



WSEI

LUBLIN

Sylwester Bogacki

Modern forms of customer relationship

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INTRODUCTION

Both in the case of traditional business and internet business, all decisions are made by companies with current and potential customers in mind. This is because only satisfied customers can become loyal customers, which are the basis for the long-term profitability of the business. Today, customer-business relationships are no longer based solely on transactions involving products and services. The foundation of these relationships is the delivery of end-to-end values with which customers can meet diverse needs, and in return customers generate profitability for the companies. This creates complex relationships between companies and their customers.

The current level of competition forces companies to significantly deepen their activities in order to satisfy customers as well as acquire and maintain the loyalty of satisfied customers. In the case of internet business, relations with consumers are built with the help of the internet. One of the reasons why consumers are willing to use the internet to search for information and connect with businesses is their convenience. It is a strong factor that motivates customers to buy online. It is therefore extremely important to create a safe and customer-friendly environment in which he will feel comfortable initiating contact with the company, purchasing a product or otherwise using a given internet offer. One of the reasons why consumers are willing to use the internet to search for information and connect with businesses is their convenience.

It is a strong factor that motivates customers to buy online. It is therefore extremely important to create a safe and customer-friendly environment in which he will feel comfortable initiating contact with the company, purchasing a product or otherwise using a given internet offer. One of the reasons why consumers are willing to use the internet to search for information and connect with businesses is their convenience. It is a strong factor that motivates customers to buy online. It is therefore extremely important to create a safe and customer-friendly environment in which he will feel comfortable initiating contact with the company, purchasing a product or otherwise using a given internet offer¹.

There is nothing more valuable to a brand than a loyal customer. They are the best and most reliable brand ambassadors because they buy your products or services and if they are satisfied with their level, they do not leave a positive opinion for themselves, but share it with others. Therefore, it is worth taking particular care of them and constantly building loyalty to the brand. However, what actions should be taken to ensure a good and constant level of consumer loyalty to your brand?

¹www.e-mentor.edu.pl: Doligalski T.: What is the difference between an e-business venture and a traditional one in terms of customer relations? (part 2)

Earning the trust of the consumer is the most important point in keeping your customers loyal. If customer service is at the highest level, their expectations and needs are met, their attention is sought, and sooner or later they will trust the brand. However, for this to happen, you have to work hard, and in the case of e-business the matter becomes so difficult that we do not have face to face contact with the client. Therefore, to gain customer trust, there are a few tricks you should apply:

- storytelling - describe the history of your company, its profile, maybe even the owner of the store, so that it is less anonymous. Make your client feel like a trustworthy entrepreneur with nothing to hide.
- contact - share an e-mail address, telephone number or contact form, thanks to which customers will be able to ask a question about a given product or service. Make sure that the customer service is of the highest standard and that you are dealing with a professional company.
- simple and clear interface - we must ensure that the customer has no problems navigating the site. The slightest mistake can cause the transaction to fail;
- product description - interesting but truthful description of our goods or services. Misleading the user is the first step to losing a customer;
- purchase regulations - give the user the opportunity to learn about all regulations regarding the form of shipment, the possibility of returning the goods, etc.;
- high-level service - sending the goods as described, carefully packing and adhering to the agreed deadlines, taking into account customer suggestions, promptly answering their questions - all this will increase our chances of gaining a loyal customer;
- cooperation with the media - good contact with the media can provide us with more loyal customers. Consumers often trust the media they know and love, so they put the first brick to build our success and therefore should not be underestimated.

You have been using the benefits of marketing and PR for a long time, but you still have few customers, and when you get them, they don't stay with you any longer? Well, maybe you should just change your approach to them - not just focus on getting them, but on acquiring them permanently, and in a time when competition in the e-commerce market is still growing, a loyal customer is a real

treasure. However, taking up the fight is worthwhile, because we are actually fighting for the success of our business, and having a base of loyal customers is its basis.².

² See more: <https://poradnikprzedsiębiorcy.pl/-jak-pozyskac-lojalnej-klienta>

CUSTOMER LOYALTY

As M. Siennicka quotes in her doctoral dissertation: *"The mere earning of money should not be the only goal of business. Its purpose is to serve customers, and the money earned is the result of this"*³. In this way, Robinson points to the legitimacy of entrepreneurship and trade. Assuming that the customer is one of the most important elements of the company's environment and the condition for its functioning, it can be stated that customer service and the value offered to them is a key component of the business. Acquiring new customers increases the company's growth, but at the same time generates a dynamic increase in costs. Stable functioning of the company is ensured by loyal customers. The issue of retaining and leaving customers may have a greater impact on the company's performance than other elements usually associated with achieving a competitive advantage, such as scale, market shares or unit costs of production and distribution.⁴

In the 1990s, Bain & Co. conducted research on the profitability of lasting relationships between business partners. They confirmed that loyal customers are more profitable than new ones. Analyses have shown that an improvement in the retention rate of repeat customers by 5% may lead (depending on the sector) to an increase in NPV in future periods from 25% to even 95%⁵. If companies were to measure customer churn and the associated costs (both lost benefits and the cost of acquiring new customers), they could better assess the value of existing customer loyalty and evaluate investment in building that loyalty. Unfortunately, many companies do not measure or forecast customer value during their life-cycle. Nevertheless, the vast majority of managers understand that the customer should be at the heart of their business⁶.

Due to this change in the overarching business goal on which modern organizations based their marketing approach, the operating model had to change from vertical bureaucracies to horizontal corporations⁷. These transformations have affected a number of business aspects:

- Firstly: organizations focused on processes instead of tasks with continuous and not one-off projects were created, and at the same time organizational hierarchies with elements of the matrix structure were flattened in order

³ Quoted by Siennicka M. [after:] Robinson, J., *The Secrets of Effective Direct Mail*, Mc Graw- Hill Book Company, London 1989.

⁴ Reichheld, F., Sasser, W., Zero defection: quality comes to services, *Harvard Business Review*, September / October 1989, pp. 105-111.

⁵ Cichosz M., Customer loyalty towards the company, "Marketing i Rynek" No. 8/2003, pp. 8-13.

⁶ Quote from: Siennicka M., *Instruments of building loyalty of institutional clients on the example of the alcoholic beverages industry in Poland*, doctoral dissertation, Poznań University of Economics, Poznań 2017, pp. 18-19.

⁷ Castels, M., *The Rise of the Network Society, The Information Age VII* 2nd ed. Blackwell Publishers, Massachusetts 2000.

to manage this part of areas where people from different departments of the company work in cross-functional teams;

- Secondly: management teams have emerged that cover the operation of the company in a holistic and integrated manner, and regular customer satisfaction measurements have been introduced to improve the quality of service;
- Third: rewarding team work has been intensified, which not only integrates colleagues, but also strengthens the understanding of the company's strategic goals; there has been a maximization of contact with the supplier and the customer in order to build lasting relationships;
- Fourth: trainings increasing the qualifications and competences of employees as well as systems informing about company processes, market and industry trends were developed; created human resource management systems based on the value of human capital and interpersonal relations.

