Has Salesforce.com Truly Added Value to Corporate Travel?

Corrine Meisinger

Table of Contents

**CHAPTER 1: INTRODUCTION**

*1.1 Background of the Research*

The concept of corporate travel management is the function of a company that manage strategic approach to the travel policy of a company, its negotiations with all of the company's vendors, the company's day to day operation of corporate travel program, management of credit card and data management of travel and entertainment (T&E) (Faulconbridge, Beaverstock, Derudder & Witlox, 2009, p. 304). In short, the management of corporate travel decides on the service class that employees of a company are allowed to fly as well as negotiating the corporate rates with the hotels and airlines. It also set the use of corporate credit card (Beaverstock, Derudder, Faulconbridge & Witlox, 2009, p. 196). It is evident that many companies have adopted 'Salesforce' customer relationship management software. Salesforce is a social enterprise and cloud computing software which provides services to companies through its cloud platforms and applications (Salesforce.com, 2014b, p., 1). Many of the travel management companies have employed proven features of Salesforce that offered them with easy customisation and better integration to manage the relationships with business customers.

*1.2 A Brief Description of Organisation*

XYZ Company operates in Corporate Travel industry of UK. The company is located in London. Previously, XYZ Company did not use any application or software that could streamline its business operations and customer relationship management. The tool of Salesforce was introduced to XYZ Corporate Travel in September 2013. The company incurred many costs in the implementation of this tool such as licensing costs, support costs, training costs along with

tool customisation. Time spend updating salesforce has an employee cost.  Several changes were experienced in the company after the implementation of salesforce.

### 1.3 Rationale of the Study

As Salesforce has provided companies with consolidated, simplified and standardised means for customer relationship management through its travel policy and travel management program (Motahari-Nezhad, Stephenson & Singhal, 2009, p. 10), there is a need to investigate whether it has given benefits to XYZ Company in terms of return on investment or it has added value to the company's ROI. The use of Salesforce has provided companies with increased compliance, visibility of spending as well as savings. I have been working in the XYZ Corporate Travel. The Salesforce was introduced in the company in September 2013. There is a need to investigate whether it has really added value to the organisation and if the company is getting increased return on its investments. Another rationale for this study is that previous researchers lack adequate focus on the benefits of using Salesforce with respect to a single company. So there is a need to investigate whether the use of Salesforce has provided XYZ Corporate Travel with increased return on investment.

### 1.4 Research Aims and Objectives

The aims and objectives of study provide researcher with a clear picture of what particular issue needs to be investigated in the research. The following research aims and objectives are developed for this study.

- To determine if the Salesforce is generating an ROI and added value for XYZ Corporate Travel.

- To investigate whether there are any areas where the company can improve the use of Salesforce.

- To explore how comfortable are the company's employees with the use of Salesforce CRM

- To determine whether there exist any lessons needed to be learned that identify how the company can increase adoption of current users.

## *1.5 Research Questions*

Research questions provide researcher with an answerable inquiry into a particular issue or concern. It provides an initial framework in the study that guides what is going to be studied in the research. With respect to this study, following are the research questions that are developed:

- Are all licensed users of the tool using it to store all customer information?

- Do users fully understand how all functions in the tool work?

- Does infighting between sales brands still exist or has Salesforce helped them to co-operate more due to clear visibility on new leads and bids.

- Has Salesforce helped the business managers to understand the clients better?

- Do the brand managers have better visibility of how customers are being managed?

- Do employees feel uncomfortable with such visibility on calendars, meeting and completion of tasks?

- Are the business managers using the time more efficiently due to all data being stored in one location? Are all corporate brands using Salesforce in the same way?

- Are there any recommendations that can be made to improve the value and ROI to the XYZ Corporate Travel?

### 1.6 Research Methodology and Data Analysis

For this study, a mix of qualitative and quantitative study is used to that determine the research aims and objectives. With respect to quantitative research, survey questionnaires were designed that were filled by employees working in XYZ Corporate Travel. The sample size for survey is 80. On the other hand, qualitative research method is also used in the study. Interviews were conducted with 5 corporate brand managers within XYZ Corporate Travel. Moreover, interviews were also conducted with employees to get additional information and to gain additional insights on information provided in the surveys. Quantitative data is analysed using SPSS tool, while qualitative data is analysed using content analysis.

