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**Customer Knowledge
Management
Competencies Role in the
CRM Implementation
Project**

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Abstract

The purpose of this research is to understand the way a CRM project implementation may

contribute to the success of the project. The approach of Knowledge Management Strategic Alignment was used as a theoretical framework and a case

study was realised for this end. The case study allowed exploring the role of customer knowledge competencies of the company in the CRM

project implementation.
Three types of customer
knowledge competencies
are required: customer
knowledge acquisition
skills, customer knowledge

sharing skills and finally
customer knowledge use
skills.

Keywords: CRM,
Knowledge Management
Strategic Alignment,
customer knowledge
management competencies.

Introduction

Given the high rate of CRM project failure that was noticed in the management practice, many researchers

tried to identify the key success factors of CRM implementation projects. 50% of managers complain about the failure of their project and an increase of

40 to 75 % in CRM projects is predicted*. The knowledge management capacity of the company (Croteau and Lee, 2003; Chen and Chen, 2004) as

well as the strategic alignment (Chen and Chen, 2004) are considered as key success factors in the CRM literature. The central question of this research

would be to understand the role that the company strategy of customer knowledge plays in the success of his CRM project. The objective of this paper

is to show that the success of a CRM project depends on two elements: 1. The alignment between the Knowledge Management strategy of a company and

the CRM strategy. 2. The customer knowledge management company competencies.

Following a review of the CRM and the customer knowledge management concepts, the knowledge management strategic alignment will be proposed.

After presenting the methodology used in the case study, we will be discussing and analysing the results that were found.

Theoretical Foundations

Emergence Conditions and Definitions of CRM

Many factors explain the emergence of CRM that is considered as a company strategy oriented towards clients. In a context characterized by

commoditization of
products, market
saturation, increased
customer demand and
lower loyalty, we are in the
context of relationship

marketing where the customer conservation becomes a strategic marketing objective.

These changes found in the loyalty strategies were made easier by the development of communication and information technologies.

The separation between the firm and the customer noticed in the product view during the 1980's was compensated thanks to the

emergence of information systems.

Two stream of research form the theoretical foundation of a CRM

concept (Agrebi, 2006); a strategic stream (relationship marketing) and a technological stream related to the information systems. In fact, Crosby and

Johnson (2001) identify the customer relationship management as a business strategy that multiplies the use of technology and includes it in all its process

to create retention and loyalty over time.

More generally, the focus of the CRM concept is to build a long term and value-

added relationship for both business and customers.

For this purpose, the company is brought to focus again its efforts and

resources on its most profitable customers.

In this perspective, Brown (2001) define the CRM as

“ a strategy that a company follows to understand, anticipate and manage the current and potential needs of its customers. During this process that involves

changes related to strategy, procedures, structures and techniques, a firm struggles to better organize itself around its customers' behavior. This requires the

acquisition of knowledge about them and its application at all levels to obtain both profits and customer satisfaction”.

This definition highlights the importance of knowledge management in a relational approach. Several studies (such as Zablah and al, 2004)

discussed the knowledge management contribution process in maintaining lasting and profitable relationships between the company and its customers,

thus contributing to the success of the CRM implementation project.

In fact, Zablah and al (2004) define the CRM as “a

continuous process that results in the use of the market data in order to create and maintain profitable relationships with the customer". These

authors focus on the knowledge management process that would make the management of the business-client interaction easier.

In this context, the CRM is considered as skill set as far as the long-term profitable relationship with customers won't be possible unless the

companies are able to change their attitude towards the customers individually**. According to Peppers and al (1999) “the CRM means to be able to

change the attitude towards the client depending on what he tells us and what we know about him". Besides, the success of CRM relates to the

possession of tangible and intangible resources so that the company is flexible to the customers' needs.

Customer Knowledge Management

In the light of the
theoretical foundation, a
new concept has emerged;

it's customer knowledge management. This concept emphasizes the customer knowledge and not the company knowledge about the customer. This was

traditionally collected
through market research
and is no more sufficient to
establish innovative
concepts within the

company (Podslonko and al, 2007)

The focus of this strategic process lies in the active role that the customer

plays in the knowledge
management strategy of the
firm to become real
partners of the company in
order to make the
innovation process of its

products and services
better (Gibbert and al,
2002).