Loyalty is very often a derivative of customer satisfaction, and this may result from the quality and profitability of the offer, perfect service, as well as after-sales assistance and support.

So the customer's loyalty to the brand is an effect⁸:

- learn by consumer that specified market best satisfies him needs, brings him exceptional and he will desire data benefits and corresponds to the personality and lifestyle of the consumer.
- the consumer's emotional bond with the brand is formed as a result of the emotional impact of the brand on the consumer.

In practice, we can distinguish the following approaches to loyalty:

Behavioral approach it is based primarily on the model of the mental functioning of an individual. It is life experiences and own observations that give a person the basis for learning and consolidating specific behaviors. As a result, to change or eliminate specific behaviors, it is possible to use the same rules, learning through experience. Loyal consumer is the one who regularly shop at the given enterprise. Thus, loyalty becomes the result of pragmatics, and not of individual positive feelings, the importance of which falls on the other plan. Thus, the behavioral approach assumes that loyalty is behavior consisting in repeated purchases of specific products.

⁸ More: Ostrowska I., Model of shaping customer loyalty towards the brand, Scientific Publishers of the University of Szczecin, Szczecin 2010.

Emotional approach, resulting from the consumer's subjective feelings, the result of which is attachment to a given item brand, enterprises. It is worth noting that it is the emotional attachment of the customer that very often drives his behavior, i.e. the consumer is able to repeat purchases of goods of a certain brand even in a situation when competition has a much more attractive offer. In this case, loyalty causes the client it becomes immune to any competition. The emotional approach is most often found in consumer practice. It is the reluctance and often laziness (a phenomenon often referred to as inertia) to look for other offers, other offers, which is the main cause of "loyalty"⁹.

Dawid Aaker distinguishes between five levels of brand loyalty¹⁰:

1. The buyer is disloyal (switcher, price buyer) - there is no specific brand, the choice is based solely on their availability or price.
2. Habitual buyer - the level of dissatisfaction is not high enough to lead to a brand change. Change Branding requires effort and competitors should therefore strive to make the rebranding benefit to the customer.
3. Buyer satisfied with the brand at high costs of changing to another - these costs may be time, money or risk related to the action of an unknown product. In that case, suitable strategy is to offer customers financial incentives or visible benefits enough to justify a rebranding.
4. Buyers who like a brand, treat it as a friend - their preferences are stimulated by experiences related to a given brand or highly perceived quality. Likewise, "liking" is not concrete. The consumer is not able to specify the reasons that are the reason for attachment to a given brand.
5. Die-hard consumers - feel proud to discover and be a brand user. For the buyer, the brand has a functional and symbolic meaning. Consumers of this type are important because of the influence they can have on other consumers through their own recommendations.

Economic Loyalty Motives iThe use of economic factors by enterprises to build customer loyalty has one significant advantage, which is ease of use. However, there is also an essential disadvantage- they are easy to copy by the competition, and the customer whose actions have an economic motive will quickly resign from the offer of the company that ceases these activities¹¹.

Consumer loyalty it is an attitude characterized by the fidelity and honesty of the parties towards each other. It is present both in private life and in business. Every entrepreneur knows that a regular customer is a source of income that is definitely

⁹ More: Pazio NM, Marketing Q Lojności, Difin, Warsaw 2015.

¹⁰ What Is the Aaker Brand Equity Model? Definition and Components; <https://www.indeed.com/career-advice/career-development/brand-equity-aaker-model>

¹¹ See Kall J., Strong Mark. Istota i kreowanie, PWE, Warsaw 2001.

cheaper to maintain than acquiring a new contractor. Therefore, it is worth building consumer loyalty to the brand, assuming that the brand must also be loyal to the customer.

The customer has funds that he wants to exchange for goods. Therefore, he must feel that he is the most important when shopping. If he is professionally served and is satisfied with the transaction, he will certainly use the services of the same seller again and recommend it to his friends. Aware of the power of marketing, the seller has in this way built the foundations for such an important factor as consumer loyalty. Now he has to take care of him and tie him permanently to his business.

It is worth realizing that discounts are important not only for new customers. Those contractors who were associated with the company earlier also want to participate in promotions and receive discounts. They cannot be ignored because they will go away to a competition that will welcome them with open arms and meet their expectations. Taking care of already acquired customers requires less financial outlays, so it is a good move that should be included in the company's strategy.

What is building consumer loyalty?

Consumer loyalty or rather, its building is based on the assumption that he must know how many advantages and benefits are offered by joining the program. The seller's benefits officially fall into the background. The partnership offer should be structured in such a way that the contractor feels that he is gaining the most. In addition, it should be affordable and easy to incorporate into everyday life. Customer satisfaction translates into an increase in the company's revenues and the development of the entire enterprise.

A loyalty program participant should have constant access to both the basic offer and additional, seasonal special offers. Sending reminders electronically is a good way to present him with the current offer.

Small and medium-sized enterprises do not have worse conditions to build loyalty among their customers. Unlike corporations, they have the opportunity to establish friendly relations with their clients and prepare personal offers for them, in accordance with their current needs. They can afford to refer to them less formally and show them that they are not just another discount card number. In some companies, it is enough to keep a few key customers to run a business at a satisfactory level.

Creating and promoting your own business is not an easy task. A customer who comes for a specific product or service is not always nice and cordial. However, it is only up to his satisfaction whether he will return to the same seller. Therefore,

you should make him feel fulfilled and satisfied and want to come back. Intelligent communication with the customer is the basis of any business and a way to increase the company's profits¹².

¹² Quote from: <https://poradnikprzedsiębiorcy.pl/-lojalnosc-konsumencka-jak-ja-budowac>

RELATIONSHIP MARKETING - AFFILIATE MARKETING IN SHAPING THE RELATIONSHIP WITH THE CUSTOMERS

Marketing relationship, also referred to as linkage marketing, affiliate marketing and relationship marketing, is a marketing concept developed in the 1980s and 1990s, aimed at building long-term relationships with customers based on satisfaction and loyalty the buyer¹³. The main reason for distinguishing a new trend (new concept) was the criticism of the assumptions of classical marketing. It was noted that the theory of marketing composition (4P) lost its importance, and in the conditions of constantly developing markets it turned out to be too simplified and not adapted to the specificity of the environment. Moreover, orientation has been criticized enterprises on production or the transactional approach that was at the heart of it mass marketing¹⁴.

The most important thing features of relationship marketing include¹⁵:

- Focus on customer retention,
- Long-term scale actions,
- Pressure on quality customer service,
- Long-term scale of operation,
- Constant communication and monitoring the situation with the client,
- The importance of all departments of the company in taking care of quality;
- Focus on the benefits of purchasing and using the product;
- Creating new value for the customer by both the producer and the customer,
- Individual customer as the main one decision maker also when determining the type of benefit - co-participation in creating value,

¹³ Figiel S. (ed.), Marketing in the realities of the modern market, PWE, Warsaw 2010, p. 43 and d.

