

## **Chapter 6**

### **Evaluation**

After company had been implemented the CRM system in the company for 6 month, the evaluation team collect all the data to make the evaluation and present it to the management level about the customer satisfaction, new customer from the CRM system and company profitability. This following chart will show the data before and after the implementation of CRM. The CRM project was implemented since November 2003 and used it since January 2004. The customer satisfaction data is come from the customer survey, customer feedback and customer complaint to the company which company usually collect it every 6 month since 2002. The company profitability data is come from the account department about the profit and loss account of specific department which account department will conclude it every month to the management level.

#### **6.1 CUSTOMER SATISFACTION**

In customer satisfaction, company already had the system to get it from the customer since 2002. In the system, company separates the customer feedback into 2 types. First, this is the unofficial type which is the feedback that customer did not use the official way to communicate with company such as customer complaint on telephone to the customer support, complaint to the responsibility person or even from the transportation team. Second, this is the official feedbacks which come from the customer survey the company usually organize every 3 month or direct from customer in any way.

From figure 6.1, it showed that company can reduce the customer negative feed back from 115 to 84 which are about 26.90%. In other hand figure 6.2 showed that company can reduce the customer complaint from 38 to 30 which are about 21.05%. After the implementation of CRM project since year 2003, company can reduce the customer complaint and customer negative feedback in significant number. However, there are still have customer complaint and customer negative feedback for our company.

