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The Research on CRM-based Knowledge Transfer Process

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Abstract: Customer relationship management (Customer Relationship Management, CRM) and knowledge management (knowledge management, KM) are currently hot research fields. Knowledge of customer relationship management is to support the activities of the enterprise customer relationship management. Enterprise CRM activities consist of a series of activities. But there is a big gap in knowledge, So this paper discusses the meaning of the knowledge in CRM, find out the characteristic of the Knowledge, and then constructs the knowledge process model for CRM by referring the traditional KM process model. Analyze each stage of the model and find out the efficient way for enterprises to conduct knowledge activities in CRM.

Keywords: customer relationship management, knowledge management, knowledge transfer modle

1. INTRODUCTION

Enterprises are formed by a series of interconnected activities, which will require corresponding knowledge. From this perspective we can understand that knowledge is geared to the specific business problems. It is significant of some guidance to solve specific issues. And CRM is a very important business activities for modern enterprises. It is long-term competitiveness of enterprises and help enterprises to attract and retain the most valuable and the most potential customers. It is a complex process including the integration of a customer service, market competition, sales activities, etc. This needs a huge amount of knowledge which is involved in the process of CRM, such as knowledge on the customer and on the other company's products. Knowledge of CRM and business processes are closely linked. Knowledge management which will be integrated into the practice of customer relationship management is the process of resolving customer relationship management activities. It is effective to solve the big gap in knowledge.

2. ANALYSIS ON KNOWLEDGE CHARACTERISTICS IN CRM

(1) Multi-Source. Knowledge in CRM is a marked characteristic of multi-source, which means the diversity of source. There are two kinds of knowledge in CRM: one is the internal knowledge, including corporate brands, trademarks, patents, inventions, commercial secret, production and inventory. The other is the external knowledge, such as from customers, suppliers, external entities (such as competitors, consulting firm, universities, etc.) and other kinds of knowledge. The internal knowledge is the foundation. For enterprise customer relationship management activities, external knowledge is equally important.

(2) Dynamic. Knowledge itself has dynamic characteristic. The customer relationship is a dynamic interaction with the client. In the process of interaction, the enterprises themselves in a changing environments (enterprises lost an old customer, and it also got new customers, which means a "leaky bucket effect"), the ever-changing needs of customers, enterprises need to update their knowledge. Meanwhile, in the course of interaction with other entities outside, a lot of new knowledge will gradually begin to replace the old knowledge.

(3) Layered. CRM activities can be seen as achievement of the goals set on the process of continuous knowledge Innovation, and are Formed by a series of tasks, and those tasks itself is layered. The staff in those

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activities is also layered, from vice president of marketing manager, in charge of the market, to the Commissioner. Customer relationship management is a process of lower level staff to accept the tasks assigned by the higher level staff. The task was then decomposed, refined, distributed, assigned to staff. The completion of high-level tasks is based on the lower level tasks. CRM activities and the specific tasks can be broken down according to specific business processes. The specific tasks can be refined into a series of sub-tasks of network structure. The value chain composes of Sub-tasks. The chain of activities is corresponding to their various areas of knowledge. And there are different levels of knowledge on the different level. High-level staff when they solve the high level issues will need the strategic knowledge, but Low-level employees need detailed, specialized knowledge. This formed a customer relationship management knowledge level dimension.

(4) Relations can be transformed into capital. Knowledge is a key asset of customer relationship management activities. Knowledge can embody the value of customer relationship management. The process of CRM will need using all the knowledge, and knowledge acquisition will also pay a certain cost. The use of this knowledge can guide the process of customer relationship management, and enterprise customer relationship has been continuously improved. The Relational Capital will be accumulated, in which knowledge has played a very key role. There are a lot of knowledge factor in Relational Capital. This transformation is not a wane and wax process. In the transformation process, the new knowledge constantly emerges, and customer relationship management has been a constant accumulation of knowledge. The relational capital in the process of CRM and the knowledge capital are a virtuous spiral of development momentum.

3. IDEA OF CONSTRUCTING CRM-BASED KNOWLEDGE TRANSFER MODEL

There are three types of knowledge transfer in CRM process(figure 1).

