

The role of knowledge management in eBusiness and customer relationship management

7. CRITICAL SUCCESS FACTORS

There are various factors critical to the success of knowledge management, eBusiness and customer relationship management.

7.1. Knowledge management

7.1.1. Formulating a knowledge management strategy

A knowledge management strategy is crucial to the success of a knowledge management programme (Ernst & Young, 1999c; KPMG Consulting, 2000; Parlbay & Taylor, 2000; Yu, 2000).

The literature indicates that the knowledge management strategy should address a variety of issues:

- Firstly, the creation of understanding of the organisation's knowledge resources should be addressed. This will allow the organisation to set up a knowledge management agenda through which knowledge can be leveraged optimally. Assessing knowledge resources leads to shaping of a knowledge agenda to achieve sustainable results in alignment with the business strategy. The agenda determines how the organisation must leverage the knowledge to achieve breakthrough results. Agenda goals may include creating innovative customer experiences, or developing new business models through knowledge exchange with business partners and customers. It is essential to have an integrated view of the organisation's strategy, people, leadership, process, technology and metrics if positive results are to be attained. A knowledge agenda is critical to achieve desired outcomes, mobilising the organisation and establishing critical performance measures (Yu, 2000). Ernst & Young (1999c) agrees that it is essential to create a blueprint of knowledge within the organisation. This is essential in understanding how knowledge can enhance and enable specific processes in the organisation.
- Secondly, the knowledge management strategy needs to articulate the role that knowledge will play in creating value for the organisation. The vision also needs to consider resource availability (people and financing), as this conditions the implementation approach (Havens & Knapp, 1999).
- The strategy should comprise of a number of integrated projects, phased in over time. These initiatives should include quick wins as well as long-term benefits (Parlbay & Taylor, 2000). The knowledge management strategy should clearly link to business objectives and encompass a vision of short term and long-term initiatives and benefits. The authors also state that a knowledge management

The role of knowledge management in eBusiness and customer relationship management

strategy is executed as a process, not a project. The researcher agrees, as knowledge management is not a static activity, but ongoing.

- The knowledge management strategy should also indicate the risks associated with a knowledge management program in a specific organisation (Caldwell, 1999).

The researcher is of the opinion that the knowledge management strategy should contain the vision, mission and objectives of the knowledge management program. It should also contain a value proposition, critical success factors and risks. All of these must be presented within the organisational context and its specific issues, to ensure that the knowledge management strategy is tied to the business strategy.

7.1.2. Linking knowledge management strategy to the business strategy

It is critical that the knowledge management strategy is tied to the business strategy. Knowledge management should never be implemented as an end in itself (Chait, 1999; Donaghue, Harris & Weitzman, 1999; Parlbay & Taylor, 2000; PricewaterhouseCoopers, 1999g, p.7; Stadler, 2001). "KM programs succeed when knowledge capital is employed to accomplish specific business strategies. We know of no successful KM programs not tied to a specific business strategy or goal" (PricewaterhouseCoopers, 1999g, p.7). Chait (1999) indicates the importance of this linkage by indicating that in many ways, managing knowledge is no different from managing other aspects of an organisation: firstly, there must be a vision that links with the organisation's objectives and strategies, second, people must be aligned with that vision, and third, the alignment must be from the top down and all across the organisation.

Donaghue, Harris & Weitzman (1999) and Mullin (1996) feel that it is critical for a knowledge management program to be based on an organisation's processes and activities to ensure that knowledge is optimised to build the critical capabilities of the organisation. The researcher agrees with these authors, as tying the knowledge management program to an organisation's business processes will ensure that the programme is oriented towards achieving efficiency improvements within core and enabling processes through more effective and efficient use of knowledge, thus assisting in achieving the objectives of the business strategy. Business processes are always tied to the organisation's business strategy, making them a logical starting point for a knowledge management strategy and programme and thus ensuring that the knowledge management strategy supports the business strategy and does not exist in isolation.

The role of knowledge management in eBusiness and customer relationship management

7.1.3. Knowledge management is a holistic approach

Knowledge management is a multi-faceted approach, comprising many organisational elements like technology, human resources practices, organisational structure and culture (Donaghue, Harris & Weitzman, 1999; Havens & Knapp, 1999; Parlbly & Taylor, 2000; O'Dell & Grayson, 1999). O'Dell & Grayson (1999) and Parlbly & Taylor (2000) state that it is essential to align culture, technology, infrastructure and measurement.

"It is clear that the solutions have to be a mix of cultural, organisational, process, management and technology initiatives. The challenge is to select and combine the methods and approaches available, and harness them to address the organisation's business needs" (Parlbly & Taylor, 2000).

The researcher agrees that knowledge management consists of a number of elements, namely people, processes, culture and technology, each of which carries importance for the implementation of knowledge management. They are all fundamentals of the concept and one cannot operate optimally without the other, hence the statement that it is critical that knowledge management is a holistic approach.

7.1.4. Business case / value proposition

The knowledge management program has to have a business case and value proposition (KPMG Consulting, 2000; O'Dell & Grayson, 1999; PricewaterhouseCoopers, 1999a; PricewaterhouseCoopers, 1999g, p.8). Users must be able to see what is in it for them to participate in the knowledge management programme (KPMG Consulting, 2000). The researcher strongly agrees with this opinion. Knowledge management has to add value to staff's everyday working environment to encourage participation.

"KM benefits the enterprise when it also benefits users; conversely, if either the enterprise or the KM users fail to receive value, the KM program fails. Successful enterprises emphasise and ensure this duality in the KM value proposition" (PricewaterhouseCoopers, 1999g, p.8).

7.1.5. Top management support

Top management support is essential for successful knowledge management. Leaders have to share a vision on knowledge management and provide such a program with ongoing support. Leaders have to be continually briefed on the knowledge management program and what it entails, and how it is going to achieve the agreed knowledge management vision, and they have to lead by example (Chait, 1999; Greco, 1999; Havens & Knapp, 1999; KPMG

The role of knowledge management in eBusiness and customer relationship management

Consulting, 2000; Martiny, 1998; Mudge, 1999; O'Dell & Grayson, 1999; Parlby & Taylor, 2000; PricewaterhouseCoopers, 1999a; PricewaterhouseCoopers, 1999g, p.8; Torres, 1999).

O'Dell & Grayson (1999), Havens & Knapp (1999) and Martiny (1998) add that in addition to top management support, knowledge management champions or sponsors have to be identified throughout the organisation to be evangelists and role models within the program. PricewaterhouseCoopers (1999g, p.8) is of the opinion that the higher the level of sponsorship, the greater the chances of success for the program.

The researcher is of the opinion that top management is crucial. Top management support of knowledge management will enforce the message that knowledge management is linked to the execution of the business strategy. It is, however, important to ensure that top management understands what knowledge management is about and what benefits it will bring to the organisation. The researcher has been involved in cases where top management initiated a knowledge management programme, without fully realising what they were asking for and what it would entail. It was disastrous for the program, as top management support was lessened throughout the process due to the fact that they were getting a solution totally different from what they expected. This was due to the fact that they could not verbalize their requirements at the outset of the programme. Communication about the deliverables of such a program to top management from the start is very important to ensure that this scenario is avoided.

7.1.6. Incentives and rewards

Rewards and incentives are crucial to the success of knowledge management. It creates a climate of co-operation, learning and innovation (Ernst & Young, 1999c; Greco, 1999; Havens & Knapp, 1999; KPMG Consulting, 2000; O'Dell & Grayson, 1999; Parlby & Taylor, 2000; PricewaterhouseCoopers 1999a; PricewaterhouseCoopers, 1999g, p.8; Reiss, 1999). Ernst & Young (1999c) indicates that incentives and rewards are crucial to knowledge management. They are of the opinion that incentives and rewards create and support positive behaviours. They also point out that in organisations these incentives and rewards have been successfully tied to salaries and bonuses. Greco (1999) as well as Parlby & Taylor (2000) suggest that knowledge creation, sharing, harvesting and leveraging can be encouraged by tying it to job evaluations and performance measurement. In general, recognition for participation is essential. Some organisations are wary of monetary rewards, and rather embed knowledge management activities as a cultural norm that has its own intrinsic value. Whatever the nature and structure of the program, it is imperative that it is visible within the organisation (Ernst & Young, 1999c).

The role of knowledge management in eBusiness and customer relationship management

The researcher is of the opinion that incentives and rewards are crucial to the success of a knowledge management programme. In a knowledge-based society, people see knowledge on a particular subject as a competitive advantage, and it would therefore be contrary to their nature to share this knowledge without some sort of incentive. In most organisations, a culture of knowledge hoarding, or "knowledge is power" prevails. The researcher is also of the opinion that the reward and incentive system for knowledge management should consist of push and pull rewards, e.g. rewarding people as part of their performance appraisals according to participation in the program (push) and incentivising people to use the knowledge base to provide a platform for their innovative ideas, i.e. providing them and their ideas with visibility in the organisation (pull).

7.1.7. Performance measurement

Measurement of the knowledge management program as well as the resulting efficiencies attained in processes and practices need to be measured (Ernst & Young, 1999c; Greco, 1999; Havens & Knapp, 1999; KPMG Consulting, 2000; Lessons learned on the knowledge highways and byways, 1996; O'Dell & Grayson, 1999; Parlbly & Taylor, 2000; PricewaterhouseCoopers, 1999a, Torres, 1999). Ernst & Young (1999c) indicates that the performance of the overall initiative needs to be measured, as well as the management of the knowledge itself. The performance measurement may include reviews of the knowledge repository and giving visible rewards to those who show commitment to the knowledge management program. Hewlett Packard has, for example, set up a micro-economy in which the currency is knowledge. When a report is posted on the intranet, its "success" as a valuable piece of knowledge is measured by the number of people who pay a small fee (which goes back to the department of the sender) to download it (Greco, 1999).

The researcher is of the opinion that knowledge management impact has to be measured to enable tracking of successes and failures. Knowledge management is also not a static activity and grows with the organisation as it changes, and therefore impact should be continuously assessed to ensure that knowledge management is keeping up with current needs in the business. The researcher has been involved with organisations that measure their knowledge management systems' success on the number of entries made into repositories, as well as the number of times a knowledge repository or a specific document was accessed. They also do periodic qualitative reviews through use of surveys and questionnaires.