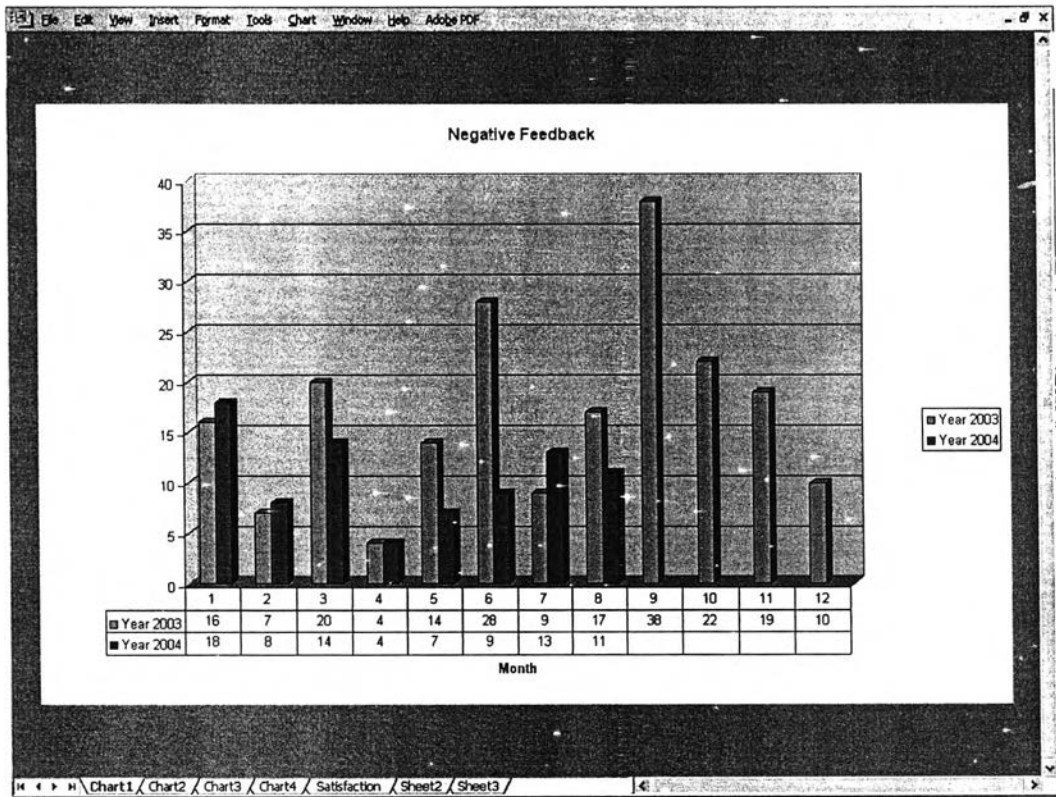


Figure 6.1 Negative Feedback

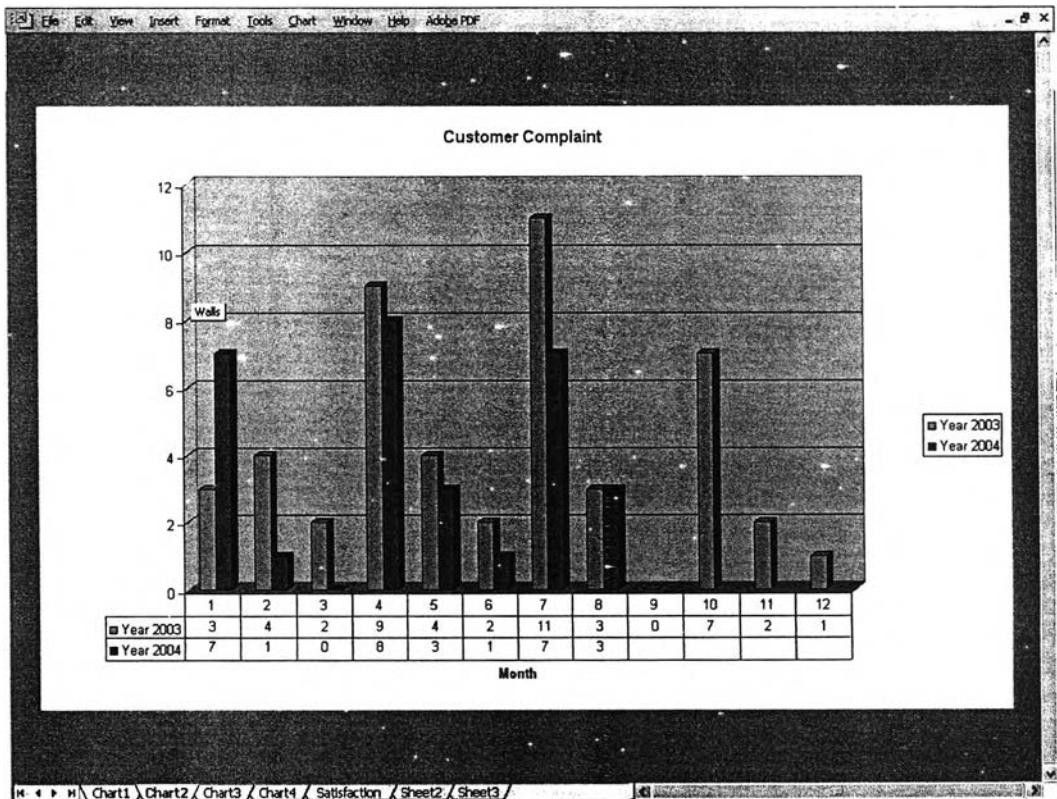


Figure 6.2 Customer complaint

But when company considered to the controllable and uncontrollable problem that occurred, figure 6.3 and 6.4, it showed that company can reduce the controllable problem 113 to 61 which are about 46.01%. Nevertheless, the uncontrollable problem is another problem that company can not control it.