There are three types of
customer knowledge:

knowledge for customers
(delivered from the
company towards the client
such as information about
the product), knowledge
from the customers (their

ideas and
recommendations
concerning the
improvement of the
product) and finally
knowledge about

customers (their
expectation and needs)
(Salomann and al, 2005)

The contribution of the
customer knowledge

management strategy of a company to its CRM approach is reduced to the fact that the long-term profitable relationship that firms wish to strengthen

with clients can not exist unless these companies are adaptable to customer needs. This flexibility depends on tangible and intangible resources held

by the company and allows it to adapt its attitude towards the customer individually. “The CRM means to be able and willing to change one’s

attitude towards a client according to what he says and what one knows about him” (Peppers and al, 1999).

Although the customer knowledge management contribution to the CRM success was widely discussed in literature, all the competencies that firms

must have in terms of customer knowledge management and that determine the success of its CRM process have not been identified yet.

Strategic Alignment of Knowledge Management

The research interested in
the customer knowledge

management did not indicate the organizational mechanisms necessary for their integration into the global knowledge of the company (Garcia-Murillo

and Annabi, 2002). The knowledge management strategic alignment model developed by Abou-Zeid (2008) suggests an integration approach of

these two types of knowledge allowing identifying the company's competencies in acquiring, analysing and exchanging both organizational

knowledge and customer
knowledge.

The knowledge
management strategic
alignment is fundamentally

based on the idea that
efficient use of a company
knowledge is possible only
if the knowledge
management strategy and
the firm strategy are

aligned (Abou-Zeid, 2005).
Efficient use refers to the
gains collected by the
company from its
Knowledge Management
investments. This model

consists of four elements:
the firm strategy, the
organizational
infrastructure, the
knowledge management
strategy and the knowledge

management
infrastructure. It
emphasizes the importance
of business skills either on
the strategic level, its
organizational

infrastructure or on the knowledge management process level. These competencies have several dimensions such as technical dimension,

organizational ones and finally human dimensions.

According to Abou-Zeid (2008), the necessary and required skills on the

knowledge management
level are:

- ability to facilitate the
exchange and share of
knowledge

- ability to develop human and cultural structure in order to promote this exchange

- A predisposition to use the available technologies to create, share and document knowledge

A knowledge management responsible has to combine several abilities: those of specialist in business strategy, an expert in technologies and even

those of a professional in
human resources
(Malhotra, 1997)***

In this research, the
objective is to identify

specific skills as well as
business skills in terms of
customer knowledge
management during a CRM
approach.

Research Methodology

Within this research, a case study was conducted in order to understand the CRM process

implementation and
identify the business skills
and mechanisms in terms
of customer knowledge
management during the
CRM implementation

project and the use of this tool. The choice of the case method was motivated by the fact that the study of a CRM project success represents a contemporary

phenomenon in a context of real life (Yin, 2003). Two different techniques have been used: the direct observation as well as interviews with call center

managers and one of the supervisors.

a) Company presentation:
It is a customer service unit of a Tunisian company

dealing with the marketing of household products. This call center serves as a mediator between the technical, marketing and commercial service. It

ensures two principal missions: the contact with the customer and the transmission of information flows between the client and the relevant

departments. Several activities performed within call centers use CRM tools such as complaint management, the management of the activity

“insurance” as well as the management of few marketing campaigns (customer registration, evaluation study of the activity “insurance”)

b) Research Protocol: the interview guide****
consists of five themes, four of which correspond to the four components of strategic alignment model

and a fifth that is interested in the CRM project evaluation.

Given the criticism targeted to the research based on

case studies especially on the level of their reliability, Yin (2003) suggests to create a research protocol that allows reaching reliability: it means

conducting the case study in a way that allows other researchers to repeat the same research protocol in order to reach the same results.