¹⁴ Otto J., Relationship Marketing. Concept and application. Ed. II, extended., CH Beck, Warsaw 2004, pp. 38-19.

¹⁵ More on this topic: Chlipała P., Relational marketing and value marketing - towards an integrated paradigm, "Studia Ekonomiczne", Publishing House of the University of Economics in Katowice, vol. 182, pp. 11-19; Figiel S. (ed.), Marketing in the reality of the modern market, PWE, Warsaw 2010; Gordon IH, Customer Relationships. Marketing partnerski., PWE, Warsaw 2001; Mitreğa M., Relationship marketing. Theory and Practice, CeDeWu, Warsaw 2005; Otto J., Relationship Marketing. Concept and application. Ed. II, extended., CH Beck, Warsaw 2004.

- Projects and adjusting processes, communication, technology and employees to create the value expected by the client,
- guarantee permanent cooperation on the buyer's line seller- real-time marketing,
- Using the total value of purchases (and not individual transactions) in a given period for customer evaluation,
- Assistance in creating partnerships both inside and outside the company - with suppliers, intermediaries, to create the value expected by the customer,
- Of great importance CRM system in maintaining relationships,
- Use of indicators Customer Satisfaction Index and Net Promoter Score in the process of monitoring and adjusting marketing activities.

Over the last few decades, the world has changed beyond recognition. The computer and the Internet have become common tools, in which social media has largely revolutionized the approach to advertising communication. Sensitivity to ecological issues has become widespread among societies. Enterprises started to invest in public relations activities, and CSR has become a topic of interest for companies. People responsible for sales noticed that the cost of acquiring a new customer is incomparably higher than the cost of maintaining the existing one. Relationship marketing was born in such conditions.

In the era of strong Internet development, social media are the ideal tool for two-way communication. Thanks to them, first of all, you can create engaging content that helps to stand out from the competition, interest recipients in the offer and build a positive image. Secondly, profile visitors can share their opinions and suggestions. Such feedback is an extremely valuable source of knowledge that in the future companies can use and on its basis offer products and services that fully meet the expectations and needs of their customers.

Therefore, in relationship marketing, the key is the skill of profiling, i.e. an individual approach to the client. Collecting information about your consumers and creating databases is the foundation of this type of activity. The message will only be accurate if it is directed individually.

To facilitate this task, information technology provides companies with more and more new tools, such as Customer Relations Management software, i.e. CRM (more on this). In recent years, personalized mailing and contextual advertising, adapted to the individual profile of the Internet user, have also been developed. Some brands have adopted Customer Experience Management (CXM) as their main driving force - focusing on the overall customer experience. This is how American chain store, Starbucks.

Before relationship marketing developed, companies were selling products. Today a brand is being sold, and with it the entire value package. Companies no longer target consumers' wallets, but their hearts - loyalty and a number of positive associations with the brand are key. How to convince people to buy this sparkling drink, despite the fact that it is similar to the mass of others, and in addition costs a little more? Relationship marketing answers: associate it with a lifestyle. Consumers buy certain things not because of who they are, but because of who they want to become. This is the lesson everyone should learn from this short guide to modern marketing¹⁶.

Customer Experience Management (CXM) - this approach is extremely profitable, but at the same time difficult to implement.

CXM focuses on managing the customer experience (impressions, feelings). At every stage of contact with the brand - from the first mention of it from friends or family, through browsing the website or visiting a point of sale, to post-transaction service related to technical support, warranty and so on.

How does Customer Experience Management save on advertising expenses?

The mechanism is simple - the customer is very satisfied with the service and purchased goods / services, and therefore (most likely) will recommend it to others, for example friends or family members. This is how word-of-mouth marketing works, which is much cheaper than classic reach advertising, and can be much more effective.

Example: *The famous Starbucks chain has been using CXM intensively for years - it is based on the positive opinion of consumers, which creates an extremely favorable brand image. Starbucks is associated with friendly service, modern design, something fashionable and desirable. At the same time, looking at the prices of products in this cafe and the small expenses on promotion, you can see with the naked eye how effective the orientation on the satisfaction of each customer works.*¹⁷.

¹⁶ <https://poradnikprzedsiebiorcy.pl/-marketing-relacji-zapkujeznij-sie-z-klientem>

¹⁷ <https://poradnikprzedsiebiorcy.pl/-customer-experience-management-wrazenia-klienta-sa-najwazszym>

Diagram 1: Customer Experience Management (CXM)



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It should be remembered that marketing - as a product-focused activity - is an important complement to CXM. If the product (or service) is of poor quality and does not meet expectations, even the most friendly staff will not help much.

It is also worth knowing that replacing Customer Experience Management advertising campaigns is effective for large companies with an established position, fighting against several rivals on the market. Small and new entrants should not give up on wide-ranging promotional activities, as they are necessary to raise brand awareness among potential customers. First you need to find people who will visit the place / make a purchase and recommend the brand to others¹⁸.

¹⁸ Quoted in: Mitreġa, M., Development of customer relations on a mass scale, "Marketing w Praktyce", No. 11/2002, pp. 56-59.

Traditional Marketing is a statistical segmentation of customers grouped according to: age, education, earnings, habits or purchasing behavior¹⁹. In such a situation, the target segment is always anonymous, as are the actions taken with regard to the selected group. It is not possible to divide customers and take specific actions with regard to the most valuable ones. As a result, mass projects can be extremely costly. This type of marketing is usually insufficient to achieve the company's goals. The customer is not properly motivated to be loyal to the brands they choose.

In this regard, affiliate (relationship) marketing is an important proposition to strengthen the competitive advantage. Appropriate actions lead to cost reduction, focus on the most significant customers, recognition of their preferences and increased satisfaction with products and services provided. As a result, a stable base of loyal customers is developed and thus the barrier to leaving the competition is strengthened. It is worth emphasizing that relationship marketing also requires the cooperation of all departments of the company. Building value for the client should take place on the economic, technical, social and legal levels²⁰. Diagram 2 shows the differences between traditional marketing and relationship marketing.

¹⁹ Dejnaka A., CRM customer relationship management, Wydawnictwo Helion, Gliwice 2002, p. 13.

²⁰ Jasiak M., Marketing of the relationship, Scientific Papers of the University of Economics in Krakow, No. 905/2013, pp. 91–103.

Scheme 2: Traditional marketing and relationship marketing

Differences between Relationship Marketing and Transaction Marketing		
Focus	Focus on the single sale	Focus on customer retention
Orientation	Orientation on product features	Orientation on product benefits
Time	Short time-scales	Long time-scales
Customer service	Little emphasis on customer service	High emphasis on customer service
Customer commitment	Limited customer commitment	High customer commitment
Customer contact	Moderate customer contact	High customer contact
Concern for quality	Quality is the concern of the production department	Quality is the concern of all

Source: https://en.differbetween.com/article/difference_between_transactional_and_relationship_marketing

Therefore, when developing customer relationships, pay attention to:

- the nature of the current company-client relationship in relation to the extent to which it can be improved, - precise definition of what constitutes value for the client,
- listening carefully to the needs and expectations of customers,
- conducting customer satisfaction surveys with the company's products.