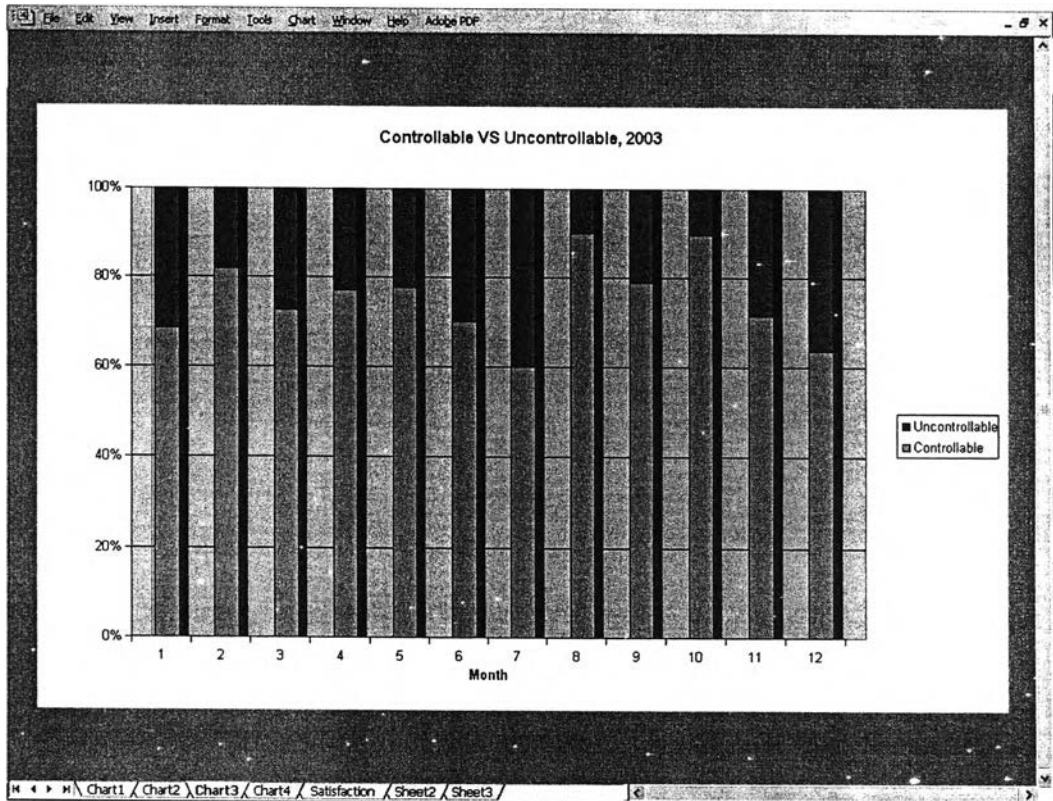


Figure 6.3 Controllable VS Uncontrollable complaints, 2003

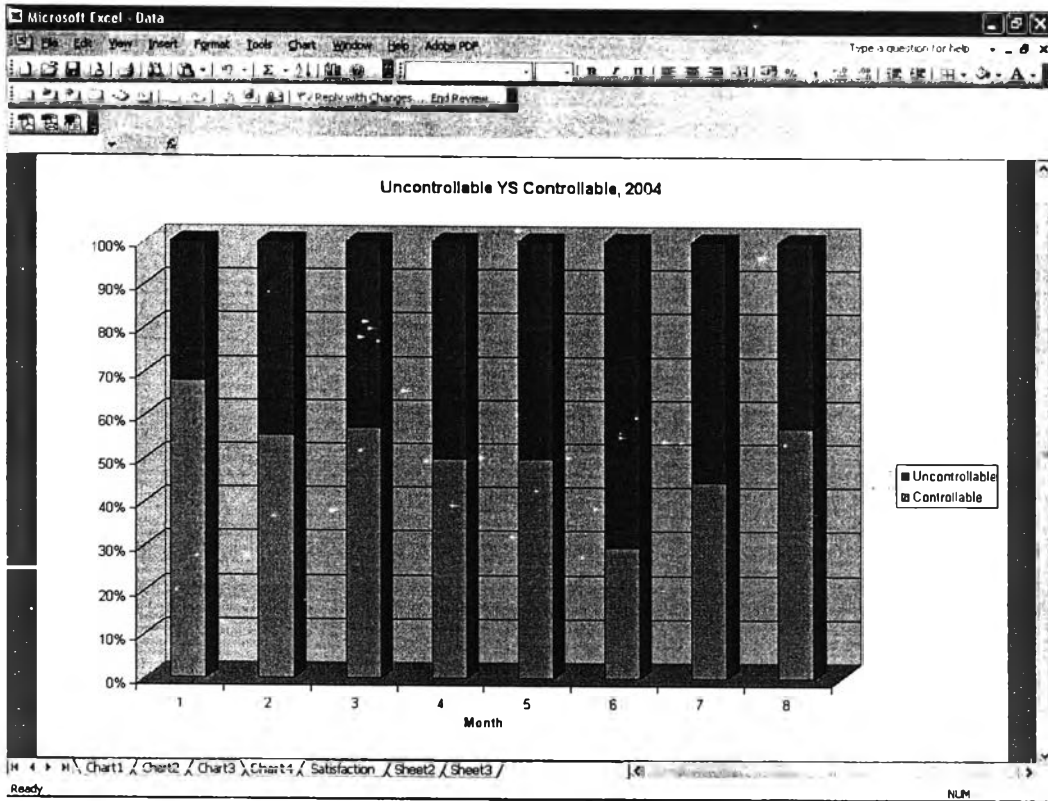


Figure 6.4 Controllable VS Uncontrollable complaints, 2004

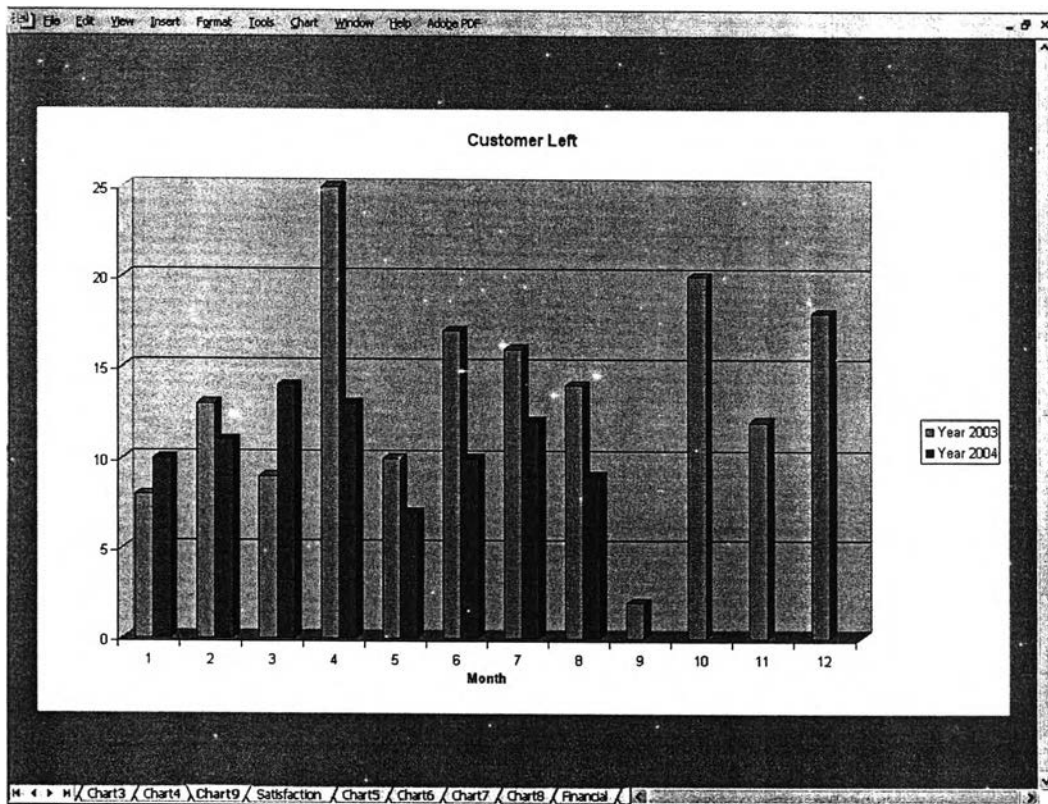


Figure 6.5 Customer left company

From figure 6.5, It show the number of customer who left the company, this number will take from the computer system who did not buy any product and service from us at least 3 months. This figure show that the number of customer left is reduce from 112 customer account to 86 customer account which is about 23.21% when compare before and after implement the CRM system in the company since 2004.

However, the important customer in every member class (gold class, silver class and bronze class) can not measure the exact information until the end of year 2004 but when company evaluate only the first 6 months and forecast for the rest of the year, the information will shown as follow.

- Gold class member will change from 9 to 10