### 1.7 Limitations of the Study

While conducting this study, there also exist some limitations that can affect the outcomes of the research aims and objectives. Two factors have limited the scope of this study. These factors include resources and time constraint. With respect to resources, there was somehow lack of efficient resources with regard to filling of questionnaire from respondents. Human factor was associated during the research work. This is because some of the respondents might have thought that the study was too complex, and that some of the respondents have not responded to the questionnaires according to what was expected from them. As the research has also used qualitative data with the help of interviewing brand managers and employees of XYZ Corporate Travel, the major limitation in this area was that the respondents were hesitated about

giving their opinions as they thought that providing sufficient opinions would lead to fear of losing their jobs. Another limitation was of time constraint. As this research topic is very wide and the area of customer relationship management is continuously growing, the time allotted to conduct this research was not sufficient enough to gather thorough information that would lead to possible best results of this study. So, the researcher has a limited time to come up with realistic research work.

### *1.8 Significance of the Study*

This study would explore the various benefits of using the Salesforce within XYZ Corporate Travel. As there are many costs associated with the tool that company employ for its better productivity. Such costs include licensing costs, training costs along with costs of tools customisation. There are also employee costs. So this study would help the company to determine to review the benefits, costs and recommendations that can increase value to the end user. The study would also contribute positively to other companies to realise potential benefits and costs associated with employing Salesforce.

### *1.9 Organisation of the Study*

This study has been organised in six chapters. The following part describes the overall organisation of this study.

- Chapter 1: Introduction: This part offers a full overview of the study. It first develops the background of the study followed by problem statement. The research questions of this

study are also highlighted in chapter 1. It also gives information about the research

limitations that researcher faced during the course of this study.

- Chapter 2: Analysis of the Problem/Challenge: This is the second chapter of the study. In

  this part, researcher develops a theoretical framework of the study by analysing the

  existing published sources. Through the use of secondary data, major concepts and

  frameworks are discussed in this part that gives foundation to conduct this research. This

  part will offers significant findings that previous researchers have established relevant to

  the chosen topic.

- Chapter 3: Methodology and Data Collection: This chapter gives thorough understanding

  of the research methods that the study employed in order to gather data. This part

  describes research design, methods of data collection, data analysis method and sample

  size that this study has employed. This is essential chapter of the study which aims to

  offer data that the researcher has collected in the course of study.

- Chapter 5: Findings and Conclusions: This chapter provides understanding of the

  research data by providing deep analysis of the study. Also, data from the research is

  presented in the form of tables and figures. The researcher analyses the data findings that

  he gathered in the previous chapter. , the researcher discusses the results that have been

  analysed. The researcher also provides his opinions and ideas after the results have been

  analysed. The researcher concludes the overall findings and analysis of the study and

  present recommendations to future researcher.

**CHAPTER 2: ANALYSIS OF THE PROBLEM/CHALLENGE**

This chapter will discuss the background of the topic with regard to each aspect that is related to the research topic and that will contribute to answer the research questions.

*2.1 Corporate Travel*

The corporate travel industry has been growing since many years as demand in business travel increases. There are many of the companies that operate in this industry. Such companies include Wayte Travel, The Ultimate Corporate, Good Travel Management, Rima Travels and others. The travel and tourism sector of economy is facing an extreme tough economic climate. The travel industry is a flexible industry that has had to adapt to the changes and new opportunities. The industry is witnessing an exciting time in mobile technology that has changed the way customers purchase and share their travel experience. According to Google, more than one third of world's travel industry will be online in 2015; however, 90% of buying decision regarding travel by UK consumers will be influenced to some degree by online (PwC, 2014, p, 2).

*2.2 An Understanding of Salesforce*

Salesforce is the fifth largest player in the global application software industry (Salesforce.com, 2014e, p. 1). The company provides the customer relationship management systems to a variety of customers operating in different industries. Salesforce has increased reputation because it provides its customers with easiness of their systems interface as well as flexible customisation possibilities. As the software industry is rapidly evolving because of

global competition, Salesforce is expanding itself to other areas of business that include

AppExchange platform and Cloud Computing. However, the company also provides its

customers with diverse professional services such as   customer training and consulting.

Salesforce.com is engaged in providing its services to different regions that include Latin

America, China, Europe, USA and Japan.

With respect to the competitors of Salesforce in the application software industry, its

major competitors are Oracle Corporation, Microsoft Corporation, Intuit Incorporation as well as

Adobe systems Corporation. In the year 2006, Salesforce has got the reputation of $309 million

leading U.S Company with respect to the on-demand CRM services industry. The company has

been successful as it has followed the concept of software as a service in spite of traditional

practice of proprietary packages software that is offered by other software companies.

