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Stages of CRM-system implementation in pharmaceutical companies.

Ravil Blatov*, Ubaidilla Datkhayev, Alma Shopabaeva, and Balzhan Makhatova.

Asfendiyarov Kazakh National Medical University, Almaty 050000, Republic of Kazakhstan.

ABSTRACT

In the increasingly competitive environment, an important factor in the dynamic development of a pharmaceutical company is associated with customer interaction efficiency enhancement when promoting pharmaceutical products through introduction of information technologies. The article presents the background and purposes of CRM-systems implementation in pharmaceutical companies. The SWOT-analysis results and the analysis of potential opportunities to improve financial performance of the company determine the CRM information technology implementation relevance. Based on the structural analysis of the data, the CRM implementation stages have been identified and described and their implementation will enhance the company efficiency in terms of interaction with customers when promoting pharmaceutical products as well as improve business processes during employees' interaction.

Keywords: information technologies, CRM, business processes, pharmaceutical companies

*Corresponding author

INTRODUCTION

Development of Modern Society it's hardly imagine without new information technologies. This postulate is directly related to all areas of human activities and the pharmaceutical business is no exception. Introduction of modern solutions in the CRM-technologies (customer relationship management) enables companies to improve the interaction process with a focus on customer satisfaction by creating customized marketing tools and increasing the loyalty to the company and the products. The CRM-system is a software application for organizations and it is designed to automate customer interactions, in particular, to increase the level of sales, to optimize marketing and improve customer servicing by storing customer information and customer relationship history, by improving business processes and subsequent analysis of results [1,2].

According to the expert assessment results, the CRM-system implementation in the organizations yields a 20% increase in sales on average [3]; 1 dollar invested yields about 5.6 dollars return [4]. The access to the CRM mobile version increases the products promotion department employee performance by 15% on average [4]. The CRM-project success attribute is the economic benefit for the company - a significant increase in the employee's performance, the customer base extension, cost reduction [2, 5]. However, the CRM technology implementation value even during a comprehensive analysis is not always possible to express fully in monetary terms. It is difficult to overestimate the importance of creating a previously non-existent, unified relevant customer base, the importance of accumulating all information about the customer relationships and the ability to get the most accurate analytical data for management decisions. The above determines the relevance of CRM-system implementation in the pharmaceutical companies.

The purposes of the study is to present the CRM-system implementation stages in the pharmaceutical companies in Republic of Kazakhstan. For this purpose the **following tasks** have been assigned - defining the CRM implementation objectives in a pharmaceutical company, choice of the platform and the software, sequencing and description of the main technology introduction stages, training of employees in operating the system, analysis of the main results of the CRM implementation project.

Study materials and methods

The study objects are as follows:

- Public global sources and studies on CRM-systems implementation including those on the CRM-system in the pharmaceutical companies
- SalesForce.com – the SaaS model-based CRM-system developer (software as a service)

The study reviews the scientific and business literature, SWOT analysis, comparative and structural analysis.

THE RESULTS AND DISCUSSIONS

Pharmaceutical Business Specificity. CRM-system Implementation Background and Purposes

Promotion particulars of Rx drugs, unlike consumer goods lie in the fact that the manufacturer does not interact directly with the patient, advertising in mass media is prohibited and thus the customer gets the information from Health Care Professionals. In this case the customers of the pharmaceutical companies are doctors and pharmacists engaged in prescribing and dispensing pharmaceutical drugs to patients [6,7,8]. Restrictions imposed on the interaction of pharmaceutical companies and Health Care Professionals, gradual restriction of representatives visits to health organizations lead to the fact that search, engagement and retention of customers require expansion of communication channels and introduction of a new approaches to improve partnership and interaction with each customer individually, to focus on the needs of each doctor [6,7,8].

The world's largest pharmaceutical companies and their products usually represented in almost all countries of the world; they employ tens and hundreds of thousands of employees. The extensive staff determines formation of the ever-increasing amount of information when performing daily work and communicating with colleagues and customers. The information exponential growth, the need for its

structuring and analysis for adopting effective management and marketing solutions determine the relevance of the CRM-system implementation. The SWOT analysis has been completed to assess the need for the introduction of CRM-systems in operation of pharmaceutical companies and it is presented in Table No. 1. As with any project - implementation of the CRM-system has a number of weaknesses and threats; however, by comparing them with the strengths and opportunities and analyzing the international experience it is worth of mentioning prospectivity and justification of investments aimed at CRM-system creation.