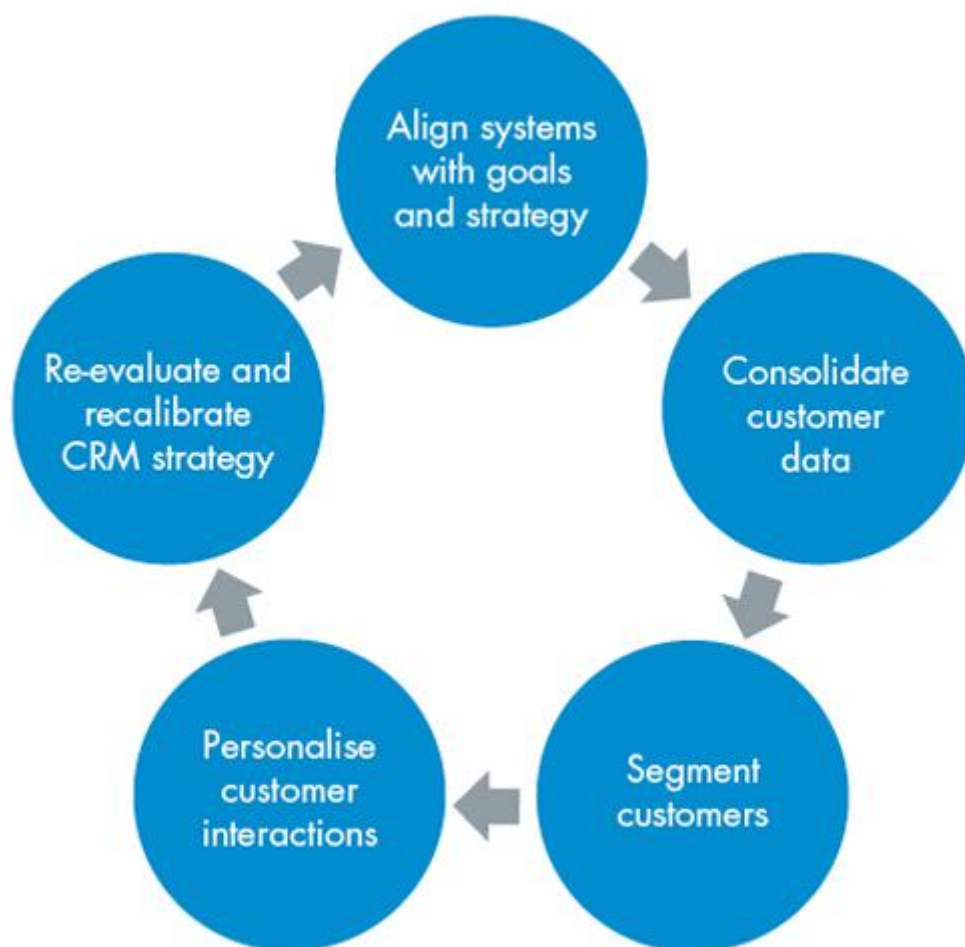
The above-mentioned elements are very important, because the goal of marketing is to get to know and understand the customer so well that the product or service fully meets his needs. Only companies that will offer customers added value while maintaining an unchanged price level will not be in a losing position.

In summary, relationship marketing should largely be based on:

- creating new value for the customer,
- giving individual customers a leading role not only in the purchasing process, but also in determining the type of benefit,

- requires the company to design and adapt processes, communication tools, technology and people so that it creates the value that the client expects,
- guarantees lasting cooperation between the buyer and the seller,
- allows you to evaluate customers on the basis of the total value of purchases made during the entire period of purchasing activity,
- helps to create a chain of partnership not only inside the company, but also with external partners, i.e. with suppliers, intermediaries and shareholders.

Scheme 3: Creating a relationship with the customers



Source: <https://www.cgma.org/resources/tools/essential-tools/customer-relationship-management.html>

EFFECTIVENESS OF THE PROCESS AND THE SALES DEPARTMENT AND EFFECTIVE CREATION OF RELATIONS WITH THE CLIENT (CUSTOMERS)

The effectiveness of sales, both of the process and the functioning of the department - is the most important indicator of the assessment of the organization's functioning²¹. We should perceive sales efficiency from two perspectives:

=> effectiveness of the sales process, i.e. sales organization, route to market, commercial conditions, sales logistics, customer service, sales costs, financial flows;

=> effectiveness of the sales department, i.e. market coverage, effectiveness of visits / business contacts, results achieved by the sales team (quantitative and qualitative), maintenance costs vs. added value for the organization;

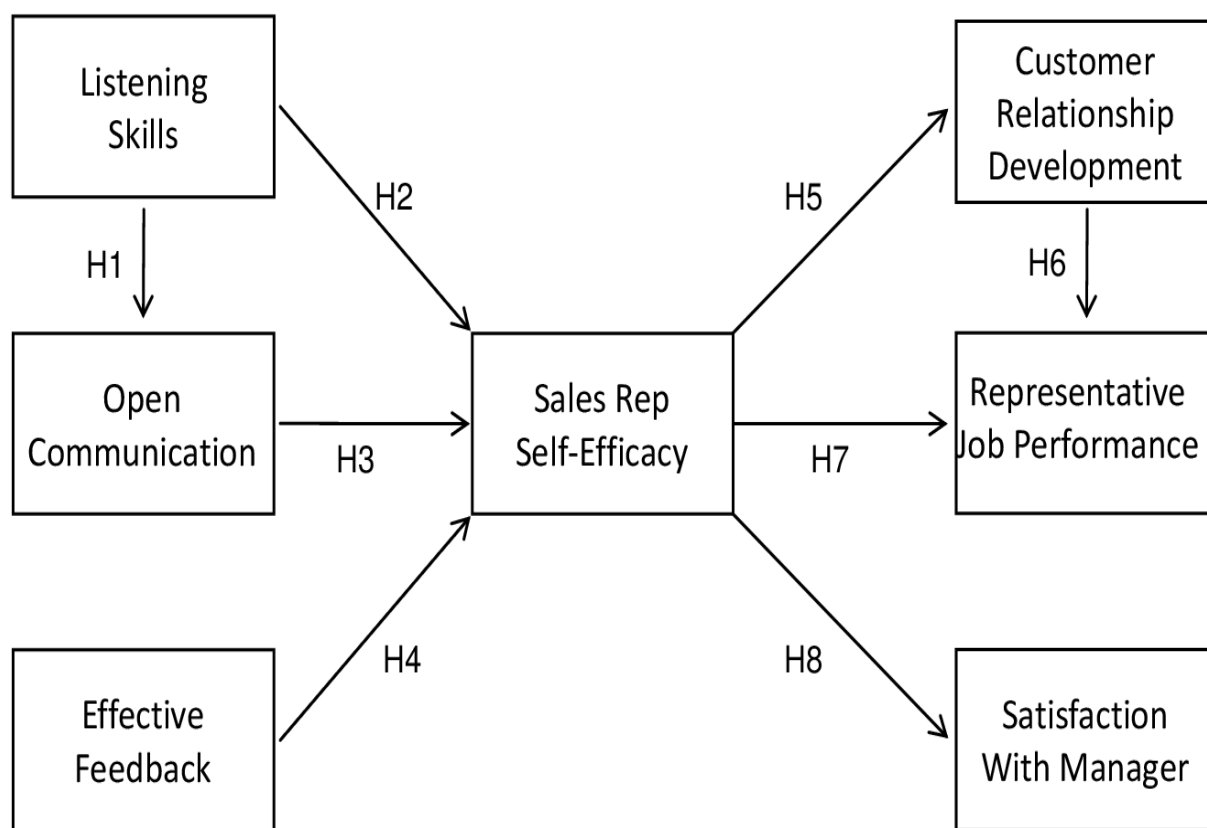
The very process of measuring sales effectiveness may be more or less complex. It depends on: the industry, the scale of the organization, the complexity of internal and external processes, but it is always a difficult and responsible process.