This protocol must contain the following elements: the central research question, one or more research propositions, the theoretical framework of

the research, the data collection design (including the interview guide already made) and the case study report

c) Analysis and interpretation of results:
the results of interviews prove that a company's CRM implementation project success comes from

the knowledge management during the integration of the tool and its use. Yet this alignment was not enough, it had to coexist with organizational

skills in terms of customer
knowledge management

Table 1: Elements of Strategic Alignment in the Case of Company X

**Please see Table 1 in full
PDF version**

From this table, the choices of knowledge management strategy support business strategic decisions, that means; the competition intensification and the

market saturation
compelled the firm to
establish knowledge
generation process with
multiple sources
(customers, retailers, and

other partners). Besides, the will to make a call center a pillar for a business CRM approach led it to employ several knowledge transfer

processes either explicitly (through procedure manuals) or implicitly (in an informal manner). This transfer can also be done through training sessions

for new recruits dealing with products, models as well as different working procedures relative to different activities of customer service. Finally,

this knowledge transfer
that seeks to manage
quickly and efficiently the
customers' claims and thus
ensures their satisfaction, is
made easier by knowledge

coding and the use of specific terminology.

Moreover, the working processes are supported by the company KM tools. One

can notice the use of the CRM tool in the customer service, the use of outlook e-mail and other knowledge management tools related to other

activities (quotation, installation request...). All these tools aim at facilitating data share and exchange among the call center members on the one

hand and between the after sale service staff and the call center staff on the other hand. The organizational processes adopted with the CRM tool

are characterized by a shift from a task specialization towards a customization per customer: the operator must deal with the customer request from A to

Z. This could be against the CRM approach that consists at centralizing all the customer information in one database, so that everyone can easily access

it and thus handle quickly the customer request. This organizational processes change was introduced for more efficiency of the call center and in order to

ensure the work performance of customer service. Before installing the CRM technology and even at the beginning of its use, the operators have

been specialized by task, some of them deal with customer complaints and others with the insurance requests.

According to the case study results, the CRM strategy alignment with the firm knowledge management strategy is obvious. Its contribution to the project

success would be completed by the identification of the principal knowledge management competencies. However, the CRM project

success in the call center is claimed by its director, who states that “the project is successful since we have reached functional tool objectives”

**Competencies
Identification in Terms of
Customer Knowledge
Management**

During the CRM implementation, knowledge was collected within the company headquarters as well as the technical department. When using

the software for a complaint management, the call center members must know personal details, data of the products (in terms of purchase date, reference

model) as well as information concerning the nature of the complaint (type of failure, the breakdown date.....). The knowledge in this case is

accessible according to the task work and transferable in the three company sites through Tunisia. Customer knowledge acquisition competencies, which are

accessible by the staff
according to specific rights,
embody the first dimension
of customer knowledge
management skills.

Tacit knowledge of a business staff was converted explicitly through different versions of the user guide. These manuals include

procedures to be followed in the customer complaint management, facilitate data sharing among the call center members (especially new recruits). The value

system introduced within the call center is based on data sharing between its members, teamwork and collaboration, “very visible concepts in the case of

complaints from VIP or in some particular cases where the usual procedure that is followed can not be applied” says the call center supervisor. Abou-Zeid

(2005) states that the necessary and required knowledge management competencies are: the ability to facilitate knowledge exchange and

its sharing, the capacity to develop cultural and human structure to promote this exchange, the predisposition to use the available technologies to

promote creativity,
knowledge documentation
and sharing.

Transferable knowledge
during the CRM project of

the call center is the
knowledge about the CRM
approach, technical and
computer related
knowledge as well as
organizational knowledge

(human resources structure and management). The explicit knowledge transfer was performed through CRM project team meetings with

the company staff (for the after sale service for instance it concerns people dealing with products fixing). Moreover, the data were coded in order to

facilitate its use. Different terminologies are used in the CRM tool such as for the status of the customer record (“pend”: under repair”, “close: closed

form”, etc...) or even the intervention type (repair, installation, etc...). Fields were added such as “notes” where the operator takes notes and specific remarks

about the intervention
(generally communicated
by the customers).

The implemented CRM tool
allows indexing client files

in order to describe the file status, thus identifying the task to be performed by the operator according to this file status (for example: when a file is on “close”

mode, the operator must perform “a happy call” to evaluate customer satisfaction). Finally, several technological tools have been used equally to

the CRM in order to ensure
the data exchange between
the technical department
and customer service
(outlook, oracle application,
etc...)

Consequently, skills in terms of data sharing are the second dimension of customer knowledge management competencies.