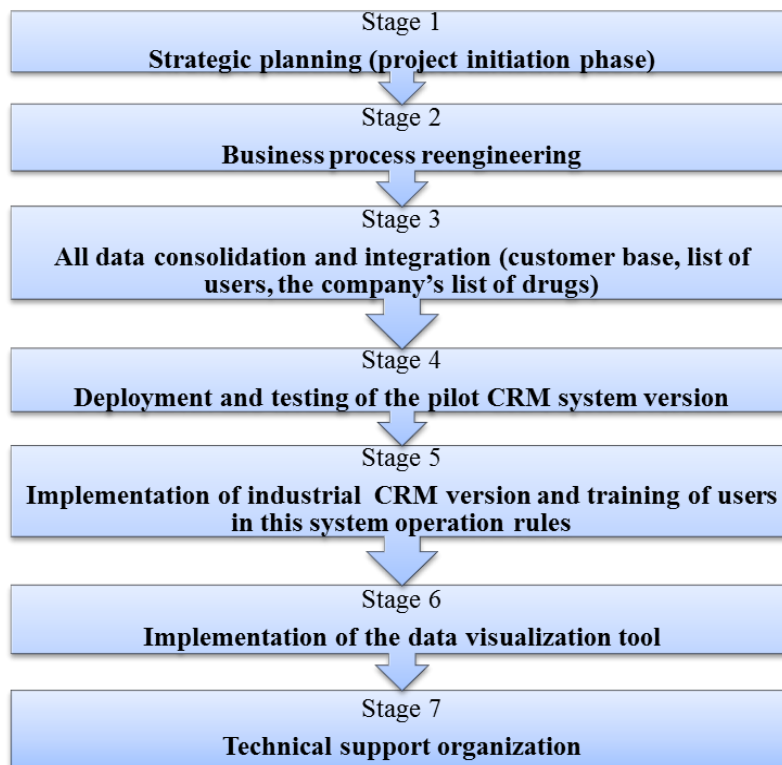**Table 1: SWOT analysis of CRM-system implementation in pharmaceutical companies**

Strengths	Weaknesses
- Diversification of interaction channels with customer-oriented approach (e-detailing, e-mail, webinars, Skype-visits) - Storage and collection of all the information on interaction with customers with segmentation of potential and current customer base preparation - Optimization of the company's expenses on the basis of the data analysis for a certain period due to redistribution of employees' wages broken down by pharmaceutical drugs, the target audience of doctors and dependence on sales - Control of the "field" employees including qualitative information reporting and compliance with the work schedule - High-speed electronic communication and acceleration of processes, regardless of location - Workflow automation, "paperless" technology	- The need for additional investment in software - The need for additional staff training - Risks of the staff demotivation in view of the additional burden associated with completing the CRM-system - A long period of preparation, implementation and setting up (1-2 years) of the CRM-system efficient operation
Potentials	Threats
- The global trend in the population informatization - A gradual increase in active users of the Internet and information technologies among customers	- The need for collection of the informed consent of customers for data processing - Requirements to IT protection of the data in accordance with the law

A global representation of large companies and an unified systematic approach to work in the operating countries usually dictate the choice of world-class platform, which resources will allow providing technical support in all countries where the pharmaceutical company operates. Among them, it's possible to distinguish - SalesForce, Sap, Oracle, Microsoft, IBM [2]. The marketing analysis of the CRM-system market, development trend determination and increase in the share of SaaS allow stating the fact that the most popular platform and a global leader in the cloud technology is SalesForce [2,3,8]. Many large pharmaceutical companies are implementing the CRM-system based on SalesForce platform. Selection of SaaS by the most companies is not accidental and connected with several advantages. The CRM-system is leased and only those functions that are necessary for the company are used. Everything is served by the Cloud Provider, including installation and operation of the software, ongoing technical support and update of applications. In this version it is enough to have a web browser and a stable Internet connection to operate the system [2,8,9]. A weighty argument in favor of using the cloud CRM-solution is its security and stability. Security is achieved through consolidation of computing resources, minimization of the "human factor" and the strict control of access to the service, while the stability is ensured thanks to modern technologies that provide complete control of the CRM-system performance and appropriate actions are taken in the event of the slightest faults, thus providing a stable and trouble-free operation [2,8,9].

Main Stages of CRM-System Development and Implementation

As a rule, the CRM-system introduction includes certain implementation stages known in the scientific literature [5.6]. However, depending on the industry and a specific company, every project is unique and has its own specifics. The study authors have identified the main stages of the CRM-system implementation in the pharmaceutical companies using the SaaS technology, which are presented in Figure No. 1.

Figure 1: Main stages of CRM-system Development and Implementation

Stage 1
Strategic planning (project initiation phase)

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Stage 2
Business process reengineering

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Stage 3
All data consolidation and integration (customer base, list of users, the company's list of drugs)

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Stage 4
Deployment and testing of the pilot CRM system version

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Stage 5
Implementation of industrial CRM version and training of users in this system operation rules

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Stage 6
Implementation of the data visualization tool

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Stage 7
Technical support organization

Brief description with action steps of each stage CRM implementation presented in Table No. 2.

