

IBM Case Study

Student's Name

Institutional Affiliation

Date

mycourssetutor.com

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Why did IBM drop Siebel and implement Sugar CRM

The International Business Machines Corporation (IBM) dropped Siebel and implemented Sugar CRM because the latter is open to new technology. The Sugar CRM runs the DB2 database technology and uses the enterprise social networking platform to influence the customers' image of the organization's product. Today, Charoensukmongkol & Sasatanun (2017) affirms that many business organizations are gradually growing aware of the importance of the social media network sites for engaging the potential and existing customers. The emergence of smartphones and tablets, for example, are the new tools that are used by customers to express their opinion on the products and services they receive.

Additionally, IBM had to evolve and keep up with the demands of the customers in the volatile global markets and maintain the competitive advantage. That being said, it was essential for them to implement Sugar CRM because the enterprise social networking platform enabled the sales team to collaborate with all the experts on the complexities they experienced in their business through instant messages and twitter feeds (Charoensukmongkol & Sasatanun, 2017). Even more, Sugar CRM make the predictive analytics tools accessible to all the salespeople and the business managers. As such, their ability to predict trends and purchase the relevant patterns that were needed to optimize sales would be improved in IBM.

Why do you think IBM waited several years before switching to Sugar CRM?

The International Business Machines Corporation (IBM) waited for several years before turning to Sugar CRM because the managers were researching to ensure that the techniques used by the Sugar CRM would fit in IBM's system. As argued by, Al-Hayaly (2015), before the

adoption of new technology, the organizations must ensure that appropriate research and training is conducted to ensure that the change is implemented successfully.

As presented in the case study, the Sugar CRM's system is opened source as such IBM can quickly inspect and change the software code that has been used to accommodate their current and future need. While it is essential, I argue that using a system that is open source, without proper training and preparation, can be dangerous. Reason being, the opportunists within an organization can identify and exploit the programs through hacking because the open source software enables the IT professionals to alter and distribute it (Silberschatz, Galvin, & Gagne, 2014). Even more, the individuals can cause security breaches by exposing the company's sensitive information to the competitors. That being said, it is was essential for IBM to wait for several years before switching to Sugar CRM so that they can identify the appropriate ways that could have been used to mitigate the risks associated with the open source system.

How have the CRM needs of IT software companies changed over time? How do you think they will change in the future?

In the 20th century, the IT experts only needed a notebook and a pen to record the needs of the customers. They spend most of their time using the telephone or conducting face to face meetings. With time, however, individuals increased the use of the desktop computers in their businesses to interact with the customers across the globe. Besides, the business owners, the customers, today, are connected through the use of the laptops and mobile phones. Additionally, the communication patterns have also changed. While previously the salespeople and the customers were connected using calls and emails, today they interact using the social media.

Using the social network sites, the individuals now have the ability to express their opinion everywhere in the world. Therefore, as the customers gain the voice through the social

media, IT software companies can take advantage of crowdsourcing to improve businesses. Whereby, they tap the ideas, expectations and the solutions of the customers. In the future, therefore, I think there will be mobility, and they will be able to connect to the CRM anytime and anywhere in the world. As argued by Al-Hayaly (2015) mobility is essential in the IT software industry because of its ability to create technology trends due to the prevalence of the smartphones.

How are the CRM needs of other industries changing?

Besides the IT industry, the needs of other industries are also changing rapidly due to customer relationship dynamics. The majority of the customers have embraced the social media networks, and they utilize them to engage with the companies and other customers. As opposed to the time when contact centers by the phones and the emails failed to give the right results by failing to respond, today people use the social media to expose their complaints to the public arena (Khodakarami, & Chan, 2014). While the strategy works for the customer, it is a threat to the organization because it damages the brands' image and reputation.

Therefore, businesses cannot remain silent because the negative feedback relayed using the social media sites can reach a potential market, and they can lose the clients. Consequently, they have to respond to the social CRM needs by responding to the customer's concerns and keeping the customers engaged. To add on that, Al-Hayaly (2015), affirms that the companies that are looking to improve the existing customer relationships must pursue strategies which are in line their current and potential customers. As such, they must pay attention to the current technology because it will help them deliver what their customers want.

How do CRM needs of a large corporation like IBM differ from that of small companies?

The CRM needs of a large corporation such as the International Business Machines Corporation are far more sophisticated and complex when compared to that of a small company because they have to integrate their CRM globally. They have to use different languages to address the needs of all the countries they operate and to translate support to all these countries. Further, Charoensukmongkol & Sasatanun (2017) affirms that the CRM needs of large organizations differ from those of small companies due to the I.T and infrastructure used. The small businesses, for example, do not have an I.T support, whereas a large company like IBM has to incur the cost for the development of the CRM system or they can create their private cloud.

Additionally, a large corporation like the International Business Machines Corporation must walk into a CRM meeting with the sales force. They have to conduct a cost analysis and the cost expenditure analysis for approximately three years. However, Al-Hayaly (2015) asserts that these procedures require a lot of cash for the implementation and training of the database administrators to improve their effectiveness in running the programs. Thereby, since the small businesses do not have adequate funds, they adopt a simpler CRM system.

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