7.1.8. Creating a knowledge creating and sharing culture

Cultural realities in an organisation need to be taken into account when implementing knowledge management. An example may be an organisation where success is measured

The role of knowledge management in eBusiness and customer relationship management

according to billable hours, which leaves little room for knowledge management. The culture is thus oriented towards billing, and knowledge management is not seen as important to the business. This will need to be taken into account when trying to implement knowledge management. The culture in such a situation dictates that knowledge management takes a back seat. This culture will have to be addressed in the knowledge management implementation plan, or else a tremendous amount of difficulty will be experienced.

Once these cultural realities have been identified, a vision needs to be formulated encompassing the need to succeed despite these realities as well as the fact that managing knowledge will help the organisation to achieve its goals (Chait, 1999). It is imperative to link knowledge management to culture and values (Chait, 1999; Donaghue, Harris & Weitzman, 1999; Greco, 1999; Havens & Knapp, 1999; Martiny, 1998; Mullin, 1996; O'Dell & Grayson, 1999; Parlbly & Taylor, 2000; PricewaterhouseCoopers, 1999g, p.8; Vernon, 1999).

If culture is not understood and managed together with implementation of systems, behaviours will be slow to change. O'Dell & Grayson (1999) explain that people and culture are keys to knowledge transfer for two reasons. The first is that learning and knowledge sharing are social activities taking place amongst people. The second is that these practices are complex, rich and embedded in context. Effective knowledge management requires creating a supportive, collaborative culture and eliminating traditional rivalries. Elements of such a culture include believing people want to share knowledge, preparing to lead by doing, relying on the forces of democracy and capitalism, developing collaborative relationships, instilling personal responsibilities for knowledge creation and sharing, and creating a collective sense of purpose. Knowledge management should focus on reshaping the attitudes and behaviours of people so that they can ensure the ready availability and resolute application of both personal and institutional knowledge (Havens & Knapp, 1999).

Moving to a culture that values and encourages innovation, openness, teamwork and knowledge sharing, requires leadership, as well as changes in relationships, organisational structures and the office environment. Management must consider what needs to be done to effect this change. Sustainable cultural change takes time, but useful initiatives can be kicked off quite quickly (Parlbly & Taylor, 2000).

"KM programs depend on cultural and behavioural change, which occur more slowly than business process change...Enterprises with a viable strategy, adequate funding and KM specific skills can implement KM support with minimal difficulty. However, this only lays a foundation on which culture and behaviours can evolve – the real effort and risk in KM is building participation in and reliance on KM by people (experts, users, and their managers). The initial work to implement KM support may be as short as three to six months, but culture

The role of knowledge management in eBusiness and customer relationship management

and behaviour may take multiple years to reach an optimum state" (PricewaterhouseCoopers, 1999g, p.8).

7.1.9. Change management and communication

Ernst & Young (1999c) and KPMG Consulting (2000) identify effective change management throughout the business as critical to the success of knowledge management.

Employees have to understand that their own knowledge and their working environment will be improved by knowledge management, and that their potential for success as well as the organisation's potential for success will be greatly enhanced by knowledge management. If this message is not communicated adequately, the knowledge management initiative may fail. Communication is a key factor (Ernst & Young, 1999c; KPMG Consulting, 2000; PricewaterhouseCoopers, 1999a; PricewaterhouseCoopers, 1999g, p.8). Advocates must drive awareness campaigns to market the goals of the knowledge management programme to influence cultural change. Change management is essential to effect cultural change, which has been identified as crucial for knowledge management in the section above.

7.1.10. Knowledge management must be seen as a way of working

Davenport (1999), KPMG Consulting (2000), Parby & Taylor (2000) and Martiny (1998) state that knowledge management has to be a part of the fabric of the work to import knowledge when it is needed and export it to the rest of the organisation when it is created or acquired.

"...the only way that knowledge activities will be part of the fabric of the job is to design the job from scratch, putting knowledge in and taking out activities that are no longer seen as critical. The tricky thing, however, is that knowledge workers don't really like other people telling them how to do their jobs. Autonomy is a key objective of many knowledge workers; it's one of the main reasons they work so hard to become one. So redesigning work can't be like re-engineering – top down research doesn't cut it" (Davenport, 1999).

According to Martiny (1998) and Mudge (1999), this new way of working needs to be embedded in the overall business strategy and organisational design to ensure that it supports the overall business goals. KPMG Consulting (2000), Martiny (1998) and Mudge (1999) emphasise that allotting time to create, share, harvest and leverage knowledge is essential in this new way of working. According to the researcher this time should be seen as equally valuable to time spent on selling and / or delivering products and services, as it improves the efficiency and effectiveness of the organisation.

The role of knowledge management in eBusiness and customer relationship management

Knowledge is an integral part of an organisation's business processes. It is therefore crucial to manage the knowledge associated with these processes as and when they are executed. This new way of working requires a mindset change according to the researcher. Staff needs to realise that knowledge management is everyone's responsibility. It can only be done effectively by those working with the knowledge in specific contexts. It can never be managed by administrators alone, as the context of the knowledge will be lost, rendering it much less valuable. It is therefore important for staff members to realise that they have to make time for managing knowledge as they would for managing any other organisational asset.

7.1.11. Appointment of dedicated staff and leadership

Knowledge management should be the responsibility of dedicated staff with a leader. If this does not happen, the program never gets the attention it deserves (KPMG Consulting, 2000; Reiss, 1999; Research Institute of America Inc, 1999). KPMG Consulting (2000) also suggests creating knowledge centres with dedicated staff to ensure consistent management of knowledge. Earl & Scott (1999) suggests the appointment of a Chief Knowledge Officer (CKO).

The researcher is of the opinion that the knowledge management function should be the responsibility of dedicated people. If this does not happen, it always takes a back seat compared to other "more crucial" business matters. Knowledge can also be managed in a more structured fashion if done by people who focus on it everyday. In large to medium sized organisations, the knowledge management leader should have a high standing in the organisation to ensure that he or she has enough power to implement knowledge management successfully. In smaller organisations the level that the person is appointed on will not make such a huge difference, but it is important that the person is visible in the organisation and that he or she is supported by top management.

7.1.12. Managing knowledge throughout its lifecycle

Knowledge repositories have a lifecycle that need to be managed. Once created, knowledge repositories tend to grow, reaching a point where they become ineffective due to their sheer size. They then require reorganisation. This reorganisation requires deleting obsolete content and reorganizing what remains. Topic areas may become fragmented and redundant. Reorganising assumes the elimination of these redundancies by restructuring categories as needed. Successful knowledge management organisations proactively manage and reorganise their repositories on an ongoing basis rather than waiting for decline to start before acting. Content needs to be evaluated in terms of volatility of content as well as context (Chait, 1999; O'Dell & Grayson, 1999; Reiss, 1999).

The role of knowledge management in eBusiness and customer relationship management

Content must be reviewed in terms of its applicability. This means that knowledge in the knowledge management system needs to be revised, updated and purged to align knowledge to the organisational strategy (PricewaterhouseCoopers, 1999k, p.16).

7.1.13. Defining criteria for selected content

Organisations need to set guidelines of what knowledge should be made managed within the organisation to minimise knowledge overload.

Havens & Knapp (1999) state that ensuring the availability of high quality, relevant content is a huge job. It involves understanding the specific content needed, where and how it can be made available, and ensuring it is collected. An integrated view of knowledge assets should be maintained, not one that is fragmented by geography or lines of business. Knowledge elements have to be identified at the outset of a knowledge management implementation. The knowledge elements have to be tied to the contexts that they are used in as well as the individuals using them (Chait, 1999).

Organisations must identify what knowledge they need and what knowledge they have. They must be able to identify the gaps between what they have and what they need (Parlby & Taylor, 2000).

Measures should be set up to identify what is deemed as valuable knowledge that merits knowledge sharing and what isn't valuable knowledge (Greco, 1999; Yu, 2000). Not all knowledge is equally valuable to the business – the focus should be on knowledge that is critical to the business (Greco, 1999; Martiny, 1998; Mullin, 1996).

PricewaterhouseCoopers (1999a), PricewaterhouseCoopers (1999k, p.16), Parlby & Taylor (2000) and Yu (2000) specify that it is important to include knowledge not only pertinent to the organisation itself, but also to its environment, e.g. industry knowledge.

7.1.14. Explicit and tacit knowledge

Knowledge management programs must make tacit and explicit knowledge management possible, as both types of knowledge adds value to the organisation (Hargaddon & Sutton, 2000; KPMG Consulting, 2000). It must allow for discussion groups and links to experts, as well as knowledge embedded in documents (Hargaddon & Sutton, 2000). "The people who designed knowledge management systems for Andersen Consulting and McKinsey originally thought reports, PowerPoint presentations and lists of best practice would be sufficient. They supposed that consultants would be able to solve problems just by reading through

The role of knowledge management in eBusiness and customer relationship management

databases. But consultants have found that those systems are most useful as annotated yellow pages, helping them find out whom to talk to about how the knowledge was really used and might be used again" (Hargaddon & Sutton, 2000).

According to the researcher too much emphasis is currently placed on explicit knowledge.

7.1.15. Structuring of the knowledge base

According to O'Dell & Grayson (1999), structuring of knowledge is critical to the success of a knowledge management program. "For knowledge repositories to be meaningful, their structure must reflect the structure of shared mental models or contextual knowledge tacitly held by the organisation. In most organisations, those structures are neither well defined nor widely shared. Yet their explication is essential for effectively managing explicitly encoded organisational knowledge. This requires that a firm defines what a knowledge unit means and how to meaningfully index and categorise a collection of knowledge units for ease of access, retrieval, exchange, and integration".

Knowledge structures lead to easier navigation, organisation and retrieval of knowledge. The researcher is of the opinion that these structures should be very flexible and must be able to adapt as the business environment changes.

7.1.16. Knowledge management processes, policies and procedures

Knowledge management processes, policies and procedures are crucial for any knowledge management program (Greco, 1999; KPMG Consulting, 2000; Martiny, 1998; Parly & Taylor, 2000; Reiss, 1999). Processes can be subdivided into two areas of importance, namely knowledge management processes and knowledge management roles. It is critical to understand how knowledge is captured, evaluated, cleansed, stored, provided and used, and how the organisation can improve these processes in alignment with the knowledge management vision. Roles have to be created to perform the knowledge management processes (Chait, 1999).