Table 2: Description of processes on each stage in frame of CRM implementation

Strategic planning (project initiation phase)

1. Development of the CRM implementation strategy, goals and objectives
2. Selection of the software and the platform (described above)
3. Formation of the project CRM implementation team

Strategic Goal of CRM Implementation:

Improvement of the company efficiency in the field of Pharmaceutical Drug Promotion, Business Process Optimization and enhancement of the company's financial performance

Enhancement of the company's operation efficiency means accomplishment of certain objectives to achieve the following indicators:

➤ Availability of the unified structured customer base with complete information about the previous and planned interaction

➤ Creation of the business-intelligence system with the possibility to obtain analytical data in different versions for management decisions at any time

➤ Optimization of the customer base in accordance with segmentation and targeting

➤ Introduction of client-oriented marketing concepts. Increased interaction channels: digital technologies, e-detailing, webinars, phone calls, e-mail, face-to-face meeting, specialized Web sites, chat forums

➤ Improvement of business processes and increase in employees' performance.

➤ Increase in sales, cost saving, company's profit growth

Formation of CRM Implementation Team

The Project Team is formed to implement CRM. The Project Manager is the CRM-administrator. The team shall include the IT department experts, the business analysis department employees, the medical products promotion department employees, the marketing department and other department employees in case of further operation of the CRM-system. The CRM-administrator of the local company is responsible for communication with the head office and IT-specialists of the supplier (eg., SalesForce vendor)

Business process reengineering

1. The introductory briefing of the project team and in-depth training of the project team in implementing basics of

CRM-technologies

2. Preparation of the CRM implementation "road map" with setting of operational objectives, defining stages and deadlines for their implementation and expected results.

3. The organizational and functional structure analysis

4. The analysis and description of business processes. Identification of key business and customer needs.

5. Generation of proposals on optimization of processes (visits reporting, activities recording, etc.)

6. Development of procedures, templates (database, customer cards - specialists and organizations, visit report templates) given the possibility of further integration into the selected platform. Regulation of processes is consistent with the management and key users of the program.

All data consolidation and integration (customer base, list of users, the company's list of pharmaceutical products)

1. Promotion of the new CRM-ideology concept by conducting awareness campaign focused on users who will be able to influence the project success.

2. The information system core is a deployed customer base. In this connection the data collection has been carried out using manpower of all future system users throughout Kazakhstan, in accordance with the developed templates (different characteristics of counterparties - names, positions, professions, place of work, company address, region, customer segmentation, and other properties and features by which they are classified into groups)

3. Verification of the information collected, additional filling out of missed characteristics, prevention from the information duplication

4. Distinction of roles among the employees when providing access to the program in view of the organizational structure

5. Integration of the data collected and their migration to unified SalesForce database

Deployment and testing of the pilot CRM system version

1. After the data consolidation and integration, the pilot version of CRM-system is launched and tested in the company.

2. The IT-department provides technical support

3. The project team checks the system operation. Algorithms of tasks fulfilment and the program functional features are checked taking into account the entire set of operations that will be applied when starting the program. At this stage technical and operational errors are identified, opinions are exchanged, and consultations are held with the product supplier.

4. IT-specialists eliminate errors and then the pilot version is re-tested by users until the final commissioning of all processes is completed.

Implementation of industrial CRM version and training of users in this system operation rules

1. Commissioning and providing access to all users of the CRM-system

2. The obligatory stage of the system implementation for effective functioning of the company is to train in the system operation.

Implementation of the data visualization tool

1. To analyze large amounts of information from many sources and convert it into business information in the CRM program a Web platform is created for the business intelligence (Business Intelligence), for example, QlikView

2. Analytics allows for visualization of the data in different formats (hundreds of reports by the parameters set, number of customers by specialties, frequency of visits during the time interval, number of customers depending on potential and category, etc.) for all CRM users in the pharmaceutical company.

3. Primarily such reports are of interest to managers, the marketing department, and the medical department. In addition, they are available to users for their performance evaluation.

Technical support organization

It is necessary to establish a technical support team for users support in case of any questions or entering new data in the CRM-system

CONCLUSION

After the project is completed the CRM implementation efficiency will be assessed. The key indicator is fulfillment of goals and objectives. The results of the successful CRM implementation project shall be as follows:

- Availability of the unified structured customer base (specialists and organizations) taking into account the data segmentation, with the certain pre-developed and required set of information
- Creation of the business intelligence system. Definition of key performance indicators in the CRM system operation
- Saving the history of interaction with customers, business process automation
- Implementation of the client-marketing concept. Collection of feedback from clients to improve marketing tools and increase interaction channels (e-detailing, phone calls, interactive video, Skype-visits)

The company efficiency depends not only on the CRM system implementation but also on the management decisions that are taken on the basis of the analysis of the accumulated data base, which in turn has become possible thanks to CRM.

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