- Silver class member will change from 23 to 30
- Bronze class member will change from 98 to 70

Company found that all the gold class and silver class member still using company product and service regularly and trend to attract more members in this class from bronze class member in the future. This is the measuring tool which can proof the CRM can increase customer loyalty and keep the existing customer with the company as long as possible.

## 6.2 NEW CUSTOMER

In this measurement, company collects the data from new customer which channel that they know and decided to buy the product and service from the company for 6 months since January until August, 2004.

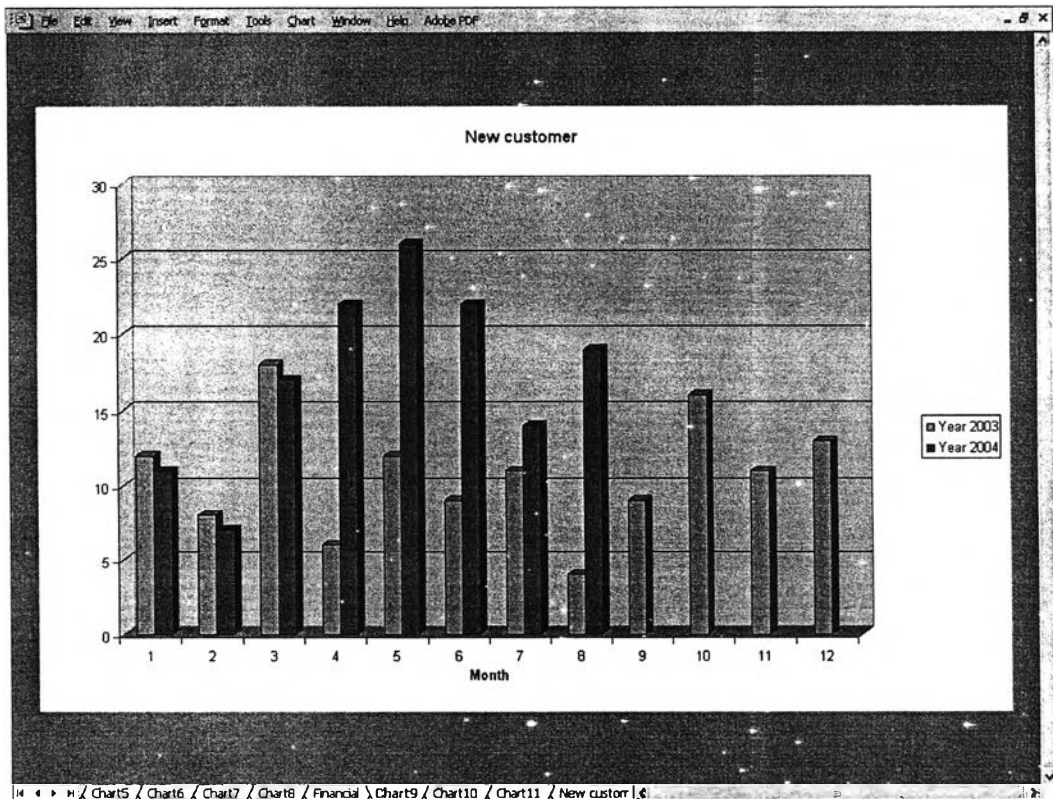


Figure 6.6 New customers

The chart in figure 6.6 will show the number of new customer in year 2003 and year 2004 to compare between before implement CRM and after implement CRM system in the company. The number of new customer in the first 8 month is increase from 80 customers to 138 customers which is about 42%.