According to the researcher, establishing processes relevant to all phases of the knowledge management lifecycle is very important, e.g. processes to create knowledge, processes to share knowledge and processes to harvest knowledge from either people or external sources. As stated before, knowledge management is a holistic solution comprising of processes, technology, culture and organisational structure. If any of these elements are not attended to, the knowledge management program will fail. This is particularly true in the case of knowledge management processes. If an organisation, for example, has a very sophisticated

The role of knowledge management in eBusiness and customer relationship management

technology based system, but there are no processes in place to manage the content in the system, the programme will fail, as the content may become outdated, the quality may not be up to standard, etc. Processes provide structure and standards to the knowledge management program and ensure that roles and responsibilities are clearly defined.

7.1.17. Infrastructure management

Technology is a critical enabler for knowledge management. It ensures quick and efficient accessibility and availability of knowledge, as well as the manipulation thereof. It assists in facilitating the knowledge management lifecycle (Parlby & Taylor, 2000). It is crucial for any knowledge management program to include infrastructure management – this does not only include technology, but also training and support (Chait, 1999; Greco, 1999; KPMG Consulting, 2000; Parlby & Taylor, 2000; Reiss, 1999). It is important that technical problems are sorted out prior to implementation and that adequate support measures are in place (KPMG Consulting, 2000).

In terms of support, the researcher is of the opinion that a knowledge centre with dedicated staff members needs to be set up to assist staff in utilising the knowledge management system and to enable staff to find the knowledge they require. Nearly all of the major management consultancies have knowledge centres. PricewaterhouseCoopers, for example, has a number of these knowledge centres globally. They are interlinked with one another and provide the same services to staff irrespective of location, including solving enquiries, doing secondary research, locating experts, and quality assurance of knowledge bases. The centres operate on a 24-hour basis through the linkage of three major centres in three different time zones. These three centres can be utilised by staff members of any country. The knowledge centres are staffed by generalist knowledge managers, as well as functional or industry specialists sponsored by the business to work in the knowledge centres for a specific period of time, e.g. one year. With their specific expertise, it is easier to manage the knowledge in a more effective way.

7.1.18. Training

Knowledge management training and awareness workshops are essential (KPMG Consulting, 2000). The researcher is of the opinion that it is very important that staff understand the philosophy behind the development of a knowledge management programme. They have to have an in-depth understanding of how the programme works, as well as in-depth training on the technology based system, to enable successful participation in the programme. As knowledge management programmes are not static and keeps evolving over time, training

The role of knowledge management in eBusiness and customer relationship management

updates may be required in addition to the initial training to ensure that people are aware of changes made and understand how these changes impact the system.

7.2. eBusiness

Reilly (1999) gives the following overview of factors critical to the success of an eBusiness: "So what are these successful eBusinesses doing differently? Such eBusinesses no longer evaluate their successes based on what their traditional competitors have already done, and they do not remain committed to business processes that may work well for their traditional channels, but are of little value to an eBusiness. Successful eBusinesses are not wedded to old processes or products and are willing to re-evaluate and reinvent the value chain. Inherent in a competitive advantaged eBusiness is the concept of adding customer perceived value to interenterprise processes through the application of eBusiness tools and techniques. To add customer perceived value to products and services, suppliers must understand their customers' value systems, and customers must have an awareness of what would be possible if they had full access to supplier capabilities. The development of a competitive advantaged eBusiness requires in-depth knowledge of the customer base and the processes that affect it. In short, business partners need to engage in strategy sessions that yield a conceptualisation of possible innovations that can create value as a result of eBusiness. In some cases, suppliers may even find that they need to join forces with competitors to offer compelling products and services to their shared customers".

7.2.1. eBusiness strategy

The success of eBusiness initiatives is directly affected by the company's ability to develop a strategic plan and to work at that plan. Even in the infancy of eBusiness, a company's strategic plan can make or break the company if channel conflicts occur. The strategic plan must identify the major eBusiness growth initiatives for all areas of the company (Deise et al, 2000, p.164; Stewart, 1998; Stewart, 2000). The eBusiness vision and strategy are very important and demand continuous leadership focus (Deise et al, 2000, p.37).

While it is imperative to have a business strategy directing overall activities, a five-year planning horizon typical of traditional strategic plans is no longer feasible. Due to changes in the business environment brought about by the Internet, the pace of business change has reached a point where no more than 24 months is reasonable for a plan. Beyond 24 months, it is reasonable to assume that the business environment will be sufficiently different that a new strategy will be required. In addition, the speed of strategy implementation will increase. A strategy that requires more than 12 months to execute is also unlikely to succeed (Frick & Lill, 2000).

The role of knowledge management in eBusiness and customer relationship management

7.2.2. Linking of eBusiness strategy to general business strategy

eBusiness initiative objectives must be linked to critical business issues and business objectives before starting, to ensure that the eBusiness strategy is not in conflict with the generic business strategy (PricewaterhouseCoopers, 2000d).

Executives are often pushed for the rapid development of an eBusiness strategy. In many cases, it is driven by a desire for speedy reaction to the new economy and rapid introduction of eBusiness. There is an implicit assumption that developing a full business strategy is cumbersome and time consuming, and therefore waiting for a business strategy to be developed would cause the eBusiness strategy to fail. In fact the reverse is true. Business strategies can be developed in short periods of time. An eBusiness strategy developed without considering how it will affect existing distribution channels and the business in general can cause the business strategy to fail (Frick & Lill, 2000).

7.2.3. Define strategic objectives

Websites must be designed with clear strategic and commercial objectives in mind (AT Kearney, 2000a, p.23; AT Kearney, 2000b; Deise et al, 2000; p.164). Strategic objectives must be aimed at addressing operational issues like customer loyalty, customer segmentation, channel management, fulfilment, customer service and pricing in the long run (Chu et al, 1999). These strategic objectives will ensure that the eBusiness and business strategies are adhered to and executed.

7.2.4. Establish the business case

Business objectives have to be defined clearly (AT Kearney, 2000a, p.23; PricewaterhouseCoopers, 1999g, p.14; Stewart, 1998).

"To develop an online commerce value proposition, companies should rely on a strategy that we call value reaggregation. The strategy development process begins with an assessment of current value, follows by redefining the value proposition by disaggregating its key elements, and then envisions how networked technologies can improve the customer experience or relationship. A new strategy is constructed, typically supported by eBusiness community value creation. In the end, reaggregating a competitive set of value components creates a new customer value proposition" (Ticoll & Tapscott, 1998).

The role of knowledge management in eBusiness and customer relationship management

According to the researcher the development of a business case is imperative to ensure that there is a need and justification for entry into the eBusiness marketplace and to ensure alignment with the current business model.

7.2.5. Analyse the competitive environment

The organisation's economics have to be compared relative to the competitor's economics, and industry dynamics in the eBusiness environment have to be understood clearly to ensure a sustainable position in the eBusiness marketplace. According to these analyses, a competitive strategy has to be decided upon (Rigby et al, 2000b; Stewart, 1998).

7.2.6. First mover advantage and entry timing

Timing of entry of the eBusiness into the market is critical. This is necessary to minimise risk and maintaining preparedness (PricewaterhouseCoopers, 2000a, p.157; PricewaterhouseCoopers, 2000d).

First mover advantage is critical for any eBusiness. First mover advantage can be influenced significantly by implementation delays (Deise et al, 2000, p.165).

7.2.7. Holistic approach

From a strategic point of view, eBusiness has to be addressed as an integral part of the organisational philosophy. A holistic approach is important because eBusiness initiatives must become part of the vision, goals, strategies, structure and operations of the organisation in order to enhance relationships with customers, suppliers and business partners (PricewaterhouseCoopers, 2000a, p.155; PricewaterhouseCoopers, 2000d). "eBusiness must be integrated into your organisation so that it meshes with your vision. You must develop an eBusiness strategy that aligns technology with your corporate strategy. Vision, integration, holistic thinking – the old verities fit the new world of eBusiness. If you remember that, you will succeed" (PricewaterhouseCoopers, 2000d).

From an operational and tactical point of view, companies must develop a holistic process for addressing all the components of eBusiness if they are to achieve their goals. They must begin by analysing the real and potential opportunities eBusiness offers, including the ability to open markets, develop new products and services, and provide unique combinations of efficiency and value. Then they must make a commitment to invest the necessary resources to move forcefully into this challenging and rewarding future world successfully (PricewaterhouseCoopers, 2000d).

The role of knowledge management in eBusiness and customer relationship management

To be effective, eBusiness initiatives must be integrated thoroughly into a company's existing strategies, structures, and systems. Their success depends on strategic decisions that ensure alignment with the company's long-term vision and goals, which requires senior management commitment. Companies that view eBusiness as a technology solution or a marketing initiative cannot hope to realise its full potential. Unless sufficient attention is paid to critical strategic, regulatory, tax, risk management and human resources implications of eBusiness, companies may hinder their eBusiness or undermine the core strengths of the business (PricewaterhouseCoopers, 2000a, p.155; PricewaterhouseCoopers, 2000d).

7.2.8. Identify and prioritise eBusiness initiatives

It is important to utilise a phased approach in the implementation of an eBusiness initiative to minimise risk through addressing issues as and when they arise and adapting implementation plans accordingly. eBusiness implementations are in most cases "uncharted" territory and a phased approach is therefore more appropriate in order to enable impact assessments as the process unfolds. "The temptation to completely redesign enterprise business practices to become an eBusiness is great; however, greater success will be achieved by choosing tactical projects and implementing them successfully. Large, end-to-end supply chain reengineering projects are seductive, but are seldom a "silver bullet" ensuring success..." (PricewaterhouseCoopers, 1999h, p.9). The proposed action is to develop an eBusiness roadmap for the enterprise, but implement it in stages and to find ways to build innovation into select processes and use learning from these stepwise initiatives to constantly re-evaluate and adjust goals (PricewaterhouseCoopers, 1999g, p.14).

Once strategic objectives have been identified, attention must be shifted to customer support. Customer support is essential for any eBusiness initiative. The business should also define initiatives to integrate the online and physical distribution channels. Each initiative should be prioritised and phased in with the final goal of developing a working eBusiness blueprint (AT Kearney, 2000a, p.23).