### 2.3 Benefits and Difficulties of using Salesforce

As Salesforce is one of the top software providers in the world, the benefits that

companies get by using its products and services are widespread. However, it also has some

disadvantages. The following section describes the benefits and drawbacks of using Salesforce.

### 2.3.1 Benefits

It is evident that the services and products which Salesforce provide to its customers help

the companies to better engage with their customers. Using 'Salesforce' software helps

organisations to manage relationships between the customers and sales person. It is considered as

one of the competitive services in the market of CRM applications and softwares. The

automation system provided by Salesforce assist its corporate customers to overcome themselves

for better products and appearance for their customers. In short, the products designed by Salesforce help the company to overcome the difficulty of customer relationship management.

One of the major benefits of using Salesforce is that companies who are using this do not have to face risk. Because of low risk and acquiring costs of Salesforce as an organisational tool, the company has low threat to lose while benefitting itself on a large scale. Using Salesforce assists companies to improve the overall organisation as the database that Salesforce uses is helpful in organising and digitising the sale records of company. It is also stated that a good customer service and Salesforce comes hand in hand. The Salesforce also allow its clients with customisation of profiles for individual customers and allow quick access to individual records. On the other hand, employing Salesforce do not require capital investment as there is no need to purchase hardware and software systems that maintain and keep the application running. Also, the integrated solutions allow users to increase the value of each aspect of customer lifecycle. Additionally, reporting function and analytics of Salesforce provide its clients the ability to increase their campaign capacity. This could result in overall increased productivity as a result of which profits can be maximised.  Lastly, Salesforce is an application as now software is required, so corporate clients does not need to update the application as it is updated automatically (Benioff & Adler, 2009, pp. 108-135).

*2.3.2 Disadvantages*

Other than numerous benefits, there are also some disadvantages that companies can face by employing Salesforce. With the integration of new application for customer relationship management, the sales persons in company require to spent adequate time to learn the key customer data. This is because the new system is complicated in case when the older sales personnel are using the system.  For a company to implement a Salesforce, it requires adequate

amount of money for its installation. The organisation has to spent money on the installation of software, its IT communications that include servers, networks and softwares. Yet another disadvantage is that Salesforce CRM is not a software, instead it is a service. Companies cannot buy their services but rent for a time period. This could be a major hurdle for companies who wanted to buy software as rent can incur more costs until the software is being used by the organisation. While using Salesforce, it is possible that too much customisation exist as a result of which interface can be filled with tedious tools. Using those tools can be distracting for the organisation to achieve its goals. It can be seen that some users of Salesforce still face difficulties in transition between the transactions. They have to go through multiple screens in order to process their transactions. As Salesforce has its own maintenance schedule since it runs of its own cloud server, there are certain times in which application is not accessible by users. One of the greatest disadvantage of using Salesforce is that users can lose their personal touch as all the processes of customer relationship management are automated. Yet another drawback is that the Salesforce contains some barriers to adoption. This imply that even though Salesforce is cheap to use, it can be seen that the cost of incorporating the application and redesigning their information systems so as to incorporate it into the organisation is not similar as cost of acquiring the application. So it might be possible that the costs of integrating this application exceed the costs of the software itself (Crmexposed.com, 2014).

## 2.4 Different companies' experiences of using Salesforce

As Salesforce is providing its solutions in almost every industry,  many companies have been using their applications. Let's take a look at how different companies from different industries experienced using Salesforce.

*2.4.1 24 hour fitness*

This company operates in a healthcare industry. The company is one of the  largest privately owned and operated fitness chains in the world. The company wanted to consolidate all of its corporate sales groups on one CRM platform. It also wanted to overcome the integration, issues of laptop theft and transfer of data that has inundated prior consolidation attempts on ACT. 24 hour Fitness requires deploying such a stress free solution that can be customised without draining the companies' IT resources. So it has employed Salesforce CRM solution in its business. As a result, the company experienced an increased in business and corporate sales by 30% because of consolidated view of sales pipeline provided through Salesforce CRM. The company has a better transparency, communication and reporting across global teams as a  result of Salesforce CRM (Salesforce, 2014d, p.4).