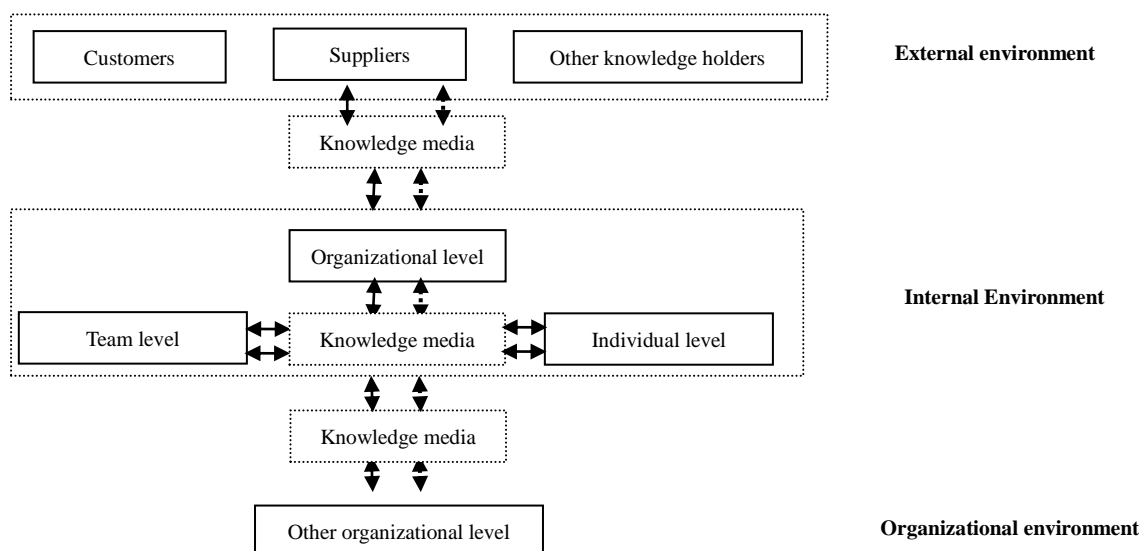


Figure1 CRM Transfer model

3.1 Knowledge transfer in internal environment

The process involves five kinds of knowledge transfer mechanisms.

3.1.1 Knowledge transfer between the individuals

In CRM, the individual staff exists between the tacit knowledge and explicit knowledge exchange. But more is tacit knowledge exchange. Tacit knowledge society is through the exchange of the way. The exchange of explicit knowledge is accomplished through interviews.

3.1.2 Knowledge transfer between the individuals and team

(1) Knowledge transfer from Individuals to team can be such as ways to guiding their skills. Tacit knowledge will be changed into tacit knowledge related to the group.

(2) Knowledge transfer between individuals and organizations is the tacit knowledge that can be made explicit. Tacit knowledge which is difficult to be made explicit such as team experience can be transferred by the impact on individuals from team or individuals' comprehension. Tacit knowledge which cannot be made explicit became apparent to the team through practice and guidelines for the individual transfers. For explicit knowledge, it can be transferred by means of working practices.

3.1.3 Knowledge transfer between the individuals and organization

(1) Knowledge transfer between individuals and organization is the tacit knowledge that can be made explicit, which can be changed into the explicit knowledge by collating, summarizing, coding and continue through systematic way.

(2) Knowledge transfer between organization and individuals is already becoming apparent in the tacit knowledge and explicit knowledge. Tacit Knowledge which has been explicit such as customer service skills manual and the explicit knowledge such as operating manual can be passed through an external-oriented approach to the relevant individual employees. Some of the tacit knowledge which can not be made explicit such as common enterprise customer service value system, can be transferred through its own experience of the staff feelings and guide enterprises.

3.1.4 Knowledge transfer between the teams

In CRM activities, tacit and explicit knowledge will be exchanged between the various teams. The tacit knowledge which is difficult to be made explicit such as the work of the team know-how, experience and understanding between team members can be transferred through collaboration between the team, and formed a partnership to affect the other. Team can send personnel to learn from the other team, and then transfer this knowledge to other members of the team. For tacit knowledge to explicit and explicit knowledge, such as practices, customer service records, etc., can be achieved through the transfer of communication between groups.

3.1.5 Knowledge transfer between the team and organization

(1) Knowledge transfer between team and the organization is by briefing on the work during the execution of the tasks to the various levels of the organization. After the end of task, knowledge transfer can be the way of summarizing by means of the task passed to the organization. Summary of knowledge by the organization can be transformed into explicit knowledge in the organizational level.

(2) Knowledge flow from team to the organization is mainly explicit knowledge and tacit knowledge which has been made explicit such as operations' skills and various management concepts.

3.2 Knowledge transfer between other organization level and internal environment in CRM

In the process of CRM, Enterprises need to pass knowledge about products to the customer. These knowledge exists in the other body of knowledge within the enterprise. At the same time the enterprise customer relationship management activities is the only point of contact with customers. In contact with the customers, the internal environment of customer relationship management holds a large number of customer knowledge such as customer demand customer preferences, etc. and needs to transfer this knowledge to the other enterprises so that the activities are concentrated on the entire enterprise customers.