7.2.9. Customer segmentation

Customer segmentation is essential. Currently many eBusinesses have a "land grab" mentality, focusing on overall market share. As competitive intensity rises, online retailers will have to target the most profitable customer segments, rather than the greatest number of customers (Chu et al, 1999).

The role of knowledge management in eBusiness and customer relationship management

Market segmentation should take industry, geography and culture into account (Frick & Lill, 2000).

Market segmentation is essential to ensure focus of the eBusiness. Greater focus will ensure more appropriate product design and development, marketing, sales, and customer service.

7.2.10. Customer loyalty

Creating customer loyalty is also imperative to ensure repeat business, as well as cross selling and up selling of products (PricewaterhouseCoopers, 2000a, p.154; Rigby et al, 2000).

It is critical for an eBusiness to get repeat business from customers, as only repeat customers are profitable (Chu et al, 1999; Rigby et al, 2000). Repeat customers refer more people and bring in more business (Chu et al, 1999). "Because customer acquisition costs in e-commerce are high, to recoup your investment you need to convince customers to visit your site time and time again" (Rigby et al, 2000).

7.2.11. Map core business processes across domains

There are three domains of business: physical, virtual and distributed. An understanding of the core business processes of each domain is crucial to ensure seamless integration of initiatives across the domains, creating a seamless customer experience (AT Kearney, 2000a, p.23). Processes in these three domains need to be reengineered drastically (Stewart, 2000). The eBusiness has to determine how it can utilise the Internet to streamline business processes, reduce cycle time and become more cost competitive (Stewart, 1998).

According to the researcher, process redesign will be imperative in the eBusiness environment. Core processes have to be identified and mapped, with roles and responsibilities indicated for process tasks, in order for staff to understand their roles within the new business model.

7.2.12. Top management involvement

The organisation's top managers must be involved in eBusiness initiatives to ensure buy-in from all relevant parties within the organisation and in the organisations of business partners (Andersen Consulting, 1998; Deise et al, 2000, p.171; Dhanji & Jablonski, 2000; PricewaterhouseCoopers, 2000a, p.151; PricewaterhouseCoopers, 2000d; Stewart, 1998; Stewart, 2000). Initiatives must be business driven and have senior level business champions

The role of knowledge management in eBusiness and customer relationship management

(PricewaterhouseCoopers, 1999g, p.14; PricewaterhouseCoopers, 2000d). Stewart (2000) states that companies that do not understand the strategic nature of eBusiness tend to delegate their eBusiness / Internet initiatives to mid or low level IT or marketing managers. Senior management in such organisations is often resistant to change, with the result that eBusiness initiatives do not get the support or funding they need. The outcome is frequently disappointing, further convincing senior management that eBusiness doesn't work.

"Direct access to top executives is needed in order to educate them about the Net and what needs to be done within the organisation to develop its potential. Increasingly, areas such as finance and operations need to get involved as a web initiative matures into more complex services such as online ordering and fulfilment. Without senior management endorsement, organisational change cannot take place quickly or effectively" (Dhanji & Jablonski, 2000).

Other key stakeholders also have to be identified for the physical, distributed and virtual domains within the business (AT Kearney, 2000a, p.23; PricewaterhouseCoopers, 1999g, p.14).

7.2.13. eBusiness team compilation

An eBusiness needs good, creative people that need to be trained effectively to represent the organisation. Human customer contacts are also essential, as real customer service is not about systems, but about people (Andersen Consulting, 1998).

PricewaterhouseCoopers (2000d) indicates that an eBusiness implementation is best done by a dedicated, full time and skilled project team. Management must choose leaders who can work together to formulate sound strategic scenarios and identify the scope and size of the investment and personnel needed to guide the move to eBusiness (PricewaterhouseCoopers, 2000a, p.151).

PricewaterhouseCoopers (2000h, p.9) indicates the following skills as required for an eBusiness initiative:

- Strategy planning skills – understanding of business models and how to develop business cases for projects and convey their importance to the CEO.
- Technology design skills – understanding of integration issues and tools required to meet specific business model needs.
- Implementation skills – ability to install required components of systems and involving trading partners.
- Programme management skills – ability to direct project related activities to a successful conclusion in a timely, cost-effective manner.

The role of knowledge management in eBusiness and customer relationship management

Dhanji & Jablonski (2000) as well as Deise et al (2000, p.171), however, indicate that putting the right eBusiness team together is proving to be a challenge. The researcher is of the opinion that this is due to the fact that the right skills mix isn't always available.

7.2.14. Change management

Managing change in the eBusiness environment is essential, as there are always elements of rapid and radical change (Kehoe, 2000). The organisation needs to understand the breadth and depth of the changes that the organisation must undergo to achieve success (PricewaterhouseCoopers, 2000d). By establishing the foundation for change in the initial stages of its eBusiness activities, a company can more rapidly move up the eBusiness curve (Deise et al, 2000, p.37).

"Understanding that eBusiness is an evolving area that will require future investment and constant attention to developments. In other words, you must transform your organisation into a change embracing entity, one with a culture that accepts that every tomorrow is different and all developments are worth examining for the benefits they may bring" (PricewaterhouseCoopers, 2000d).

7.2.15. Measurement

Measuring the effectiveness of an eBusiness involves using new metrics. The metric used must be integrated with other metrics and must measure strategic business objectives. They must also capture the interaction between eBusiness and traditional distribution channels (Frick & Lill, 2000).

7.2.16. Fulfilment

Fulfilment capabilities are imperative to the success of an eBusiness (Cook et al, 2000). Fulfilment has directly linked to customer satisfaction. "What is clear is that flawless fulfilment is a key driver of customer retention and long term profitability..." (Cook et al, 2000). The fulfilment network must be supported by appropriate information technology to enable to allow customers to know which products are available and which ones are out of stock (Cook et al, 2000).

Timely delivery, as part of fulfilment, is crucial to the success of an eBusiness – this is where the battle for customer's loyalty is won or lost (Chu et al, 1999; Forger, 2000; Rigby et al, 2000b).

The role of knowledge management in eBusiness and customer relationship management

Returns policies must also be in place to enable customers to return items that they are not satisfied with (Brash, Crawford & Grosso, 2000; Chu et al, 1999; Rigby et al, 2000b).

7.2.17. Risk management

It is important for any eBusiness to understand what competitors are doing and what risks they present to the business, and how the organisation can reduce these risks (Stewart, 1998). According to the researcher risks need to be identified in the planning phase of the eBusiness and managed throughout the implementation, as well as subsequent to the establishment of the eBusiness to ensure that problems and risks are anticipated and dealt with as soon as possible.

Risk management throughout a value network requires controls that meet the mutually agreed upon requirements of dependent partners, and which are executed across partners without the barriers common to relationships in typical supply chains today (Deise et al, 2000, p.166). Managing dependency risks will require changes to corporate architectures to agree that decision rights, performance measurements and rewards are aligned properly (Deise et al, 2000, p.167).

7.2.18. Security

Security, privacy and customer support are essential elements for an eBusiness website (AT Kearney, 2000a, p.5; Chu et al, 1999; Deise et al, 2000, pp.168, 170; Howe et al, 1999; Manchester, 1999; Online purchasing frees buyers for strategic work, 1999; Stewart, 1998; Stewart, 2000). Legal and security requirements have to be determined at the outset of an eBusiness initiative (PricewaterhouseCoopers, 2000d; Stewart, 2000). Security is important not only to protect information and systems but also in building customer trust (Stewart, 2000). "In eBusiness, trust cannot be established in the absence of effective security. Security is attained by creating an appropriate technical architecture and surrounding processes to provide identification and authentication, authorisation, nonrepudiation, privacy and accountability" (Deise et al, 2000, p.168). According to the researcher customer support is essential as part of customer service delivery aimed at creating customer delight.

7.2.19. Speed and flexibility

The ability and capacity to speedily implement changes in a heavy and complex company evolving in an unstable environment will be a critical success factor in the future (Ernst & Young, 1999a). According to the researcher this flexibility will provide the eBusiness with competitive advantage to either be a first mover or quick follower.

The role of knowledge management in eBusiness and customer relationship management

The need to adjust quickly to new and constantly changing market situations requires special skills and structures. Companies will need to manage both speed and flexibility (Deise et al, 2000, p.xviii; Friedman & Langlinias, 1999; PricewaterhouseCoopers, 2000e; Shevlin, 1999).

"eBusiness places greater speed and efficiency demands on enterprise infrastructure than anything previously encountered. Because the business environment and the competitive landscape can change so quickly, it is imperative that eBusiness initiatives be implemented quickly. Red tape must be cut. Bureaucracy that impedes the progress of eBusiness initiatives must be bypassed or crushed. The manager responsible for the eBusiness initiative must have wide latitude and authority to bring the project to fruition quickly. In "Internet time" a delayed project is a failed project" (PricewaterhouseCoopers, 2000e).

7.2.20. Understanding legal requirements

Organisations entering the eBusiness arena must understand tax and legal issues e.g. tax regulations, ensuring the validity and enforcements of contracts, intellectual property protection including copyright and trademark protection, and legal recourse mechanisms in disputes (PricewaterhouseCoopers, 1999b; Stewart, 1998).

7.2.21. Integration

When eBusiness initiatives are created and implemented all interdependencies must be understood to ensure full integration between initiatives (PricewaterhouseCoopers, 2000d). According to the researcher this will minimise bottlenecks in the focus areas of strategy, business processes, technology and people management.

New eBusiness initiatives have to be integrated with current business processes (Andersen Consulting, 1998). Technology integration can also be a hurdle. Legacy systems often cannot be mapped forward in their entirety, resulting in hours of manual rekeying or elaborate data translation scripts that promote inaccuracy before the new system is ever utilised. Utilising data standards will help in reducing this risk, as does employing of middleware (Deise et al, 2000, p.171; Stewart, 1998).

7.2.22. Knowledge management

Employees have to be empowered through knowledge and their own knowledge and experience have to be used to the fullest (Deise et al, 2000, p.36; Ernst & Young, 1999a; Evans & Wurster, 200, p.89). Means & Schneider (2000) indicate that knowledge and

The role of knowledge management in eBusiness and customer relationship management

information sharing is crucial to the success of an eBusiness. According to the researcher knowledge management is crucial for eBusiness due to the sharing of expertise required during such an initiative. Knowledge management can provide the platforms for sharing knowledge across virtual boundaries and assist staff in leveraging their collective knowledge and experience.