*2.4.2 Alltel*

Alltel operates in a communication industry who is the operator and owner of nation's largest wireless network. The company wanted to deploy a robust and customisable CRM solution that would accommodate its business specific ordering systems. It required creating a unified view of customers that was not available with the disparate home-based applications. In short, it wanted to gain visibility in customer needs that will forecast and plan channel activities. After implementing Salesforce CRM, the company experienced a unified view as the application has linked its sales representatives with the activations group and call centre. Alltell had better real-time views into its sales, customer as well as pipeline information that helped them to

identify the weak spots in their sales process. Most importantly, the company has achieved 85%

of user adoption (Salesforce, 2014d, p. 6).

*2.4.3 Cars.com*

      Cars. Com is operating in the media industry where the company is the fastest growing

automotive market on the web. The challenges that company faced is to unify its customer

support data and create standardised processes across customer service and sales. It also wanted

to accommodate the differences between B2B and B2C transactions rather than using rigid set of

processes. Cars.com wanted to chose such a solution that would not drain their limited resources

of technology. By implementing Salesforce CRM, the company experienced an increase in the

support agent productivity by up to 50%. It has decreased the case handling time by 26%

resulting in the processing of 25,000 cases each month (Salesforce, 2014d, p.14).

*2.4.4 Dell*

      Dell is the global leading systems and Software Company operating in the industry of Hi-

Tech hardware. The company wanted to design a scalable way to collect the community

feedback and also engage the community in driving the innovation. It wanted to better streamline

its operations which can take advantage of interactions with approximately 3 million customers

per day. It wants to create its secure employee community that can capture feedback from 80,000

worldwide employees. To cope up such challenges, Dell has implemented IdeaStorm application

of Salesforce that helped the company to identify pain points of customers and focus on those

areas that require improvement. Effective customer feedback through this tool has enabled the

company to build select customer desktops and notebooks. With regard to challenges related to

employees, EmployeeStorm application helped the company to break down its corporate silod

and encouraged employees to share their expertise at all levels (Salesforce, 2014d, p. 20).

*2.4.5 Google*

Google operates in a media industry. One of the business divisions of Google offers

enterprise solutions to different organisations regardless of its size. The division wanted to

streamline as well as consolidate customer data that was stored in multiple systems into a single

system. Using multiple systems has hindered the effectiveness of sales teams. The division also

wanted to gain visibility into the sales pipeline  as well as to provide capabilities of lead

management. Salesforce has provided the company with global customer data warehouse that

has allowed Google with pipeline management, lead management as well as sales collaboration.

The incorporation of Salesforce CRM and Google Apps allowed salespeople to collorate more

effectively (Salesforce, 2014d, p. 26).

*2.4.6 Egencia*

Egencia is a division of Expedia Incorporation which is  the leader in world  travel. It is

the fifth largest travel management company globally which is serving more than 4 million

travellers at 10,000 companies (Egencia.com, 2014, p. 1). The company's internal CRM was not

keeping up with the evolution of division. Because of continuous growth and changes, the

company needs a flexible solution that can be modified easily. Manual processes in the

operations were affecting  customer response time and team efficiency. Egencia decided to select

Salesforce for its eight department. As result, the company experienced increased efficiency in

tracking across departments. The time was cut as a result of automated customer set-up processes

that were decreased from two days to one day. It has also achieved faster customer response time (Salesforce.com, 2014a, p.1).

### 2.4.7 Kuoni Global Travel Services

Kuoni Global Travel Services is one of the leading operators in B2B ground travel services in the world (Kuoniglobaltravelservices.com, 2014, p.1). The company has the biggest travel networks in the world with more than 3200 people in 90 locations.  The company has employed Salesforce to for better integration of its lead generation, team performance, supplier's accounts and contract renewals. Salesforce has enabled the company to adopt an integrated approach to simply interactions with the company's travel agents and suppliers (Salesforce.com, 2014c, and p.1)

### 2.5 Return on Investment and Salesforce

The return in investment describes how much the company is getting out of  its total sales. Greater return on investment means that company gains favourably if compared to costs of investments. ROI is used to measure the efficiency of an investment. However, it is also used to compare the efficiency of different investments. It is calculated by dividing the net profit with investment and then multiply it with 100. As businesses are becoming more regionalised and globalised, corporate travel has become an important part of everyday lives. Expenses related to the travel form a big part of overall expenditure of a company. It is also seen that travel expenses are the third largest spending expenditure that is further exceeded by office rental costs and salary. Thus, having a solution to corporate travel management such as Salesforce is very much important to ensure ROI on the company's resources (Holiday Tours & Travel, 2014, p.2)