What questions do company management boards ask themselves in this light?

- How to maintain or increase market coverage, the availability of goods or services for the consumer, e.g. by acquiring new customers?
- How to reduce the share of the so-called lost sale?
- How to acquire, motivate, develop and increase the results of sellers?
- What results measurement tools to use and how to effectively use the obtained information for proper sales management? (CRM)

²¹ <https://ibd.pl/doradztwo-i-badania/doradztwo-w-raelazy-i-marketingu/efektywnosc-procesu-i-dzialalazalazy/>

A PRELIMINARY MODEL OF SALES MANAGER EFFECTIVENESS



Source: <https://www.semanticscholar.org/paper/Effective-Sales-Management%3A-What-Do-Sales-People-Goebel-Deeter-Schmelz/7be4adfebdae21af09ee898e575aa5561a75fa14>

Scheme 5: Strategy of effective comprehensive sales



Source: <https://pl.pinterest.com/rothanamath/sales-strategy-template/>

The very process of improving sales efficiency can be captured in the following phases:

**SITUATION DIAGNOSIS => ANALYSIS => IMPLEMENTATION PLAN => IMPLEMENTATION
=> MEASURING RESULTS**

The ineffectiveness of salespeople, lack of support from other departments, problem with qualifying leads - these are common challenges for Polish companies. A way to deal with them could be to introduce a division of labor in sales.

How can this be done, and do the benefits compensate for this difficult change? Salespeople spend most of their time on tasks that could be performed by someone else - less competent and cheaper. This phenomenon was analyzed by Justin

RoffMarsh²², which is driving companies around the world to redesign their sales processes. The Proudfoot study he cited found that salespeople around the world spend 11% of their time selling (the lion's share of their working time is spent on travel and administrative duties).

As Roff-Marsh writes ... taking into account that the functioning of the entire organization - not only sales - is based on the assumption of seller's autonomy, it should come as no surprise that sellers always choose independence. If you doubt the causality of this, answer three simple questions.

1. Who is ultimately responsible for losing a valid sales opportunity?
2. Who is ultimately responsible for the dissatisfaction of an important customer?
3. Who is ultimately responsible for the customer who is in arrears?

The link between dysfunction and seller's autonomy is clearly visible. Salespeople spend so little time selling because they have many other responsibilities vying for their limited time resources. This excess of obligations results from the fact that each seller, in fact, independently performs the function of sale.

Justin RoffMarsh has created a special method of Sales Process Engineering SPE (sales process engineering - synchronization of marketing and sales), which organizes activities aimed at optimizing sales processes through division of labor. The implementation of SPE in sales allows you to shift the focus from individual action towards the concentration of forces and synchronization of various activities²³.

One of the most effective sales methods is the door to door model, i.e. direct contact with the customer at his workplace. It can take various forms, and it all depends on the specifics of the industry. It will look different in the agricultural industry than in the hotel, food or medical industry. However, in order for the sale to bring good results, cooperation between the salesperson and his manager is needed, consisting not only in controlling effectiveness, but above all in supporting them. For this purpose, both parties must have developed a methodology for joint work in sales areas²⁴.

²² Roff-Marsh J., The machine (sales machine - Polish title), Published by Greenleaf Book Group Press Austin, Texas 2015, pp. 20 - 15.

²³ Koprowska J., How to increase sales efficiency thanks to division of labor?

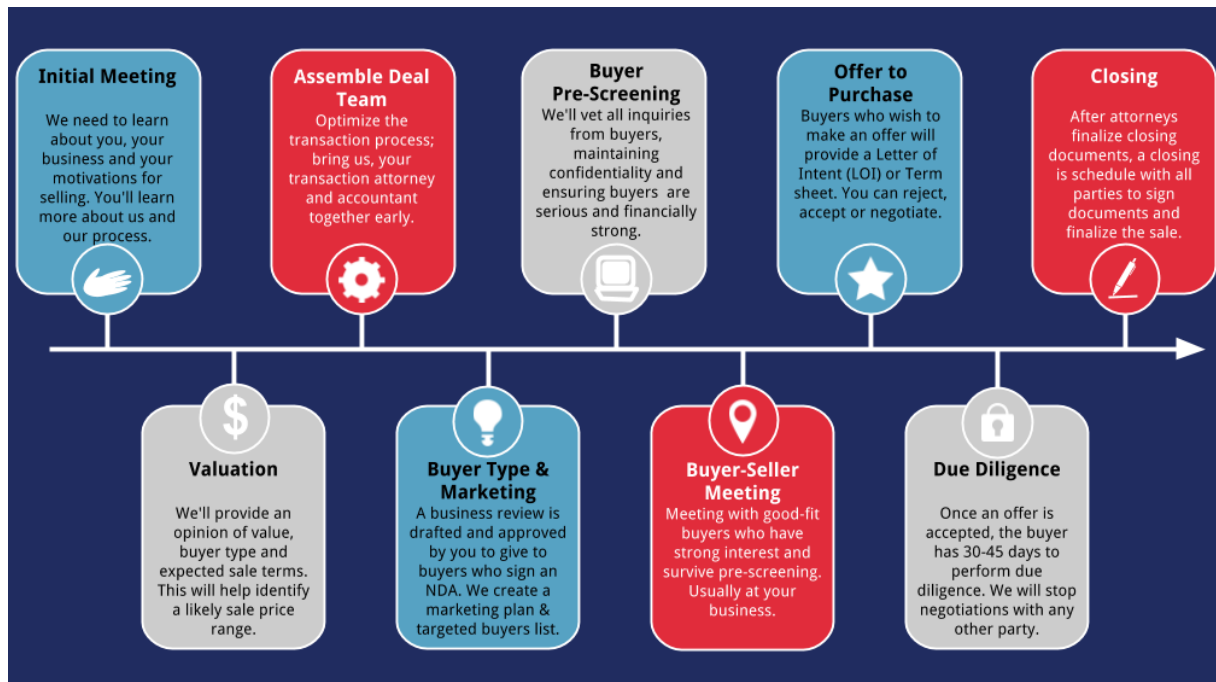
<https://www.ican.pl/b/jak-podniesc-efektywnosc-Sprzedaz-dzieki-podzialowi-pracy/Pe2JW4nFI>