To enable knowledge management in the eBusiness and customer relationship management environments, the organisation managing knowledge will need to possess the following assets (Hagel & Rayport, 1999):

- Brand breadth

Brand breadth allows marketing of diverse products and services. Brand breadth ensures quality of knowledge. Only brands that enjoy broad, cross-category relationships with customers will provide a context in which horizontal patterns of customer behaviour can be observed and interpreted effectively. Narrow brands cannot compete because the relationships they engender are too tightly focused on insight gained from seeing how customers behave across a range of product and service sectors.

- Emotional bond

Emotional bonding provides trust that in turn provides access to knowledge. While trust has always been important in business, it will become increasingly so in the online world with its expanding choices and declining switching barriers. In the past, knowledge on customers was taken for granted. In the future it will have to be purchased and if a relationship is not based on trust, the knowledge may not be available at any price.

- Transactional intensity

It allows data richness that comes from intensive economic activity across a range of products and services (without which consumer profiles will generate insufficient data to support powerful insights).

"Nexgenix stated that the key for e-tailers is to take steps to learn their customer's preferences, but cautioned that the information must be knowingly given by customers, not taken surreptitiously" (Poll reveals lack of e-relationships, 1999).

7.2.23. Creating awareness

The critical first step of the digital customer experience is bringing people to the site for the first time. Building awareness under the target market is important, as well as communicating value to them (AT Kearney, 2000a, p.6).

The role of knowledge management in eBusiness and customer relationship management

7.2.24. Adequate resources

eBusiness initiatives should be properly funded. Organisations must be aware of the funding that will be required and has to commit to making such an investment (Deise et al, 2000, p.165; Shevlin, 1999; Stewart, 1998; Stewart, 2000).

According to the research adequate resources with reference to people are also imperative. People with adequate knowledge, skills and experience have to be recruited and utilised as far as possible.

7.2.25. Ease of use

Sites must be easy to use, fast and easy to navigate, and it must allow for quick transaction making (AT Kearney, 2000a, p.6; Chu et al, 1999; Deise et al, 2000; p.168; Rigby et al, 2000). Website should contain high quality, relevant, working links to other sites (AT Kearney, 2000a, p.6).

7.3. Customer relationship management

7.3.1. Customer relationship management strategy

Customer relationship management is a long-term strategy (Assabi, 2001; Faulkner & Gray, 1999; Forman, 2000. p.105). According to the researcher a formalised customer relationship management strategy is essential to ensure a shared vision of managing customer relationships and to ensure that this shared vision fits into the overall business strategy.

The customer relationship management strategy is a strategy that must be tailored to each market segment. To be effective in strategically managing the customer relationship, the organisation must do the following (Brown, 2000a, p.xx; Ferron, 2000, p.189):

- Define its customer strategy

To do this there must be an understanding of customer segments and their needs. This is a mandatory requirement if the organisation is to understand which products and services to offer and if that offering will be identical for each segment.

- Create a channel and product strategy

This defines how the organisation will deliver its products and services efficiently and effectively, ensuring sales productivity and effective channel management.

The role of knowledge management in eBusiness and customer relationship management

- Understand the importance of a robust and integrated infrastructure strategy

This entails creating an environment to enable a relationship with the customer that satisfies the customer's needs. It requires an ability to achieve proactive customer management and reactive customer care.

All the components of the customer relationship management strategy must be focused in the same direction and must work together to achieve the customer relationship management vision. All components and divisions of the organisation must move in the same direction so that every individual knows where they are going and how they fit in (Gulycz, 2000, p.323).

According to Anderson & Jacobsen (2000b, p.270), it is important that the customer relationship management strategy is a business strategy and solution. This means that the solution should reflect the way the business will work in future. To do this, it is necessary to start with the organisation's customer relationship management strategy and to ensure that, once implemented, the system will support the customer, channel and product strategies. The customer relationship management strategy should be supplemented with concrete goals that can be used as reference points during the implementation process and can also function as critical success factors for the completed customer relationship management solution.

"What is lacking in many instances is a single clearly articulated vision for a company's customer relationship management strategy and leaders who own and steer the company in a clear direction. If all the customer relationship management initiatives reflect that single vision, they are bound to be less confusing and therefore more effective. A unified vision will probably result in a smaller number of customer relationship management initiatives within the company" (Ernst & Young, 1999).

7.3.2. Strategic segmentation

Most companies fail in strategic segmentation, because they try and give everything to every customer, without understanding the customer's tradeoffs or cost to business (Dull, 1999). In order to prevent this, strategic segmentation has to be done. An organisation has varied relationships with its customers. Grouping customers according to the nature of these relationships allows the organisation to isolate those customers who present the greatest future potential. These are the ones from which the organisation can derive the most value. In order to do this segmentation effectively, the organisation has to collect and analyse a full range of information on those customers with the most potential, as well as the markets in which they do business (Brown, 2000c, pp.81-82). The key to enhancing revenue opportunities is linking particular products and services to particular customer segments (Brown, 2000a, p.xxi; Dull, 1999, Gordon & Roth, 2000, p.38).

The role of knowledge management in eBusiness and customer relationship management

According to the researcher segmentation is required to ensure that each customer segment is serviced according to their unique needs and requirements in terms of products and services.

7.3.3. Well-defined marketplace

Customer relationship management can only be effective operating in a well-defined market space that is determined by the company's business strategy. This foundation establishes the company's target markets, its high level segmentation scheme for attacking the market space, the value proposition that it will offer customers in each of its segments, and the operating model that will effectively deliver on its value proposition (Ernst & Young, 2000a).

According to the researcher this is also one of the reasons to link the customer relationship management strategy to the overall business strategy, where markets should be defined.

7.3.4. Defining the value proposition

The value proposition of the organisation has to be communicated to customers to ensure customer attraction and retention. The value proposition requires organisations to develop a solid understanding of who their customers are, what they value and how the products and services could be optimised or configured to deliver this value (AT Kearney, 2000c; Ernst & Young, 2000a).

7.3.5. Holistic approach

A successful customer relationship management initiative requires a concerted effort that combines the right strategy with the processes, technology and human performance programmes needed to implement the vision (Raaen, 2000). These elements are the basis of a customer relationship, and one without the other weakens the relationship, thus affecting the business and its performance.

7.3.6. Executive sponsorship

Lack of buy-in and understanding of customer relationship management initiatives can create pockets of resistance, resulting in a fragmented and ineffective application of the strategy (Ernst & Young, 1999d).

The role of knowledge management in eBusiness and customer relationship management

The leadership talent to accomplish customer relationship management change must be provided by an executive sponsor. It is necessary to have a sponsor who has the authority to push new ways of doing business, which requires co-ordination of activities across previously uncrossed boundaries. Customer relationship management is a long-term strategy requiring the visibility, credibility and stability of a senior executive to maintain leadership and provide communications over the long haul (Anderson & Jacobsen, 2000b, p.274; Brown, 2000c, p.81; Dunster, 2001; Faulkner & Gray, 1999; Gordon & Roth, 2000, p.39).

Sponsors are required whose personal goals are directly linked to the success of the implementation of customer relationship management. The sponsor can help identify the resources and reduce the resistance of employees and can ensure that the system will survive once the consultants have left the enterprise. The best sponsors are often found in top management. Because of their positions, they have enough influence to find the required resources and accelerate the decision making process. At the same time, they are able to coordinate the process with other change initiatives and make important decisions. Sponsors are especially effective when changes are to be communicated to employees. By participating actively in the process, they appear as project ambassadors, and when the changes are to be sold internally, these ambassadors can help employees understand the project vision, thus positively influencing employee perception of the project (Andersen & Jacobsen, 2000, p.274; Dunster, 2001).

It is the responsibility of management to create a sense of urgency and decisiveness to give the project the impetus necessary to ensure ongoing progress based on the project vision and guidelines. Management's direct involvement in the project and ongoing communication about the significance of the customer relationship management initiative are decisive for the success of a customer relationship management programme (Ernst & Young, 1999d).

7.3.7. Staff involvement

No matter how well the vision for customer relationship management is laid out, employees ultimately must buy in to the strategic objectives and goals. Any large-scale customer relationship management initiative will fail unless individuals from the executive level to the line worker are committed to the goal and the road that needs to be taken to get there (Dunster, 2001; Ernst & Young, 1999d; Hopkins, Lusher & Manasco, 1999; Raaen, 2000).

In large customer relationship management projects, the changes will require the full involvement of certain employees at various times. To create an effective work climate and to make it attractive to participate, employees involved in the process have to understand what their positions will be in the new organisation after changes have been affected. They should

The role of knowledge management in eBusiness and customer relationship management

know that they are not at risk by participating – rather that their value to the organisation will increase. A customer relationship management project should be an opportunity for the best employees of the organisation to shine (Anderson & Jacobsen, 2000b, p.275).

It is best to involve employees who best understand the business in the customer relationship management process. These business experts, in the role of process owners, must help define the business processes in conjunction with the customer relationship management technicians. In other words, they must help define the customer relationship management system's functionality. The advantage of involving employees as process owners is that the solution will almost certainly live up to the daily requirements of company users in terms of functionality – what will be tracked, what response time is required, what screen views will be needed, what reports must be produced. In addition, these process owners in conjunction with departmental heads can act as front figures and help sell the change process to the organisation (Anderson & Jacobsen, 2000b, p.271).

At an early stage of the project, it is necessary to involve a greater part of the organisation than just the process owners. This is because it requires time to adjust to the changes brought about by customer relationship management. Best practice shows the best results if about a third of employees are involved somehow. This causes a great degree of buy-in and future positive word-of-mouth. Employees can participate in the development work, in meetings, or in testing. In this way they are able to learn about the system and hear how it will affect their daily work. If employees are not involved, it is often difficult to ensure the necessary commitment to using the customer relationship management software system. In the long term, this will affect the survival of the system. Questions such as ownership of basic data, updating and so on may also cause many problems if employees do not understand the changes right from the start (Anderson & Jacobsen, 2000b, pp.273-274).