Increased return on investment is the major goal of a company operating in a corporate travel industry. To get better ROI on sales, they prefer to employ such software that can decrease their cycle time, hence improving the overall customer satisfaction. Salesforce.com is the number one cloud computing company. As it is ranked among the top software companies, it can be said that using their applications does increase return on investment for companies. Companies in the corporate travel industry have experienced increased revenue when using Salesforce as it helped them to better connect with their employees, customers as well as partners. By selecting the best system for a company, Salesforce assist companies to improve their bottom line. One of the cases is of Cisco. The company has used Salesforce Radian 6 as a result of which it has increased its profits and productivity with a scalable and a consistent way to understand, manage and act on social conversations. The company has achieved approximately 281% of ROI in less than one year. It has achieved this figure as Salesforce helped them to reduce marketing costs and enable them to gain a complete customer's view to identify and improve engagement with customers. Cisco has achieved 281% of ROI in its four different business areas such as increased productivity, increased profits, more focused use of creative services and reduced market research investments.

References

Beaverstock, J. V., Derudder, B., Faulconbridge, J. R., & Witlox, F. (2009). International

business travel: Some explorations. *Geografiska Annaler: Series B, Human

Geography*, *91*(3), 193-202.

Benioff, M., & Adler, C. (2009). *Behind the Cloud: The Untold Story of How Salesforce. com

Went from Idea to Billion-Dollar Company-and Revolutionized an Industry*. John Wiley

& Sons.

Crmexposed.com,. (2014). *Compare Salesforce.com Exposed Advantages - Disadvantages*.

[Online]. Available at: http://www.crmexposed.com/compare-salesforcecom-advantages-

disadvantages.php [Accessed: 30 August 2014].

Egencia.com, (2014). *About Egencia Business Travel Management*. [Online]. Available at:

http://www.egencia.com/daily/home/en/about-egencia/egencia-overview/ [Accessed: 30

August 2014].

Faulconbridge, J. R., Beaverstock, J. V., Derudder, B., & Witlox, F. (2009). Corporate Ecologies

of Business Travel in Professional Service Firms Working Towards a Research

Agenda. *European Urban and Regional Studies*, *16*(3), 295-308.

Holiday Tours & Travel,. (2014). Corporate Travel Management ROI For Your Budget | Holiday

Tours. [Online]. Available at: http://holidaytours.com.sg/what-is-travel-management/

[Accessed: 30 August 2014].

Kuoniglobaltravelservices.com,. (2014). *We Live and Love Travel*. [Online]. Available at:

http://www.kuoniglobaltravelservices.com/en/home [Accessed: 30 August 2014].

Motahari-Nezhad, H. R., Stephenson, B., & Singhal, S. (2009). Outsourcing business to cloud computing services: Opportunities and challenges. *IEEE Internet Computing*, *10*.

PwC,. (2014). *Travel and tourism*. [Online]. Available at: http://www.pwc.co.uk/hospitality-leisure/issues/travel-and-tourism.jhtml [Accessed: 30 August 2014].

Salesforce,. (2014d). *CRM Success in the Cloud*. [Online]. Available at: http://www.Salesforce.com/events/docs/CRM_Success_in_the_Cloud_-_Customer_Success_Book.pdf [Accessed: 30 August 2014].

Salesforce.com, (2014a). *Egencia, an Expedia Inc. Company - Salesforce.com UK*. [Online]. Available at: http://www.Salesforce.com/uk/customers/travel-transportation/expedia_corp_travel.jsp [Accessed: 30 August 2014].

Salesforce.com, (2014b). *Expedia Corporate Travel Selects Salesforce.com for State-of-the-Art CRM - Salesforce.com*. [Online]. Available at: http://www.Salesforce.com/company/news-press/press-releases/2004/01/040126.jsp [Accessed: 30 August 2014].

Salesforce.com,. (2014c). *Kuoni Global Travel Services's Success Story - Salesforce.com UK*. [Online]. Available at: http://www.Salesforce.com/uk/customers/stories/kuoni-global-travel-services.jsp [Accessed: 30 August 2014].

Salesforce.com,. (2014e). *About us - Salesforce.com*. [Online]. Available at: http://www.Salesforce.com/company/ [Accessed: 30 August 2014].