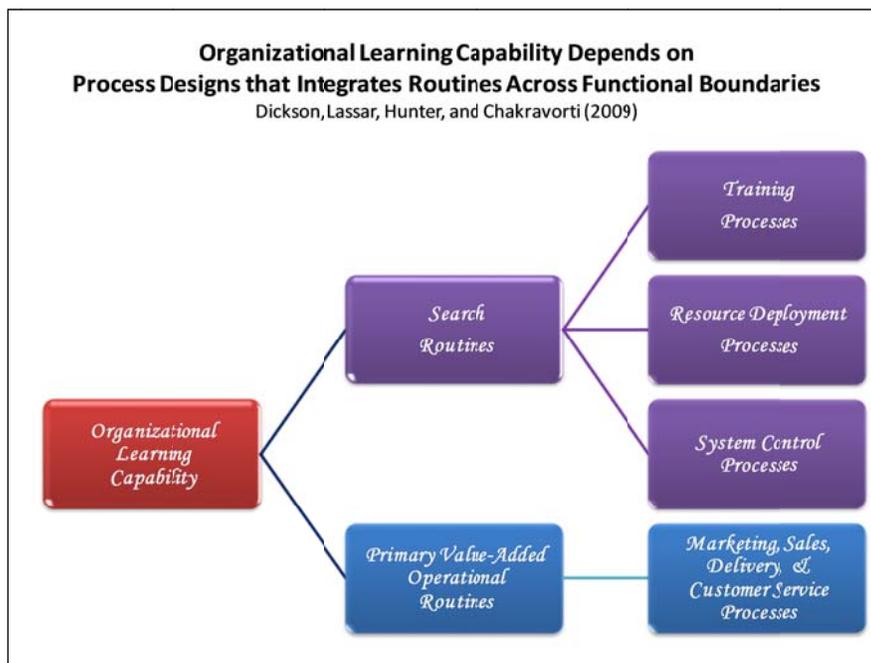


Conceptualizing Process Design: Excellence in Process Thinking and Customer Relationship Management

Admittedly, some executives scarf at the notion that evolutionary economic theory and design thinking could possibly have relevance to the ‘real world’ day-to-day headaches created by their organization’s customer relationship management (CRM) objectives, processes, and tools. That relevance is at the core of a recent lead article in the *Journal of Personal Selling and Sales Management* co-authored by a Weatherhead marketing professor.^[1] And, the authors argue that a firm’s CRM learning capability influences its prospects for long-term survival as markets themselves will winnow out firm with inferior CRM processes.

Effective CRM programs require reconfiguration of the organization and its processes both along the operational processes representing the demand side of the Porter’s (1985) value chain^[2] (marketing, sales, delivery, and service) and up the higher-order management processes of the firm. CRM technology product innovation is still at the early, ‘ferment stage’ of diffusion across the business landscape (e.g. a dominant design has not emerged, although some industries have evolved further than others). Yet, firms in competitive industries cannot wait for less risky investments characteristic of the ensuing ‘incremental stage’ in the CRM product technology evolution. People, processes, and technology are interdependent and leading firms tailor proprietary technologies to fit with their organization’s dynamic search and operational routines.



In this paper, Professor Hunter and his colleagues use selection on selection theory^[3] which builds on evolutionary economics to argue that excellence in CRM process design thinking will likely dictate survival outcomes of the markets’ ongoing selection current and past management which employs superior CRM processing thinking and implementation. Consistent with the figure below, the article advances the logic that successful CRM implementation requires the integration of search routines (training, budgeting and resource deployment, and

system control processes) with operational routines (marketing, sales, delivery, and customer service operational processes).

In addition, the paper argues that search routines are precedent to operational routines (and the reverse occurrence may explain many CRM implementation failures). As noted in related research, effective training positively influences a successful sales-based CRM (sales technology) implementation. The papers advances several other related propositions.

In practice, an optimal CRM capability not only requires excellence in process thinking, but an implementation establishing new thresholds of cross-functional cooperation for most organizations. However, considering the current state of inadequate development of process thinking capability, it's not surprising that so many firms struggle with CRM and sales technology implementations, representing billions of dollars in investments at an aggregate level and millions of dollars of annual investments for large firms in competitive markets.

Many managers are quick to blame technology for the failure, and, in some cases, they may be correct. However, in many cases, managers should attribute part of the blame to their own inadequacies. And, importantly, it's worth noting that business scholars share some blame a role in the ongoing CRM failures as well. In addition to having provided limited guidance through scholarship on how managers can integrate technology with operational processes, ^[4] management education should contribute more to the success of our organizational stakeholders.

As Professor Hunter notes...

“The challenges associated with designing CRM processes and related technology tools provide a contemporary example which highlights the expanding need for better management education related to design thinking—a theme we've adopted and integrated across the our curriculums at the Weatherhead School. We need to do our part in helping executives improve and refine their process thinking skills.”

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2. Porter, M.E. *Competitive Advantage*, 1985, New York: The Free Press.
3. Dickson, P.R, The pigeon breeders' cup: a selection on selection theory of economic evolution. *Journal of Evolutionary Economics*, 2003, 13, 259-280.
4. Hunter, G.K. and W.D. Perreault, Jr., Making sales technology effective. *Journal of Marketing*, 2007. 71(1): p. 16-34.

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