7.3.8. Change management

The organisation has to be ready for change when implementing customer relationship management (Assabi, 2001; Brown, 2000c, p.81). Change causes fear, unrest and uncertainty for most people, so change management must address and neutralise these issues (Anderson & Jacobsen, 2000b, p.274). This is clearly substantiated by others in the literature:

- "The technology is one piece...but making the cultural or organisational shift to use it in the right frame of reference is the more difficult part" (Groenfeldt, 2000).
- "Customer relationship management will require substantial enterprise-wide transformation of people, processes and technology" (Ernst & Young, 1999d).

The role of knowledge management in eBusiness and customer relationship management

- "Analysts estimate up to 70% of CRM programmes will fail. The biggest reason is cultural" (Kritzinger, 2001).

Change management is a central element in project management. Customer relationship management systems today build on new ways of thinking, which many organisations do not currently practice. Team based selling is a good example because in this type of selling the sales representatives no longer act as individual hunters but as a team supported by the rest of the organisation. Naturally this places new demands on how the sales team co-ordinates sales activities and shares information that was previously the individual sales representative's responsibility and security. If during the change process, this change in operating practice is not taken into consideration, implementation may meet resistance from employees and the business value of the implementation may be significantly reduced (Anderson & Jacobsen, 2000d, p.271).

7.3.9. Communication

Communication is one of the most important elements in creating an understanding towards a customer relationship management strategy and solution. Good communication is essential both internally in the organisation as well as externally with customers.

Internally change should be presented as aimed towards the business and not IT. Employees must understand that the enterprise is initiating the project to achieve business benefits in the form of loyalty, cross-sales, improved customer service and that all activities aim at maintaining the competitive advantage of the enterprise, and its ability to retain competent employees. During the project, participants will come into contact with large parts of the organisation and therefore are an important group when it comes to communication. All of these people should have a good understanding of the project and they must be able to answer questions on the project (Anderson & Jacobsen, 2000b, p.275).

The following tips can help make an internal communication program a success (Anderson & Jacobsen, 2000b, p.275):

- When choosing communicators, the enterprise should be selective. These people should be well respected and perceived as reliable sources of information.
- Employee understanding of the project must be kept up to date.
- There should be a steady stream of communication – management should not be afraid to repeat key messages.
- Middle managers are good communicators and at the same time important supporters of the project.

The role of knowledge management in eBusiness and customer relationship management

From an external point of view, communication is critical in building and maintaining customer relationships (Anderson & Jacobsen, 2000b, p.274; Brown, 2000d, p.132; Patmore & Renner, 1997). Some companies give their call centre operators training in communication and interaction skills, and equip them with computer systems and skills to enable them to answer customers' questions relating to products and services, or any other enquiry, immediately (Brown, 2000d, p.132; Patmore & Renner, 1997).

7.3.10. Getting the right skills and providing adequate training

The importance of a thorough and detailed training programme to the end users is often overlooked. In many cases, staff has not been sufficiently trained in the customer relationship management system and typically use less than 50% of the application's functionality. Organisations are in such a rush to implement the systems that proper training is cut short (Anderson & Jacobsen, 2000b, pp.268, 274).

Training both project participants and users is a prerequisite for a successful project. Through training the enterprise can ensure that all involved parties know what to expect in terms of the solution of their particular tasks. All too often, the enterprise overlooks the fact that not all employees have the necessary general IT skills and that only a few understand the customer relationship management technical or infrastructure concept (Anderson & Jacobsen, 2000b, p.278). Simply buying technology accomplishes nothing without ensuring that the skills sets needed to use the system are present on both customer and employee side. Everyone touching the technology has to understand how to use it, what it can and cannot do, and what is expected of them. In addition, the technology has to have real value to the user. It is thus important to ensure that all stakeholders in customer relationship management have the right skills sets to use technology effectively (Nelson & Berg, 2000).

Training is not just about skills relating to technical systems. Education on the merits of teamwork, the products of the organisation and its customers, and communication skills are key ingredients for strategic customer care. Each of these skills can be improved with training (Brown, 2000c, p.84).

7.3.11. Horizontal organisational structure

Most traditional organisations are organised around geography and / or products. Such a vertical operating structure makes it extremely difficult to execute customer relationship management, because customer relationship management requires a horizontal, customer based structure. Even if a company has the best intentions, a vertical, product based operating structure severely limits any effort to manage customer relationships. CEOs are

The role of knowledge management in eBusiness and customer relationship management

coming to realise that their customer relationship management strategy is misaligned with their operational structure. Successful customer relationship management will require substantial enterprise-wide transformation of people, processes and technology. There has to be a strong customer advocacy (Assabi, 2001; Ernst & Young, 1999d).

7.3.12. Integration between technology and business processes

Customer relationship management is not just about technology. The key to minimise the risk of failure is to integrate customer relationship management technology with strategy, processes, tactics and skills sets (Dunster, 2001; Nelson & Berg, 2000). Customer relationship management needs effective processes. If customer service takes too long, the customer will be frustrated and the processes will also cost more than they should (Dunster, 2001).

"Ultimately the technology infrastructure and its integration with business processes are the keys to the success or failure of a data-driven customer relationship strategy – whether the relationship strategy is based on a single transaction or a deep and complex partnership with customers. Regardless of the type of relationship strategy, all firms need a minimum level of channels, technology and connected architecture, including basic data warehouse and simple call centres" (Ernst & Young, 1999d).

According to the researcher it is imperative that the core processes on the business process value chain, from product development through sales and customer service, has to be mapped before implementing customer relationship management to ensure that the processes are ensuring optimal efficiency. Technology then has to be adapted to enable these changes where applicable.

Integration in the technology environment is, however, also of vital importance. Linkage between front-office products and back-office systems such as ERP and financials, are essential. This linkage provides customers access to the same data and services via phone, Internet, e-mail, call centres or personal contact with a sales representative (Anderson & Jacobsen, 2000b, p.273; Mullin, 1999; Patmore & Renner, 1997).

7.3.13. Process design

Processes need to be designed in organisations for all areas that affect the customer. Customer relationship management must be based on an excellent process for identifying and targeting customers. Companies must also have processes that facilitate shifting of

The role of knowledge management in eBusiness and customer relationship management

resources to serve the most profitable customers and to disengage high maintenance, low margin prospects (Patmore & Renner, 1997).

As stated above, the researcher is of the opinion that all core business processes have to be redesigned to ensure optimal customer focus.

7.3.14. Measurement

If the customer relationship management initiative is to succeed, it is critical to create performance measurement systems and processes that promote alignment with the initiative (Assabi, 2001; Ernst & Young, 1999). According to the researcher these measures should track successes and failures relating to the initiative.

In the planning process, it is critical that metrics are defined which clearly demonstrate that the project meets and aligns with the original business objectives that inspired the project. These metrics should be objective and measurable. A project plan detailing objectives, approach, strategy, ownership, timeframe and responsibilities is essential. Resources such as service providers should also be identified. A communication plan is also critical to disseminate details of the project to all stakeholders (Ernst & Young, 1999d).

Measures of success must shift from product-volume orientation to customer-oriented measures such as customer retention or breadth of the relationship (Brown, 2000c, p.84; Faulkner & Gray, 1999).

7.3.15. Re-attracting customers

Successful businesses develop sustainable value by developing loyal customers. Online businesses should focus on more than purely acquiring customers and driving initial satisfactory purchases. Customers must be enticed to revisit, thereby building customer loyalty. Enticing customers to revisit requires organisations to further improve customer interaction through enhanced offerings and targeted, content-rich communications (AT Kearney, 2000a, p.16).

There is a strong correlation between customer satisfaction and customer retention. For example, a recent study determined that 95 percent of customers who rate service as "excellent" will repurchase from an organisation and are unlikely to switch to another product or service provider. For those customers who rate service as "good", the number drops significantly – to 60 percent (Brown, 2000a, pxxi).

The role of knowledge management in eBusiness and customer relationship management

Engaging customers on an ongoing basis will result in increased product purchase opportunities, and hence improved customer retention potential. Convenience and content are crucial to attract repeat business from customers – a site that is difficult to use will fail to retain customers, and a site lacking content will lose people's interest. Customisation features that allow customers to interact and receive information as they please is a critical success factor in ensuring customer retention (AT Kearney, 2000a, p.16). One of the best ways to improve customer retention is to talk to people who have used the organisation's site and then defected. Through targeted e-mails insight can be gained into why people leave and where they are going, be it online or offline (Rigby et al, 2000b).

Online communities offer a compelling way to entice customers back to an organisation's site. Communities emphasise and enable the shared experience of members in a real-time manner. Online communities also enhance the speed and value of information sharing, allowing customers to deepen their experience with a site and build a more personal connection that is based on underlying content (AT Kearney, 2000c). Another way of bringing customers back to a site is by making connectivity easy. Online attraction is enhanced by linking to other popular sites that target the customer segment (AT Kearney, 2000c).

7.3.16. Ensuring an excellent digital customer experience

The following quotations from the literature details the critical success factors related to the digital customer experience as part of an organisation's customer relationship management strategy:

- "Expanding the digital customer experience moves beyond attracting and retaining customers to providing additional value based upon who customers are, how and why they shop online, and what products or services they are interested in. Effective methods for expanding the digital customer experience leverage multidimensional data culled from ongoing interactions with a particular customer or group of customers to deliver a personalised online experience. Personalised experiences create a customer base that spends more time and money with each site they visit. An online business can make this reality through proper management of tightly integrated product and customer information databases" (AT Kearney, 2000a, p.16).
- "Customer relationship management means anticipating customers' needs, viewing customer information as a strategic asset for both parties, and treating each customer as a unique entity with unique needs and desires. It also means providing a single corporate face to the customer, wherever the customer may touch it, through different business units, regional offices, or operational organisations within the company. Customers expect integrated, seamless, multi-channel customer service. Such service should be

The role of knowledge management in eBusiness and customer relationship management

transparent to the customer whether the service is being provided by the network master or by a third party provider" (Deise et al, 2000, p.80).

According to the researcher, each digital experience of the customer should create customer delight and thus ensure loyalty.