Such knowledge is a two-way transfer. One is the knowledge transfer from other organization level to internal environment in CRM. Another is the knowledge transfer from internal environment in CRM to other organization level.

3.2.1 Knowledge transfer from other organization level to internal environment in CRM

Other knowledge holders in organizations will transfer vast amounts of knowledge, such as product features, to the internal body of knowledge in CRM. Transfer will happen among other knowledge holders in organizations, the individual, team and organizations. Knowledge transfer is mainly from the other body of knowledge in organizations to the body of knowledge in organizations.

3.2.2 Knowledge transfer from internal environment in CRM to other organization level

For a client-centered organization, the value of customer knowledge is important. The other body of knowledge in the organizations, such as research and development, and production activities, needs these knowledge. the Knowledge transfer among individual, team, and other internal body of knowledge is often done by indirect.

3.3 Knowledge transfer between external environment and internal environment in CRM

Customer Relationship Management is a dynamic, open and complex process. There are lots of knowledge exchanges in the process of CRM activities. Three categories exist in such mechanisms. The first is between customers and internal body of knowledge. The second is between suppliers and internal body of knowledge and the last is between other knowledge holders and internal body of knowledge.

3.3.1 Knowledge transfer between customers and internal environment

In customer relationship management, enterprise contact with a large number of customers, and there is a large number of tacit and explicit knowledge transfer. This is a two-way and real-time interactive transfer of knowledge.

(1) Knowledge transfer from customers to the internal body of knowledge in CRM

The knowledge transfer from customers to internal environment is the most important way to gain the customer knowledge. In the process of contacting with customers, we can gain a large number of explicit and tacit knowledge, such as the different characteristics of the product, the different needs of customers, the different views on product function, knowledge of the trade or business where the main customers of the relevant background knowledge. Knowledge transfer between the main body of knowledge in organization level and customers is not direct ,and is often through a summary of the first two types of knowledge transfer and indirectly to achiever.

(2) Knowledge transfer from internal body of knowledge in CRM to customers

In the process of contacting between internal body of knowledge in CRM to customers, internal environment will transfer a large number of explicit and tacit knowledge of the products and services. There are two channels for the transfer of this knowledge. one, enterprises enable customers to know the linkage between goods and services and their objectives by promoting the concepts of the service and the brand. The other is a process from the customers' experience, by absorption and training customer full use of goods or services, and the learning and experience of these utilities.

3.3.2 Knowledge transfer between suppliers and internal environment

According to the SCOPE model for customer relationship management, in the process of customer relationship management, the factors which have an important impact on effective management of customer relations are enterprises, employees, customers, partners and suppliers. Enterprises' vendors are often involved in enterprise product development and its' product quality improvement has significantly affected in the final products' quality. Therefore suppliers and the customer relationship management activities are closely related. In customer relationship management, there is two-ways transfer between enterprise and suppliers. Enterprises transfer the knowledge of the customer demand to the suppliers, while suppliers can also transfer the knowledge about the new raw materials. Knowledge can be transferred by technical seminar, documents, or directly dispatching personnel to study each other.

3.3.3 Knowledge transfer between other knowledge holders and internal environment

The knowledge in CRM can be gotten from the other external part of enterprises (such as university experts, consulting firms, etc.). Customer relationship management activities in enterprises have accumulated a lot of knowledge, and such knowledge can also be transmitted to other external body of knowledge. So this is a two-way transfer of knowledge. This kind of two-way flows and transfer of knowledge is between internal body of knowledge and external body of knowledge. For example, enterprises can obtain the external skills, knowledge about products and businesses by ways of borrowing external resources, buying know-how, introducing advanced technology, sharing experiences or conference.

4. CONCLUSION

Customers, as the enterprise's core capital, have become the focus in the environment with severe competition. Customer Relationship Management (CRM) which is generated under this background has become a popular research topic. There is a wide Knowledge Gap (KG) in the process of CRM implementation. Therefore, to integrate the Knowledge Management (KM) with CRM is a solution.

From the perspective of supporting CRM activities, the study on KM and CRM, presents a knowledge transfer model. Based on the Characteristic CRM Knowledge, such as Multi-Source and Dynamic nature, etc, this paper discusses the meaning of the knowledge in CRM, find out the characteristic of the Knowledge, and then constructs the knowledge process model for CRM by referring the traditional KM process model. Analyze each stage of the model and find out the efficient way for enterprises to conduct knowledge activities in CRM.

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