²⁴ Muzyczyszyn P., How to increase sales efficiency in the field? The perspective of a trader and sales manager, "Effective sales, Sales process" November 13, 2018, No. 14 (March 2018); <https://www.nowa-sprzedaz.pl/artukul/jak-zwiekszyc-efektywnosc-Sprzedazowa-w-terenie-perspektywa-handlowca-i-menedzera-raelazy>

Model of 9 sales steps

A sales methodology proven in practice, which gives specific commercial effects, is the 9-step model. Both the trader and the manager have specific tasks to perform during each stage. By supporting themselves to achieve one goal, they gain three sides - the customer, the salesperson, the manager. And this is what sales are all about.

Diagram 6: Model of 9 sales steps



Source: <https://www.slideshare.net/JeffSwiggettCBIMAMI/9-step-business-sales-process>

1. PREPARATION FOR MEETINGS ON THE FIELD

If the meeting is to be effective and involving the customer, the salesperson should come prepared for it. The old commercial saying goes, "If you don't have a plan, you plan to fail."

EXAMPLE

Main operational goal: presenting the offer to a new client. Supporting goal: determining which competitors' products are used by the client. Gathering this information and analyzing it will make the salesperson at the next meeting know the competition's offer and learn how to talk about your own products using the customer's benefit language.

2. FIRST IMPRESSION EFFECT

A characteristic feature of an effective salesman working in the field is the ability to quickly find himself in unpredictable situations. The client's mood, successes and problems are usually unknown at the beginning of the meeting. In addition, the trader should be aware that on this day he may probably be one of the representatives visiting the customer in a row.

3. TESTING THE CUSTOMER'S EXPECTATIONS AND NEEDS

The effectiveness of a sales meeting is mainly about understanding what the customer cares about. A great opportunity for this is both the first meeting with the client and the next one. However, the trader must know what goals he is pursuing. He should conduct the conversation in such a way as to determine what elements and factors will be of key importance for the customer when making a purchasing decision. During field visits, traders make several key mistakes that translate into the achieved results, including they do not ask about the client's situation, they multiply questions unnecessarily, do not wait for the full answer of the interlocutor, do not ask in-depth questions.

4. BUILDING CUSTOMER ENGAGEMENT

Every experienced salesperson knows that very often, in addition to a good product or service, you also need to be able to build customer engagement. Here traders are helped by the basics of psychology. If the salesperson can recognize the personality of the customer, he is also able to adapt to him in terms of his way of thinking and acting. An additional method of client activation is the use of all kinds of supporting tools. These include brochures, leaflets, newspapers, catalogs, articles. This is a great opportunity to show the client the stories of other clients.

5. PRESENTING THE OFFER

Once the trader gets to know the expectations and needs of his client, he should start presenting the offer in such a way that the client hears the answer to the question: "what will I get from it?", That is, he needs to be presented with real benefits.

EXAMPLE

During one of the sales visits, I watched a trader who talked about the product very well. He built the impression of a specialist. However, it was not from him that the customer bought the product. There was another sales representative at the meeting. Much less experienced, with much shorter experience. However, it was he who took the product in hand and started talking about it in such a way that the customer could hear the benefits of using this product all the time. This trader responded to the actual needs of the client, listened to what he cared about and focused his language of benefits only on this.

6. CUSTOMER OBJECTIVITY LEVELING

The best traders like it when customers raise objections. This is an opportunity for them to strengthen the trade conversation with new sales arguments. They know that when a client expresses his objections, he becomes interested. And that's at least half the battle. The door to door sales model gives another advantage in terms of efficiency - the possibility of direct confrontation with the customer who expresses reservations about the service or product offered.

7. CLOSING THE SALE

Closing transactions is one of the critical moments in sales. Factors that were developed during the previous steps have a great influence on success. At this stage, traders make a very common mistake - they want to sell at the first meeting at all costs. And the customer's purchase decision is also determined by his personality, attitude, trust in the new trader and his products or services.

8. COMPLEMENTARY SALE

Complementary sales have become an independent tool in the hands of a trader in recent years. It accompanies virtually every industry. A careful overestimation of the profits from this type of activity shows that with minimal effort you can get a very large return on investment. There is only one condition - the main product must already be sold.

9. BUILDING A LONG-TERM RELATIONSHIP WITH THE CUSTOMER

All the activities described above do not assume a one-off sale, but building a long-term relationship. Using this approach, the customer evolves from being reluctant to make purchases on the first visit to the one who is looking for a contact with the salesperson.

EXAMPLE

As a result of the reconstruction of sales regions, a trader from company X received land after his predecessor, who had a reputation for neglecting his customers. Consistent, solid work allowed him to build business relationships with clients based on good knowledge and mutual trust of both parties. The trader did not apply any sales pressure, he remembered about frequent phone calls asking what was going on with customers and whether they needed something from him. It has become part of their working life.

Door to door sales are one of those methods that are often difficult for traders. That is why it is so important to consistently implement industry knowledge into your workshop and self-reflection on your own sales potential, based on the above 9 steps. The effect of these activities is to be a relational sales model in which the salesperson makes the customer feel the most important.

Table 1: How to increase sales efficiency - the role of the sales manager and salesperson

Name of the sales stage	The role of the sales manager	Tips for the trader
Solid preparation for field meetings	<p>Work with the salesperson on the principle of preparing "route" for the whole week. Thanks to this, his work will be planned, and he will be able to solidly prepare for the meetings.</p> <p>Verify that your salesperson is working with purchase historical data. About 85% of traders declare that they do so. Practice shows that only 16% of traders do it. Check if yours can correctly interpret the customer's purchasing processes. If he can't do something, teach him to do it.</p>	<p>Plan door to door visits for a specific day in terms of optimizing travel costs. Work in a weekly model. It will give you great comfort of work, especially in unforeseen situations.</p> <p>Collect and analyze all possible available data about the customers you are visiting.</p> <p>Define goals for each meeting ...</p>

	<p>Teach the salesperson to work consciously with goals. The better he knows and works on them, the easier you'll teach him to think about selling in terms of long-term or strategic goals.</p>	
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Source: <https://www.nowa-Sprzedaz.pl/artukul/jak-zwiekszycefektywnosc-Sprzedazazowa-w-terenieperspektywa-handlowca-i-menedzera-raelazy>

8 OPERATING ELEMENTS OF THINGS THAT SHOULD BE ATTENTION TO GENERATE INCREASE SALES

1. ASK QUESTIONS TO CUSTOMERS, LISTEN AND MEET THEM

How to increase sales?