7.3.17. Providing customer care options

Customers like to be managed, but not too much. A variety of payment, delivery and return options, in addition to features such as gift-wrapping and personalised gift cards, have become expected standards in eBusiness. Customer care is also about customer support at all stages of the customer relationship. Consumers should be offered multiple opportunities and avenues – e-mail, toll-free numbers, frequently asked questions pages and live chat sessions to get their questions answered. They should also receive immediate recognition of their request along with status reports of the resolution (AT Kearney, 2000a, pp.4-5; Rigby et al, 2000b).

7.3.18. Utilisation of customer knowledge

Customer knowledge should be utilised to ensure one consistent view of the customer from the organisation's point of view, irrespective of where the point of contact is.

Underlying good customer service is a culture of service and the information infrastructure to support it. The issue of consistent information at each customer contact is an implementation tactic that supports the objective of retaining and extending customer relationships (Ernst & Young, 1999d).

A comprehensive 360 degree view of the customer includes information that is collected at all of the customer contact points. Processing this information can be very complex. Data from all customers must be collected, verified, and formally analysed before it is useful for decision-making. The goal of collecting the information is to determine the profitability of customers (Bergeron, 2001; Dunster, 2001).

Customer-centric information management drives planning and operations and provides comprehensive information to sales marketing and service staff (Formant, 2000, p.105; Gordon & Roth, 2000, p.38; Mullin, 1999). "Effective methods for expanding the digital customer experience leverage multidimensional data culled from ongoing interactions with a particular customer or group of customers to deliver a personalised online experience. Personalised experiences create a customer base that spends more time and money with

The role of knowledge management in eBusiness and customer relationship management

each site they visit. An online business can make this reality through proper management of tightly integrated product and customer information databases" (AT Kearney, 2000a, p.16).

It may become increasingly difficult to obtain customer information in future, however. Hagel & Singer (1999) say that for many consumers the privacy backlash may have less to do with the desire to conceal information about themselves and more to do with their pragmatic assessment that the return for the information they divulge is not satisfactory. Most consumers have shown that they will release personal information if they can profit by doing so. In doctors' offices, for example, consumers share intimate details of their health in exchange for appropriate medical care. They share intimate details about their money and holdings with financial consultants in exchange for appropriate advice. In all of these exchanges, the key is that consumers receive sufficient value for their data (Hagel & Singer, 1999).

"Few companies unfortunately derive any real additional benefits and intelligence from the vast data and information they gather from CRM...Without the ability to process data and information into intelligence, and ultimately using this to create competitive advantage, companies will fail. Business and competitive intelligence capabilities in companies are no longer "nice-to-haves" but crucial for survival" (Havenga, 2001).

7.3.19. Marketing

Marketing is extremely important in any customer relationship management initiative to create awareness with potential customers and loyalty with current customers. According to AT Kearney (2000a, pp.4-5) follow-up marketing is extremely important to ensure cross selling and up selling.

Follow-up marketing can be done in a variety of ways. "...the value proposition can be reinforced by increasing contact with targeted customers through e-mail and other forms of communication. At many sites, consumers can sign up for emails that offer customised content. Given the tremendous amount of such messages, it becomes even more critical for marketers to ensure continued loyalty by focusing on providing customers with high quality, well targeted content" (AT Kearney, 2000c).

7.3.20. Adequate resources

The internal and external resources required to customise and implement the software solution for customer relationship management are usually underestimated. This applies to both the number and type of resources needed. Acceptance of the status quo, lack of will to

The role of knowledge management in eBusiness and customer relationship management

change and an over-focus on the present situation rather than the desired future outcome result in huge extra costs, or in the worst case scenario failure to achieve the planned business improvement (Anderson & Jacobsen, 2000b, p.268). Adequate resources are therefore imperative.

7.3.21. Phased implementation approach

Using a phased implementation approach when implementing customer relationship management sets manageable objectives and allows bugs to be identified and fixed without crippling the whole enterprise. Each implemented phase gives the organisation the chance to reassess how much was actually accomplished and to modify the approach accordingly (Ernst & Young, 1999d).

7.3.22. Scalability

A customer relationship management system should be scalable to ensure growth in the future can take place and will be manageable. Scalability refers to the ability of a system to increase in capacity as users demand more, the volume of data grows, more users are added to the system, and more applications are developed that need to interconnect with the platform (Ernst & Young, 1999d).

7.3.23. Valuing employees

Freemantle (2001), Bergeron (2001) and Cooper (2001) emphasises the fact that employees must be valued and made to feel good about their work, in order for them to build good customer relationships. Freemantle states that these feelings come from the heart and radiate from the CEO through the whole company. These companies are driven by a deep-rooted sense of positive emotional value. He is of the opinion that that is where the success of people like Sir Richard Branson lies – he values his people and realises that the success of Virgin relies on the people he employs.

"To sustain a high level of positive feelings and thus exceptional customer relationship is hard work. It requires an immense amount of emotional energy – emotional energy which many front-line employees would prefer to avoid if they could relapse into the automatic mode of routine and "unthinking processing of customers" (Freemantle, 2001).

One of the most neglected areas of customer relationship management is psychology. Too many companies rely on computer systems to build relationships and the eBusiness world is exacerbating this. Most customers are social human beings and interactions with people

The role of knowledge management in eBusiness and customer relationship management

rather than systems provide immense emotional value in establishing and building relationships with them. Many organisations are task-driven and do not give attention to psychological issues. Successful organisations are effective in making both their employees and their customers feel good (Freemantle, 2001).

7.4. Conclusion

(Refer Figure 25 for summary)

7.4.1. The role of knowledge management as critical success factor in eBusiness

Knowledge management contributes to the value proposition of an eBusiness. Knowledge management is a critical factor in providing eBusinesses with timely access to accurate knowledge and intelligence on the organisation's markets, products and services, competitors, processes and methodologies, employee skills and regulatory environment, as well as other strategic areas of concern. Knowledge management will thus provide the eBusiness with the ability to react swiftly in terms of decision-making and adaptation to market conditions – one of the critical success factors for eBusinesses. Knowledge management also allows the organisation to build its intelligence through retention of knowledge within the organisation, as well as through the facilitation of knowledge flow across organisational borders in the supply chain or virtual marketplace.

Knowledge management assists in achieving, *inter alia*, the following goals in the eBusiness environment, thereby adding value (these are not discussed in detail – refer to Chapter 8 for more detail):

- Knowledge management facilitates precise, reliable knowledge across all processes and all stakeholders.
- Knowledge management facilitates the provision of access to the right knowledge at the right time to the right people.
- Knowledge management can ensure that an organisation captures, shares and acts on its knowledge.
- Knowledge management builds trust and collaboration amongst business partners.
- Knowledge management provides navigation abilities through the use of applicable technology.
- Knowledge management provides a single point of entry to the internal knowledge base, ensuring easy navigation.
- Knowledge management provides one interface between interactive eBusiness partners.
- Knowledge management allows structured access to disparate knowledge sources.

The role of knowledge management in eBusiness and customer relationship management

- Knowledge management provides processes and platforms through which knowledge can be internalised in the eBusiness.

7.4.1.1. Knowledge management strategy tied to the business strategy

Knowledge management is a critical success factor for eBusiness. The eBusiness strategy therefore needs to address knowledge as key organisational resource. The business strategy should address how knowledge as resource will be managed and leveraged to extract value for the organisation, in both physical and virtual environments. The business strategy should indicate which business objectives can be achieved through the leveraging of knowledge, as well as the benefits associated with the achievement of these objectives through the use of knowledge management (refer Figure 23).

Knowledge is an integral part of an organisation's business processes, which in turn are tied to the business strategy. It is therefore assumed that knowledge underlies the business and its operations, but it is key for any eBusiness to specify explicitly how it will leverage the value that knowledge can provide in the virtual world, seeing that processes differ in the virtual and physical world. The way that knowledge will be leveraged and benefited in the virtual world will thus differ and needs to be highlighted in the business strategy. In short, the business strategy should address the knowledge management value proposition for the eBusiness (refer Figure 23).

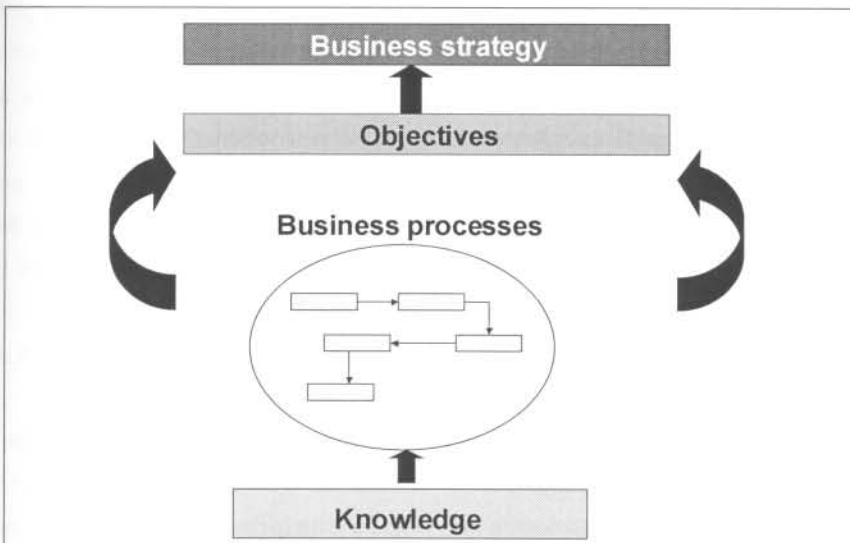


Figure 23. Knowledge management strategy tied to the business strategy

The role of knowledge management in eBusiness and customer relationship management

7.4.1.2. Knowledge management assists in creating a knowledge sharing culture

In the eBusiness environment, virtual communities within organisations are becoming more and more prevalent. In such an environment knowledge sharing is of the essence. Knowledge management can assist in creating processes, platforms and structures through which knowledge can be shared effectively. Knowledge management will also ensure the retention of and access to the knowledge shared in these virtual communities.

In the virtual environment knowledge sharing across organisational boundaries is also taking place. Knowledge management can ensure that the knowledge sharing takes place in a manner conducive to the eBusiness environment by providing the required knowledge sharing forums, tools and processes through which knowledge can be shared and retained across organisational as well as geographical boundaries.

