Respondents categorically mentioned that resistance to change management could be contained by effective and early sensitization of employees on the benefits of embracing CRM. Continuous training on Change management and other relevant areas is crucial. Effective customer feedback should also be encouraged. Training for employees who were not computer literate could also be carried out to instill the skill into them for easy appreciation of the concept. The management should also instill policies which enhance effective implementation of CRM strategy.

There is a lot that requires to be done especially because the issues arising as challenges seemed less technical and more people and business process issues hence easier to deal with. A good plan therefore to deal with this issue can be the way forward for correcting the challenges that might have come up.

5.4 Recommendations

With due regard to the ever increasing desire to have better customer satisfaction in organizations and in particular at the NCWSC, there is need to invest in an effective CRM strategy so as to meet these expectations. This should be done in a manner in which all the stakeholders are happy. This ensures that they are incorporative and therefore calls upon the NCWSC to embrace proper approaches which are acceptable, ethically sound, have a positive perceived impact, relevant, appropriate, innovative, efficient, sustainable and replicable.

The research findings also revealed that the management of NCWSC had done little in creating goodwill among its stakeholders with regard to implementation of CRM strategy. Therefore, there is need to enhance training and capacity building among the employees of NCWSC for easier appreciation of the CRM strategy concept. A team of professionals spear heading the implementation of CRM strategy. This team should be charged with the responsibility of drafting policies and ensuring that these policies are adopted and implemented

Vigorous sensitization and awareness on the upcoming ERP business automation strategy should be done to both the staff and customers of the organization for better results to be obtained from this strategy implementation. Change management is also important for the same to be successful. A consultant on implementing the ERP strategy is crucial for better project management and also for purposes of implementing the strategy as per best practice.

5.5 Limitations of the study

The researchers encountered quite a number of challenges related to the research and most particularly during the process of data collection. Due to inadequate resources, the researchers conducted this research under constraints of finances and therefore collected data from one organization (NCWSC). Some respondents were biased while giving information due to reasons such as privacy and busy schedules at their places of work.

The respondents approached were reluctant in giving information fearing that the information they give would be used to intimidate them or print a negative image about their district. The researcher handled the problem by carrying an introduction letter from the University and assured the respondents that the information would be used purely for academic purpose.

The researcher also encountered problems in eliciting information from the respondents as the information required was subject to areas of transparency, and confidentiality which could not be accurately quantified and/or verified objectively. The researcher encouraged the respondents to participate without holding back the information they have as the research instruments would not bear their names.

5.6 Recommendations for Future Research

Arising from this study, the following directions for future research in strategic management are as follows: First, this study focused on only one organization and therefore, generalizations cannot adequately extend to other organizations. Future research should therefore focus on all organizations both in the public and private sector.

A broad based study on the challenges facing effective implementation of the CRM strategy and how it impacts on performance in both private and public sector should be carried out. Another area that should be considered for research in the area of CRM Strategy is on the frameworks of implementing CRM.

5.7 Implication on policy, theory and practice

The study found that NCWSC faced challenges in implementing their CRM strategy. The company had developed policies that facilitated the good CRM Strategy they were intending to implement. In theory there are several critical success factors for strategy implementation some of which we have found as the success factor of the NCWSC CRM strategy and some forming the main challenging areas.

The findings of the research are in tandem with those of (Achuama and Usoro,2008) who content that most challenges facing the implementation of CRM strategy are not technical and included organizational change and fluctuation, inconsistent and inaccurate customer data, and changes which affect the business. El Sawah et al (2008) also argued that most developing countries faced different obstacles when implementing western technologies, management processes, and information systems and techniques that had been created in developed countries.

In practice every area of implementation is different from the other hence the successful factors in one area may be the challenge of another and hence understanding the area of implementation is key for successful implementation of any a CRM strategy. The approach of the strategy implementation is also key in real practice as it results to either success or failure.

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APPENDICES

APPENDIX I: Interview Guide

SECTION A: GENERAL

- 1) For how long have you been working at NCWSC?
- 2) What is your highest level of education?
- 3) Do you engage in strategic management and planning?
- 4) Do you set goals, objectives and milestones?
- 5) Were you part of the CRM strategy implementation team?

SECTION B: SPECIFIC

- 6) What is your opinion on the CRM strategy employed by the company?
- 7) What challenges has the company faced while implementing CRM strategy?
- 8) Briefly outline the things that the company has done to deal with these challenges?
- 9) Briefly outline the things that the company has not done to deal with these challenges?
- 10) What has the management done during the CRM strategy implementation?
- 11) How has change management been conducted during the CRM strategy implementation?
- 12) How was knowledge transfer conducted?
- 13) In general what other area could have affected the CRM strategy implementation?
- 14) What are the specific CRM strategy monitoring and evaluation approaches used by the company?
- 15) What are the specific CRM strategy communication approaches used by the company?

THANK YOU!!

APPENDIX II: Request for data Collection



UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE ^{7th} 8th AUGUST 2012

TO WHOM IT MAY CONCERN

The bearer of this letter..... ELENJI W WAMBURA

Registration No..... 261/172783/2007


is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.




IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE

APPENDIX III: Authority for data Collection



NAIROBI CITY WATER & SEWERAGE COMPANY LTD.

KAMPALA RD, P. O. Box 30656-00100, Nairobi, Kenya

Tel: +254 20 3988598/000 5013598/000

Fax: +254 20 552126

Email: info@nairobiwater.co.ke

www.nairobiwater.co.ke



NCWSC/HR/TRG.13/Vol.1/38/ng

20thSeptember, 2012

Elenah Wangui Wambura,
Nairobi City Water & Sewerage Company,
P.O. Box 30656
Nairobi.

Dear Sir/Madam,

**RE: REQUEST TO CARRY OUT RESEARCH ON CHALLENGES OF IMPLEMENTING
CUSTOMER RELATION MANAGEMENT STRATEGY.**

Reference is made to your letter dated 1st September, 2012 on the above subject.

We are glad to inform you that permission has been granted to you to carry out the above mentioned research subject to the following conditions:-

- That the data so collected/created will not be used to malign the name of the Company in a manner whatsoever
- That the research will be used for (and limited to) academic purposes only
- That your activities will not in any way interfere with routine operations of the Department
- That you will not take photographs of the Company's facilities without written authority from the Managing Director, Nairobi City Water and Sewerage Company Ltd
- That you will be required to submit a Copy of your report to the Managing Director (through this Office), Nairobi City Water and Sewerage Company on Completion of your study

If these Conditions are acceptable to you, please report to Customer Relations Manager – Kampala Road who will guide and assist you with the relevant information.

Yours faithfully,


George Okech
For: Human Resource Manager

Board of Directors:

P. Kuguru (Chairman), Dr. M. W. Kimani (Vice-Chair), HWM Cllr. G. Aiadwa, R. Duba, Prof. J. Kimura, Cllr. H. Katangie (Mrs. Cllr. M. O. Ogada, S. Mutoro, E. K. Omolo, J. Kiamba, Prof. M. Gathenya, Eng. P. G. Gichuki (Managing Director)