The chart in figure 6.7 and 6.8 will show the source of new customer for the company which separate into 4 major categories; CRM, sales force, ad agency and other. It shows the significant impact of CRM. The company can increase new customer from CRM only for 50 new customers and nearly 40% a month of the whole company and expect to have more and more in the future.

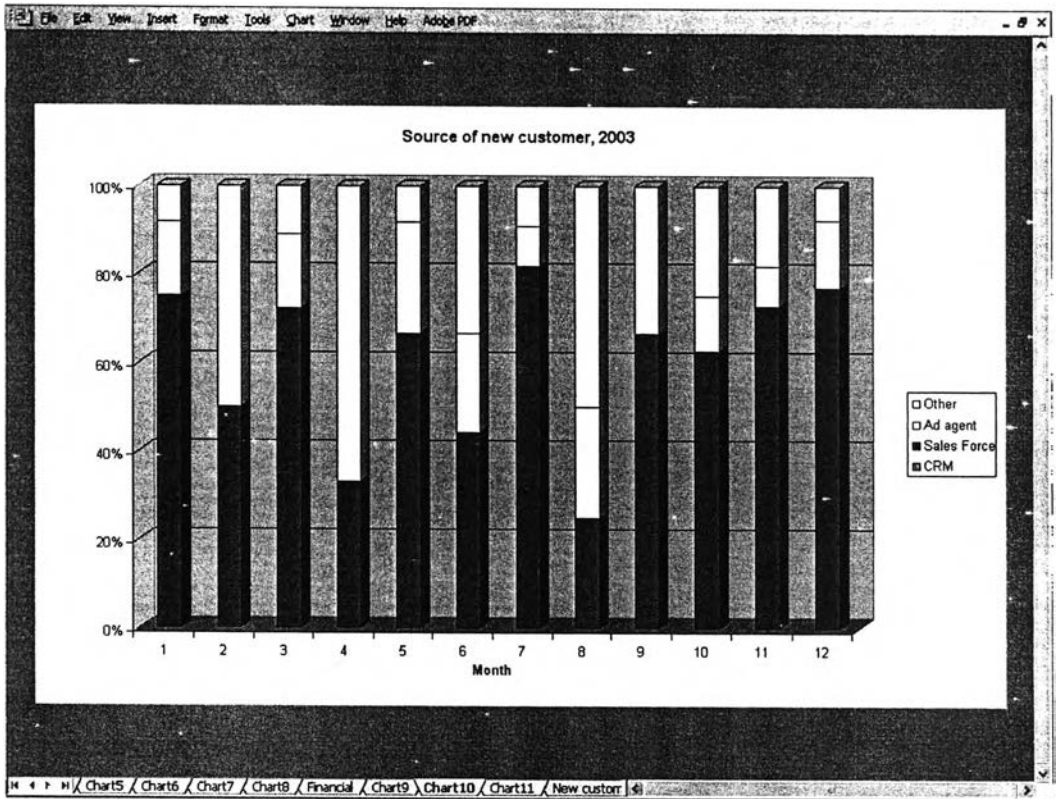


Figure 6.7 Source of new customer year 2003

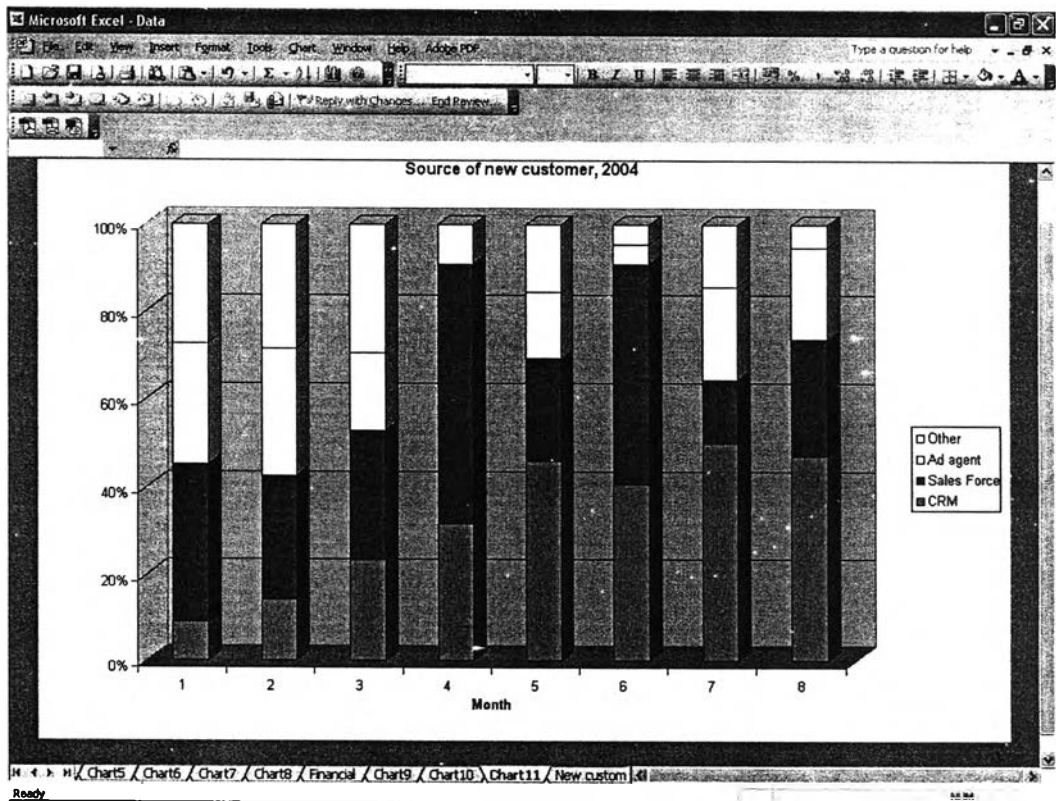


Figure 6.8 Source of new customer year 2004

### 6.3 COMPANY PROFITABILITY

In the financial perspective or company profitability, the project teams get the data from account department to evaluate the performance of CRM by compare the number to before and after implement CRM. The evaluate team want to measure various perspective therefore they select many number to evaluate.

- Company revenue: the revenue of company during year 2003 and year 2004 which is before and after implements the CRM project.
- Company operating expense: this is the number from the operating expense for the whole company during year 2003 and year 2004 in month to moth.
- Operating expense of sales and marketing department: this is the number from the operating cost of sales and marketing department.
- Unnecessary cost: this is the cost of rework or any mistake in the process. Company had been measures this number since 2002 to evaluate the employee performance from any error during the process. This cost is collected by account department whenever the mistake is occurring.

From the above measurement, company can evaluate the performance before and after implement the CRM project and present to the management level to evaluate the ROI for the company.