By listening to your customers, recognizing their needs correctly and knowing what they expect from you. So focus on the customer, do not close to his requirements or suggestions²⁵. It is them that will allow you to create an optimal offer and ensure the highest standard of services. And if for nothing in the world you are unable to meet the client's expectations, just ask him how you can do it.

Getting to know your client is the most important step for you to be able to effectively meet his expectations. Because, as a little-known maxim says, "the real art of selling is to answer customers questions they haven't asked at all."

2. TAKE CARE OF APPROPRIATE CUSTOMER SERVICE

Comprehensive, professional customer service will allow you to build their trust and a positive brand image, which in turn will increase sales. So make sure your employees are properly trained, use a special CRM system and make sure that each of your clients can find the right product / service, as well as help in case of any problem.

3. HOW TO INCREASE SALES? TAKE CARE OF YOUR WEBSITE

Today, the website is the best showcase of any company. Therefore, you must ensure that it is professional enough, with a full description of the offer, as well as information about the company. Equip it with the content and tools necessary for the client. In addition, provide him with contact details and take advantage of

²⁵ <https://mtc.pl/jak-zwiekszyce-raelazy/>

many marketing methods to increase sales, e.g. Click To Action buttons, banners or sliders.

4. BET ON CONTENT

High-quality content allows today to provide the customer with information, encourage him to take advantage of the offer, and build the position of an authority in the industry. So make sure that all information provided to the client via the website or social media includes excellent texts, photos or documents.

5. USE THE NEWSLETTER

Email marketing often answers the question of "how to sell more." Thanks to it, you will reach a huge number of customers and present them with an offer or promotions. Just remember to gather contacts only to potential customers.

6. OFFER ATTRACTIVE CONDITIONS OF COOPERATION

An extended warranty, freebies, a discount on another product or the possibility of offering an alternative are ways to record an increase in sales. So make sure that your offer is complete and represents the highest quality. Thanks to this, you will offer your potential client more than the competition.

7. ANALYZE THE MARKET AND CREATE TARGET GROUPS

If you want to know the answer to the question "how to increase sales?", Direct your offers to the appropriate target groups. Create a profile of your potential customer and find him. Only thanks to this you will be able to attract more people to your offer.

8. PROVIDE PERSONAL SERVICE

Focus on each client and do not sell off those who are currently not generating a lot of income. Even this smaller customer is important because, on the one hand, he can order more in the future, and on the other hand, he will leave an opinion about your company. If it is negative, it can have serious consequences for your business?

CRM SYSTEMS AND CREATING RELATIONS WITH THE CUSTOMERS

An effective sales management system encourages cooperation between sales representatives and facilitates joint activities. By using a sales management system or CRM, you can improve the quality of your team's work, automate some tedious tasks and achieve your sales goals.

The nineties marked the beginning of a departure from the concept of classic marketing, the point of reference has changed²⁶. Since then, the main focus has shifted to the customer, or rather, to focus entirely on the customer. Its requirements and needs became important, which further extended the functionality of sales and marketing support systems. Additional modules dedicated to the interactive exchange and information management in the seller-customer relationship began to appear. This is how Customer Relationship Management (CRM) systems were born, whose task was to transfer certain activities outside, actively acquire and exchange data with key objects such as customers and the rest of the environment.

Customer Relationship Management (CRM) i.e. customer relationship management or customer relationship management. Reading this name suggests that CRM systems are used only to manage customer knowledge and the ability to monitor their behavior²⁷. This is not true. One of the definitions of CRM is: "an infrastructure to identify and add value to customers, and the appropriate means by which to motivate the best customers to be loyal - that is, repeat purchases." Customer Relationship Management systems have enormous potential to increase the importance of the client for the company by providing appropriate infrastructure and IT tools. It makes it possible to change the customer-company relationship, which must result in increased profits in the future. In other words, CRM is a business strategy, enriched with technological solutions and organizational infrastructure, consisting in managing clients in such a way as to achieve long-term benefits as a result. CRM requires the introduction of the way the company operates in the customer-oriented business, ensuring effective marketing, sales and service processes. The overall goal of an organization applying the principles (strategy) of CRM is to take care of the satisfaction, trust, retention and loyalty of pro-

²⁶ Editors of CRM-abc.pl- CRM-abc.pl - all about CRM and Customer Relationship Management systems - CRM, <http://www.crm-abc.pl/> (including subpages)

²⁷ Dejnaka A., CRM - Customer Relationship Management, Helion, Warsaw 2002.

fitable customers and the best possible use of their purchasing potential by appropriate product and offer formation, saving customers' time for searching and reducing the costs of promoting and advertising the company²⁸.

Sales management system or CRM (Customer Relationship Management) is a platform that sales managers can use to track data, reduce administrative tasks, and assign leads and salespeople to record daily activities and monitor goals. The great advantage of such a solution is that the platform stores information about the customer, which helps to improve sales and marketing cooperation. There are many CRM platforms available. An effective sales management system should help your company achieve or exceed long-term goals, especially when it is integrated with the communication system and allows you to freely combine information about interactions with customers with the communication potential of the sales force.

Scheme 7: CRM in the company



Source: <https://www.synapsewebsolutions.co.uk/blog/5-incredible-benefits-of-crm-solution-in-driving-your-business-success/>

²⁸Rudawska E., Customer Loyalty, PWE, Warsaw 2005; Nulman PR, Always say YES! - How to Get and Retain a Client, Studio EMKA, Warsaw 2004.

Benefits of the CRM system²⁹:

1. Customer data management

CRM software facilitates the sales process by organizing all information about leads and customers in one place and by automating data entry.

2. Sales reporting

CRM tracks the value of potential and achieved sales and monitors the activity of the sales team such as emails sent, phone calls made, booked meetings, transactions created and their status.

3. Accurate sales forecasting

The CRM system shows precisely the entire sales funnel, which makes it easier to forecast sales revenues and increases the efficiency of managing the sales team.

4. Customer segmentation

You can segregate leads by parameters such as location, transaction size, source of acquisition, or transaction close date to identify specific channels and activities that are most effective in selling you.

5. Scaling the sales process

The iterative sales process is the key to testing new activities and sales strategies. Without information from CRM, you will always shoot blindly. You need data to know what activities are effective and what trends tend to increase.

Enterprises which, despite the high risk, have decided to implement a CRM class system, have set themselves the following goals:

- Willingness to in-depth understanding of clients' needs more than they know them themselves - medium-sized financial company.
- Reducing customer turnover by increasing their satisfaction - local transport company.
- Motivating clients to initiate profitable contracts - Internet insurance company.
- The use of technology to improve the quality of service and increase the degree of customer diversity, in order to ensure exceptional relationships with an individual customer - a company dealing with the handling of personal data.
- Willingness to attract existing and new customers through more personalized communication - an online trading company

²⁹ Quote from: <https://www.businessweb.pl/Sprzedaz/co-to-jest-crm/>

- The most common goals of CRM systems are:
- Acquiring knowledge about the client, i.e. getting to know and understanding the client. This is done by skilful information processing.
- Customer management, i.e. their appropriate segmentation, defining preferences and the ability to propose appropriate products and services.
- Retaining customers, i.e. appropriate actions and policies of individual departments of the company.