The tacit knowledge of this call center was converted into an explicit form during the CRM implementation through seven different using guide versions

including modifications and addition of several functions such as: SMS management aiming at informing the customer that his product is fixed,

ensuring file management,
installation management,
technicians' schedule
management and finally
management of repair
history. These new services

have been developed using old knowledge, thus leading to the emergence of new knowledge in the form of new fields that are integrated in the CRM tool

(adding notes fields, identifying geographic areas by code). According to Akhavan, Ashar and Heidari (2008), these processes correspond to

the knowledge use process that deals with looking for knowledge adapted to solve a problem. These skills may lead to the extraction of a new knowledge that must

be recorded for a future use.

The managers' capacity to analyse information recorded in the database

(by creating a reporting on the number of repair, the types of failure, the types of fixed products.....)

represents another firm capacity of using this

acquired knowledge
efficiently in order to
improve its products and
services and maintain long-
term relationships with
customers.

Thus, the company's skills in terms of using knowledge form the third dimension of customer knowledge management competencies.

The Three Types of Knowledge

During the CRM implementation, knowledge oriented towards the

customer, what Salomann and al (2005) call “Knowledge for the customer” is what is most important. Thus, this firm should acquire product list,

models, references, types of spare parts as well as work procedures.

In case of using CRM to manage a customer claim

for instance, the kind of information that the company should know about its customers are clients' personal information, data related to

the product in terms of the purchase date, the reference and information concerning the type of failure. This is what Salomann and al (2005) call

“Knowledge about customers”. During the use of the CRM tool, this knowledge is acquired by customers themselves. (See Table 2)

Table 2: Types of Knowledge and Customer Knowledge Management Competencies in A CRM Project

**Please see Table 2 in full
PDF version**

Conclusion

The knowledge management approach adopted by this company is an approach based on

promoting knowledge sharing between users.

Work procedures written in the use guide of the CRM technology facilitates data transfer between the

different users. In the case of tacit knowledge, it is about sharing experiences (informal and semi-formal learning). If it is about a new case, the data transfer

is often done informally (it is also the case of VIP customers). In the case of explicit knowledge, data transfer is performed through formal learning

such as the professional training (Abou-Zeid, 2008). New recruits follow a training about work procedures and the use of CRM tool.

According to the literature and the case study results, the three acquired customer knowledge competencies and which can be identified as

dimensions of customer knowledge management are: competencies of acquiring, sharing and using customer knowledge. Nevertheless, this research

presents certain limits: we have kept in mind only the theoretical frame of knowledge management strategic alignment to assess the CRM

implementation project,
while other theoretical
fields could have been used
such as the change
management, the impact of
relationships between the

tool developers and users. Only one case study isn't enough to understand the customer knowledge management contribution to the CRM success. Several

future ways of research
might be dealt with: testing
the construct pertinence of
“customer knowledge
management
competencies”, validate the

model on the level of other
companies in different
sectors.

Acknowledgment

*According to Gartner,
quoted by King S.F and
Burgess T.F (2008),
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**** See the interview guide
in Appendix A and an

example of an interview
analysis in Appendix B.

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Appendix A: The Interview Guide

Theme 1: Presentation of the company, of its products and its general

strategy as well as its CRM strategy

1) What are the strategic choices of the company?

2) What are the skills held by the company to be distinguished from the competition?

3) Governance: What are the alliances, the partnerships and the choices in outsourcing performed by the company?

4) Describe the customer relationship management process of the company (Steps and objectives)

Theme 2: ICT strategy of the company (the information technologies in general and the CRM tools in particular)

1) Does the ICT department have a strategic impact within the company?

2) Which style does team management of ICT projects have?

3) What is the integration and complementarity of ICT investments?

Theme 3: ICT infrastructure and processes of the company

- 1) Describe the data
system architecture of the

company (applications and technological tools)

2) What are the work processes related to the information system?

3) What are the skills and capacities in terms of ICT?
(choices related to staff training and knowledge development of ICT staff)

Theme 4: Organizational
infrastructure of the
company:

1) Describe the company's
organizational structure?

2) Describe the work processes within the company (those related to the product development, the customer service, the marketing, the sales,...)

Theme 5: The evaluation criteria of the CRM project

1) How do you evaluate the success of your CRM project?

2) How has the solution been used? (Frequency and type of use, user profile, the objectives of the use, the type of reporting...)

3) What are the evaluation criteria used to claim that your CRM project is successful)

4) Do you think that after X years of the CRM implementation project, the expected objectives were reached?

**Appendix B: Extract of an
interview analysis:**

**Please see Appendix B in
full PDF version**