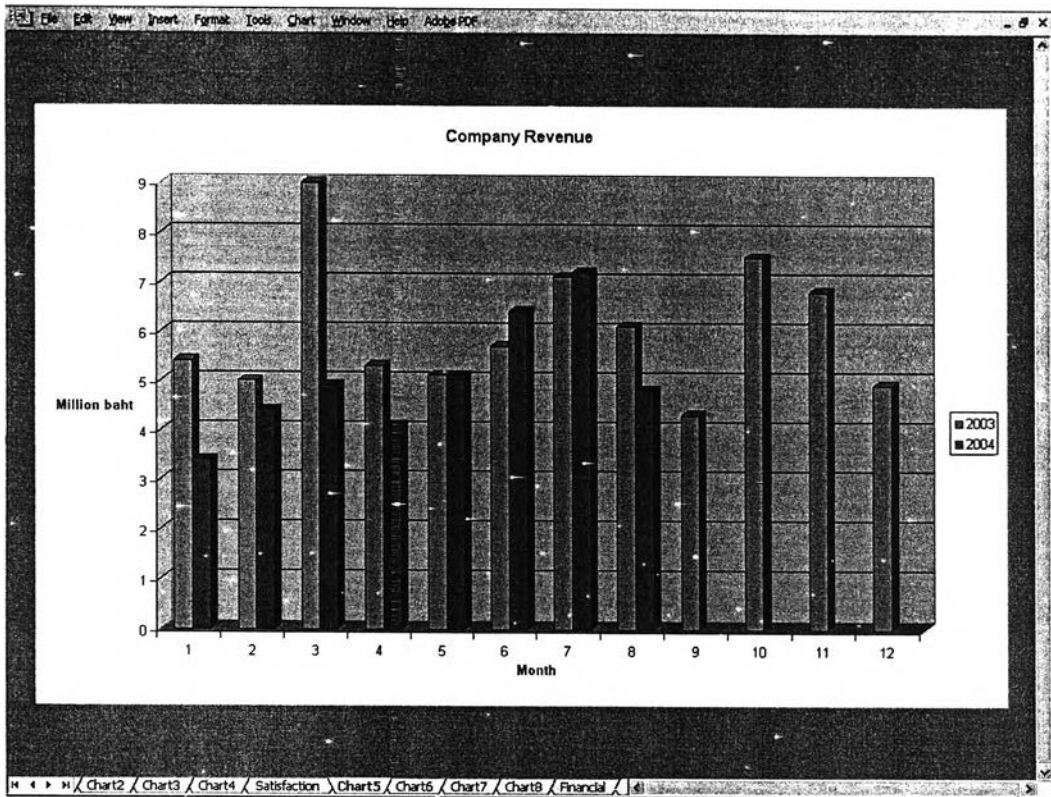


Figure 6.9 Company Revenue

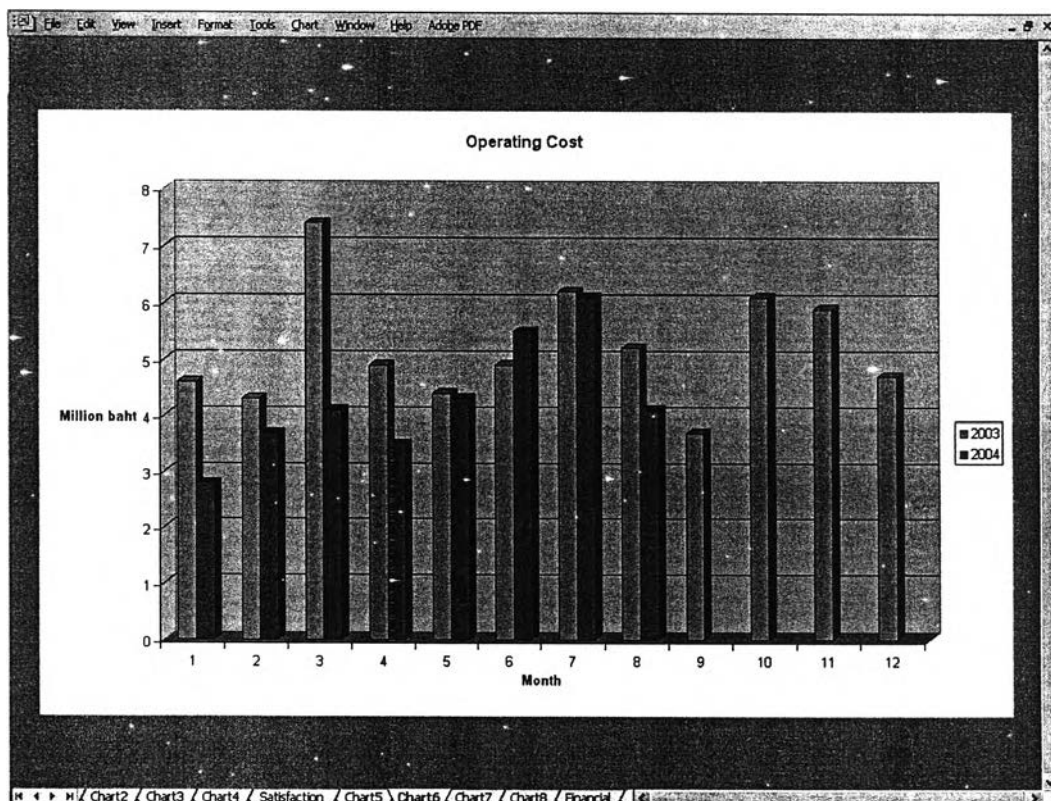


Figure 6.10 Company operating cost

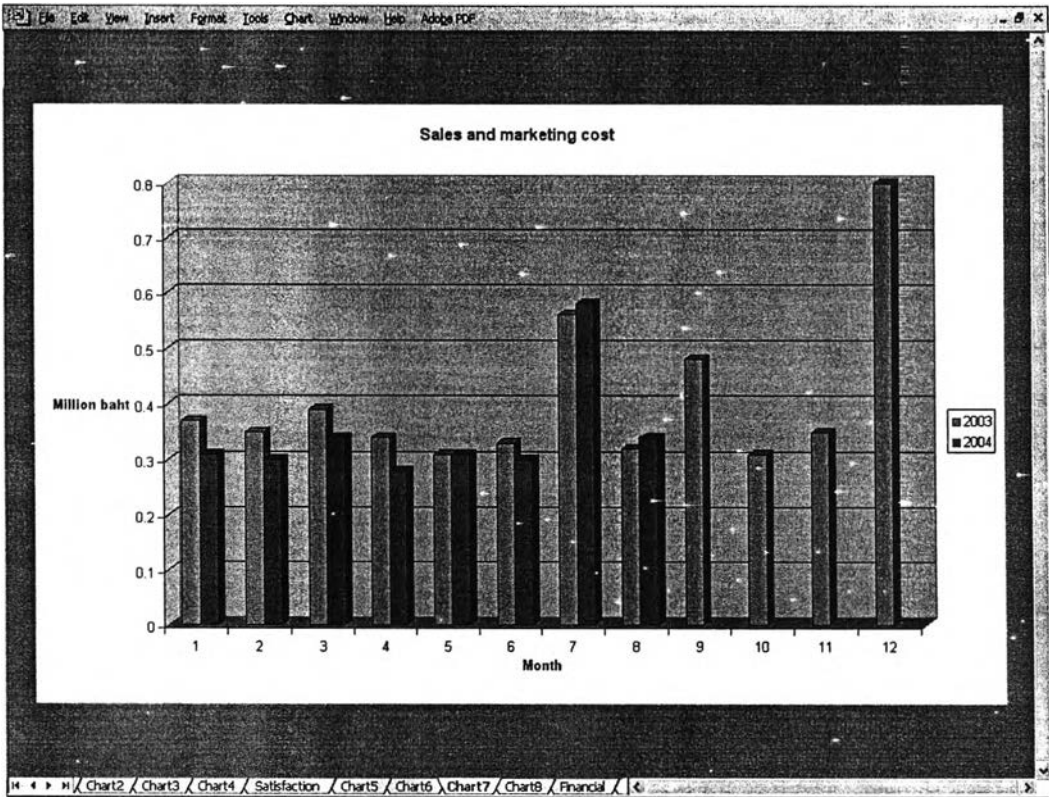


Figure 6.11 Company sales and marketing operating cost

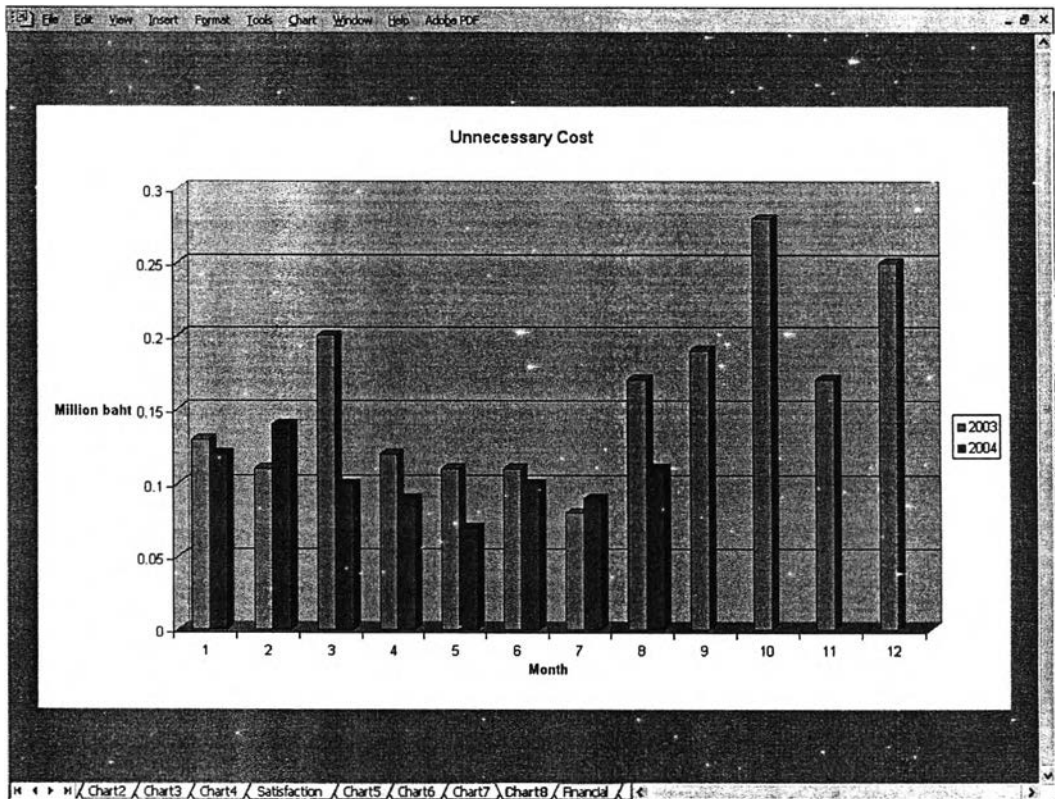


Figure 6.12 Company unnecessary cost

From figure 6.9, the chart show that company do not make more revenue when compare from 2003 and 2004 but it reduce from 48.7 million baht to 40.3 million baht which is about 17.25%. However, the significant different is in March 2003 because at that time company got the order from the chemical plant project at about 5 million baht which is one time purchase. Therefore, when company do not consider this project, company also found that the revenue reduce from 43.7 million baht to 40.3 million baht. The reason of this reduce is come from the normal class customer who left company at about 25 contacts