7.4.1.3. Knowledge management as change agent in the eBusiness environment

Change management in any organisation is largely based on knowledge sharing, to effect a change in behaviour in the organisation. Knowledge management can assist in facilitating the sharing of knowledge around new programs or new business processes in the organisation by providing mechanisms for the publishing of knowledge around these changes affecting employees. It can also retain knowledge on the progress of the change management itself.

Knowledge management can also act as agent towards creating change in the virtual environment in terms of all staff becoming knowledge workers. Knowledge management can provide all staff members with the technological (and other) tools and processes to enable them to create, share, harvest and leverage knowledge as integral part of their day-to-day activities. Because eBusinesses are driven by redesigned processes, the way that people work will be changed, creating an opportunity to empower staff to become knowledge workers as they adapt to their redesigned positions within the eBusiness.

7.4.1.4. Knowledge management critical for virtual communities

In the eBusiness environment, virtual communities are common. These virtual communities share knowledge on work related issues and experiences. Knowledge management provides these virtual communities with platforms and processes whereby knowledge can be created, shared, harvested and leveraged, e.g. discussion databases. It allows staff that is geographically dispersed to have access to knowledge and expertise in other locations anytime, anywhere. It thus allows time saving through the elimination of duplication of work,

The role of knowledge management in eBusiness and customer relationship management

and quicker access to high quality knowledge and expertise, and therefore quicker and more accurate decision-making.

7.4.1.5. Knowledge management is critical for the positioning of an eBusiness

Knowledge management plays a critical role in the analysis of the competitive environment and the entry timing of an eBusiness. Knowledge management provides processes through which competitive intelligence can be harvested and analysed to benefit the organisation in terms of its market positioning and its entry into the market. Knowledge management is also critical in assisting leaders to establish the priority of eBusiness initiatives based on the market and competitive environment. Knowledge on the customer base also allows the organisation to do segmentation of its customers in order to target their marketing efforts of products and services, and to deliver quality service.

7.4.1.6. Knowledge management ensures agility

Speed and flexibility are critical success factors for an eBusiness. To ensure speed and flexibility, decision-making needs to be swift. That can only happen if the high quality, accurate knowledge on a variety of issues is available for decision-making at the right time and in the right format. Knowledge management has as its aim the provision of quality knowledge to decision-makers to ensure that decisive action can be taken quickly if required, thus ensuring corporate agility.

7.4.1.7. Knowledge management ensures knowledge retention

Due to the fact that the virtual environment expands the amount and / or span of knowledge available to the organisation, it becomes increasingly important to retain relevant knowledge so that it is available to staff at any point in time. This is particularly true of employee knowledge and experience – this knowledge needs to be captured through a knowledge management program to ensure retention and availability of it in the correct format at the right time, even when the employee is unavailable or leaves the organisation.

7.4.1.8. Structuring of website content

Structuring of content of the website as function or subset of knowledge management is critical to the success of the website, especially in terms of ease of use. Knowledge management specialists should be used to determine the structuring of the content of the website to ensure quick and accurate retrieval of information by customers. Knowledge management specialists should also ensure quality of the information.

The role of knowledge management in eBusiness and customer relationship management

7.4.2. The role of knowledge management as critical success factor in customer relationship management

7.4.2.1. Knowledge management strategy tied to the customer relationship management strategy

The customer relationship management strategy must indicate how knowledge should be used as organisational asset to build and maintain customer relationships. The customer relationship management strategy should indicate which customer relationship management objectives can be achieved through the leveraging of knowledge, as well as the benefits associated with the achievement of these objectives due to the leveraging of knowledge.

Knowledge should be used as input to enable the three main objectives and related activities in the customer relationship management strategy, namely defining a customer strategy, creating a product and channel strategy, and defining a marketplace. The knowledge management strategy can ensure that the required knowledge to enable decision-making with regards to these customer relationship management objectives are created, shared, harvested and leveraged. It thus ensures that knowledge as a resource for strategic decision-making is available at the right time and in the right format, to ensure that customer relationship management objectives as stated in the customer relationship management strategy are achieved.

7.4.2.2. Knowledge management creates a knowledge sharing culture within the customer relationship management environment

Customer relationship management is based on knowledge on customers and the organisation's relationship with these customers. Knowledge management can assist in creating a knowledge sharing culture within the organisation, including knowledge sharing on customers, through the provision of processes, structures, platforms and incentives for sharing and retention of knowledge, whether related to customers or otherwise.

7.4.2.3. Knowledge management as change agent in customer relationship management

Knowledge management can also act as change agent in the building and maintaining of customer relationships. The knowledge management system and knowledge contained in it can provide staff with knowledge on the customer at any time. This can assist in changing behaviour of staff to make sure they understand the customer's preferences and behaviour before and at the time of interacting with the customer. Previously not all knowledge on the

The role of knowledge management in eBusiness and customer relationship management

customer was centralised, i.e. there wasn't one view of the customer, leading to ineffective assistance and service to the customer. Customer knowledge is the key to building effective customer relationships, and it is therefore critical to manage it effectively by creating a comprehensive profile of each customer.

7.4.2.4. Virtual customer relationship management teams

Due to the advent of eBusiness, virtual teams are becoming more prevalent. This is also true for teams handling multi-national customer accounts. These virtual teams need to share knowledge on customer preferences or other details relating to the customer relationship across geographical locations. Knowledge management plays an important role in this knowledge exchange within virtual communities by providing the processes, structures and platforms for knowledge sharing and retention with regards to customers (refer Figure 24).

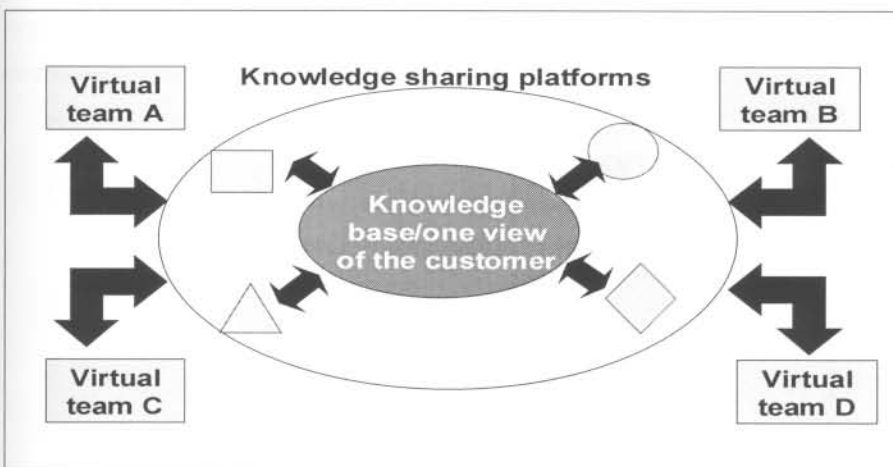


Figure 24. Virtual customer relationship management teams

7.4.2.5. Knowledge management as input for marketing activities

Knowledge management efforts combined with the customer relationship management programme should provide the organisation with one view of the customer. This one view of the customer provides the basis of marketing activities and ensures that the right products and / or services are marketed to the right customers. It will also retain all knowledge relating to marketing activities pertaining to a customer, i.e. building a customer marketing profile. This will add value to the marketing process by providing accurate targeting of customers.

The role of knowledge management in eBusiness and customer relationship management

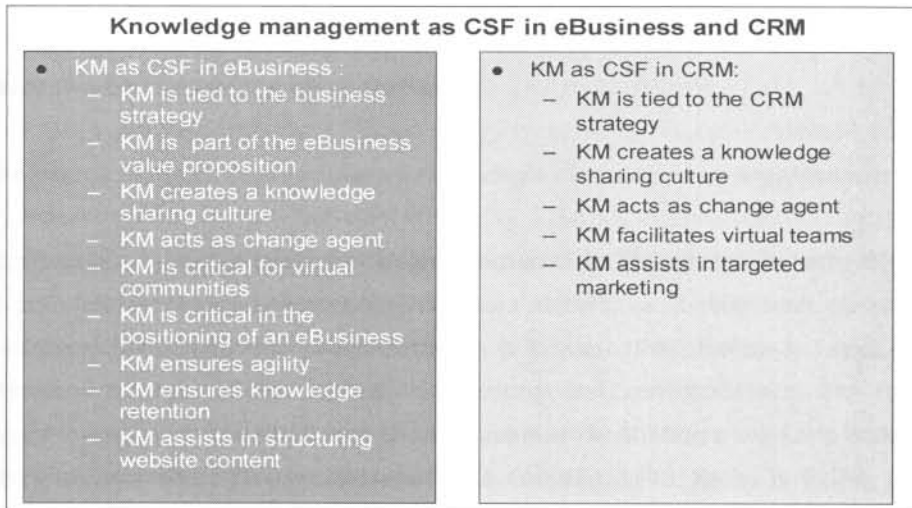


Figure 25. Knowledge management as critical success factor in eBusiness and customer relationship management

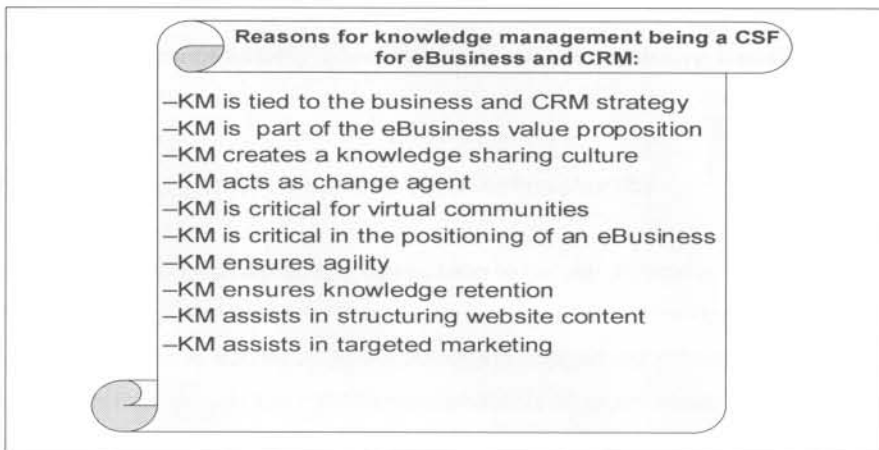


Figure 26. Reasons for knowledge management being a CSF for eBusiness and customer relationship management