

PGDM, Retail Management , 2012-14  
Customer Relationship Management  
RM-404

Trimester – IV, End-Term Examination: September 2013

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Word Limit	Marks	Marks
A	3 out of 5 (Short Questions)	300 words	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	600 words	10 Marks each	2*10 = 20
C	Compulsory Case Study	1500 words	15 Marks	15
			<b>Total Marks</b>	<b>50</b>

**SECTION-A:**

1. CRM is nothing else but another Sales Scheme. Agree or Disagree. Please explain using Industry examples.
2. What are the four essential components of Customer Segmentation? Explain their relevance using industry examples.
3. Define “CSUTOMER” and outlines various types of customers. Explain their importance in scheme of company working.
4. What is “BIG DATA”? Explain its relevance in present day times.
5. What is difference between Operational and Analytical CRM? Explain using industry examples.

**SECTION- B:**

1. Technology is CRM is a boon or bane? Please explain using relevant examples.

2. The ultimate goal of CRM is to be predictive in nature, though many companies fail to conquer that frontier. Agree or disagree. Please explain.
3. What are the three components the organization can use to find its most valuable customers? Which of them seems to be most important? Please explain using Industry examples.

### SECTION-C:

1. Please read the Case Study given below and answer the question based on that.

## MASHKIN GROUP

Mashkin Group Inc. (Mashkin), a wholly owned subsidiary of Amir Inc., a British financial conglomerate, is a medium-size, asset-management group based in the US. Mashkin consists of three primary divisions: a mutual fund company with \$10 billion in assets; a separate, but closely affiliated asset management company with \$15 billion in assets; and a financial services company. Since the early 1990s, these three enterprises have shared the same client database and other software programs. The first program utilized, an inexpensive, off-the-shelf system with limited capabilities, was used by the sales department of both the mutual fund company and the asset management company primarily to store names, telephone numbers, and notes of salespeople. A second program was used by the IT department to update the database as new clients arrived and record daily sales data. A third program was installed at all internal and external salespersons' workstations and laptops to provide current data to the sales force. In addition, the Client Service Call Center used a separate designed-in-house program to track incoming call activity.

The technology systems utilized by employees in Mashkin were designed to support general sales activities. None of the software was designed specifically for the needs of their financial divisions (either the mutual fund or the asset management side) and lacked the analytic functionality as well as the collaborative functionality to interface with other systems within Mashkin. This limited functionality of technology forced employees to spend an inordinate amount of time manually jumping between applications and creating new reports to import and export data between applications that could not be currently integrated. Significant effort was also expended in e-mail and other communications between users throughout the firm to collect information that was not recorded in the system.

Working around the limitations of the technologies had been possible when the sales volume and number of clients was small, but with the expansion of the company the situation had become unacceptable. Management felt that it was time to implement a comprehensive CRM strategy with integrated technology specific to the needs of their



financial divisions (both the mutual fund and the asset management sides). The three companies under the umbrella of Mashkin shared the same objectives for their new CRM approach:

- 1.To provide superior service to customers in addition to the benefit of the core product;
- 2.To identify, focus on and retain key customers;
- 3.To develop customer's profiles; and
- 4.To improve managerial decisions and workflow.

The desired (and expected) outcome of the new strategic approach, which included the internal reorganization of the use of resources, was increased productivity through faster access to comprehensive client records; faster response to customer needs; better reporting and analytical capabilities; reducing duplication of efforts; and gaining data manipulation capabilities.

## THE CRM PROJECT

In order to deal with the complex issues of identification and implementation of the appropriate CRM program, a CRM taskforce was formed consisting of managerial level employees. While large firms have the resources required to buy comprehensive custom systems, smaller firms are often forced to use low cost, off-the-shelf products, modify products developed for other firms, or build a system in-house; and in Mashkin's situation, budgetary constraints prohibited the outright purchase of a fully integrated custom system. An outside CRM consultant was hired to assist in the program and help select an off -the-shelf, integrated system for use throughout the firm. Working with the consultant's input, the task force determined the strategy for the implementation process including software requirements, vendor selection, budget, project timeframe, personnel involved and user training. After months of comparing programs that could be adapted to the unique needs of the companies within Mashkin, one was selected that was successfully in use by a similar, but larger, firm. Mashkin finally committed to a chosen CRM system and the software licenses were purchased. The IT department ensured that all networks for the new CRM program were in place. The new system was populated with current data that was transferred from the old databases. In order to minimize risk, the old systems were left in place to run parallel with the newly installed CRM system.

Despite careful planning Mashkin faced major challenges during the project implementation. The cost of the new CRM system implementation turned out to be substantially greater than was budgeted. Controversial issues concerning cost overruns began surfacing at every board meeting.

In the process of data transfer tens of thousands of client files with contact notes and client profiles were transferred and aggregated, without regard to their chronology. This lack of chronology meant users had to scroll through years of notes to locate recent

entries and move them near the top of the file in order to render them useable. The files most affected were those of long-time clients, many of whom had done business with the firm for 10 or more years. These clients had lengthy files that were made cumbersome and difficult to navigate as a result of the data transfer. Among the users, those doing heavy sales volume and those attempting to glean useable data out of the scrambled files were affected most. User efficiencies in this less-than-optimal system declined further.

Another shortcoming was user training. The firm provided on-line training of sales personnel in the new CRM system, but the system was based on on-demand user training and there was no structure in place that ensured employees completed the training instead of merely employing it as a "Help" system. As employees left and new ones replaced them training deteriorated to an associate spending a few minutes demonstrating the system to a new employee, who was ultimately left to figure it out on their own. While an integrated CRM application specific to the financial industry was implemented, financial advisors and salespeople were not utilizing it. The end users preferred to rely on old technologies and juggled different applications instead of using the newly installed, comprehensive CRM system. Ultimately, the outcome of the CRM implementation at Mashkin was completely the opposite of what management envisioned with end results of employee confusion, wasted money and lost time.

#### **QUESTION:**

1. Please outline what went wrong for Mashkin and what the company can do now to salvage the situation for its business gains?