due to the end of year 2003 company had 4 sales engineer resign and then went to work for the competitor with company's customer. However, in the value customers who gain the gold class and silver class service did not change to the competitor. The main reason for that is the executive service that company use since the beginning of the year.

From figure 6.10, the chart shows the operating cost reduce from 41.9 million baht to 34.1 million baht which is about 18.61%. The main reason for this reduction is come from fewer products cost due to less revenue in 2004.

From figure 6.11, the chart shows the operating cost from the sales and marketing department reduce from 2.97 million baht to 2.76 million baht which is about 7.07%. In order to follow the CRM approach, the first and second quarter, UT marketing decided to reduce the marketing activity which is underperforming and not worth for the investment cost. However, in the third quarter, the marketing team decided to invest more money to another marketing activity to gain the competitive advantage in the future. Therefore, the CRM project can help company to save money at about 0.21 million baht and use this resource to improve the performance of marketing activity to use the resource in the significant growth potential business.

From figure 6.12, the chart shows the unnecessary reduce from 1.03 million baht to 0.82 million baht which is about 20.38%. However, when the company consider from March to August, the cost reduce from 0.79 million baht to 0.56 million baht which is almost 30%. This figure can show the significant financial benefit from the CRM project especially when the CRM system is completely install and user more familiar with the system. And the company expect the rest of year 2004, it will help the company to reduce this cost from 0.89 million baht to 0.5 million as well.