Dedicated subsystems have been developed to support the activities of individual units of the company, the most important of which are³⁰:

- CRM customer service
- CRM sales
- CRM marketing
- CRM service
- Internal CRM
- CRM analysis
- CRM customer service

In one of the interviews with a leading manufacturer of CRM systems, we can read: "We deal with what we call 'customer management'. We allow organizations to use information and telecommunications technology to establish and maintain contacts with customers - from identifying him as a potential stakeholder and establishing real cooperation to managing the entire life cycle of our product. "

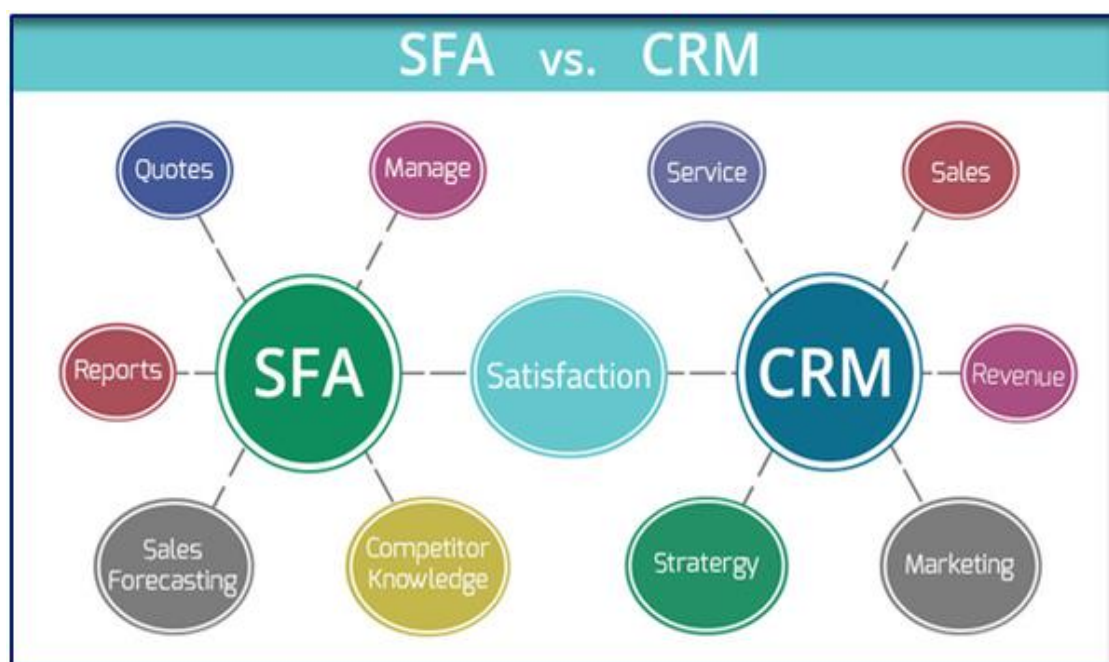
Currently, there are dozens of companies on the CRM market that write applications for managing contacts with customers. In the USA and in some countries of Western Europe, one can even speak of a peculiar boom in Sales Force Automation (SFA) and Customer Relationship Management (CRM) software, which grew out of the functional development of SFA. It is still a very young market with no strict definitions and standards like MRP II or ERP. Even among software vendors, there is no consensus on the scope of the term CRM³¹.

³⁰ Continental P., Kornaś R., Internet portal of automatic customer service of a selected company enabling customer relationship management, MA thesis, AGH, Kraków 2006.

³¹ Grześkowiak A., Mazurek-Lopacińska K., Sobocińska M., Stanimir A., Marketing research methods. Modeling, technology, visualization., Publishing House of the University of Wrocław, Wrocław 2016; Lotko A., Customer Relationship Management. Strategie i systems, Radom University of Technology Publishing House, Radom 2006; Maister DH, Green CH, Galford RM, Trusted counselor. How to build lasting relationships with customers, Wydawnictwo Onepress, Warsaw 2011; Parvatiyar A., Customer Relationship Management: Emerging Practice, Process and Discipline, "Journal of Economic and Social Research" 3 (2)

SFA (Sales Force Automation) - using software in a way that automates business sales tasks, including: order processing, contact / customer relationship management, information exchange, inventory control, order tracking, sales analysis and forecasts, planning and control of the sales team's work. Typically used in conjunction with CRM and ERP. SFA solutions support salespeople working away from the company's headquarters.

Scheme 8: SFA and CRM



Source: <http://adtubeindia1.blogspot.com/2018/07/crm-vs-sales-force-automation.html>

Concluding on the functions performed by the most popular CRM packages, also referred to as front offices, it can be assumed that they usually enable the collection and processing of data on cooperation with the client, business talks, orders, orders, activities of sales representatives and employees of departments that are in direct contact with the client. These packages also include modules for sales automation, order configuration and systems for preparing offers, and finally marketing encyclopedias supporting sales representatives. These programs most often allow you to search for relevant data, prepare sales analysis and forecasting, manage technical support departments and telephone customer service points, the so-called call center³².

/ 2011, pp. 1-34; Wereda W., Customer relationship management (CRM) and the behavior of buyers on the services market, Difin, Warsaw 2009.

³²As cited in: M. Suszczyk; <http://pracezarzadzania.atspace.eu/klient-pod-kontrola-czyli-systemy-crm/>

Example [M. Suszczyk; <http://pracezzaradzania.atSPACE.eu/klient-pod-kontrola-czyli-systemy-crm/>]:

CRM from the Exact Software Poland offer: by offering access to the data of potential customers and customers, this package allows the user to undertake the right sales and marketing activities at the right time and in the right way.

The system allows you to control marketing campaigns, such as correspondence or telemarketing, as well as sales campaigns, such as preparing offers, correspondence with potential customers.

The analysis of the database covering the target group and potential customers allows you to evaluate the effectiveness of all sales and marketing activities in relation to their effectiveness.

The Customer Service package, being fully integrated with Financial Accounting and Distribution, is a rich source of management information on the effectiveness of all marketing and sales activities.

Customer service supports the organization, management and control of the sales process. The package allows you to analyze the information collected in the sales process from several perspectives. This is done via the so-called Act. There are four types of files in the pack:

Customer file: here we can see all data related to individual customers.

User file: here we see all data related to individual users. In these files, only the customers for whom a given user is responsible (sales representative, account manager, etc.) are visible. It is similar with activities related to clients and tasks to be performed - only those related to a given user are visible.

Contact person file: all data relating to the contact person is contained here.

Data Entry File: Using this file, you can delete and add customers. These are files that only selected users should have access to.

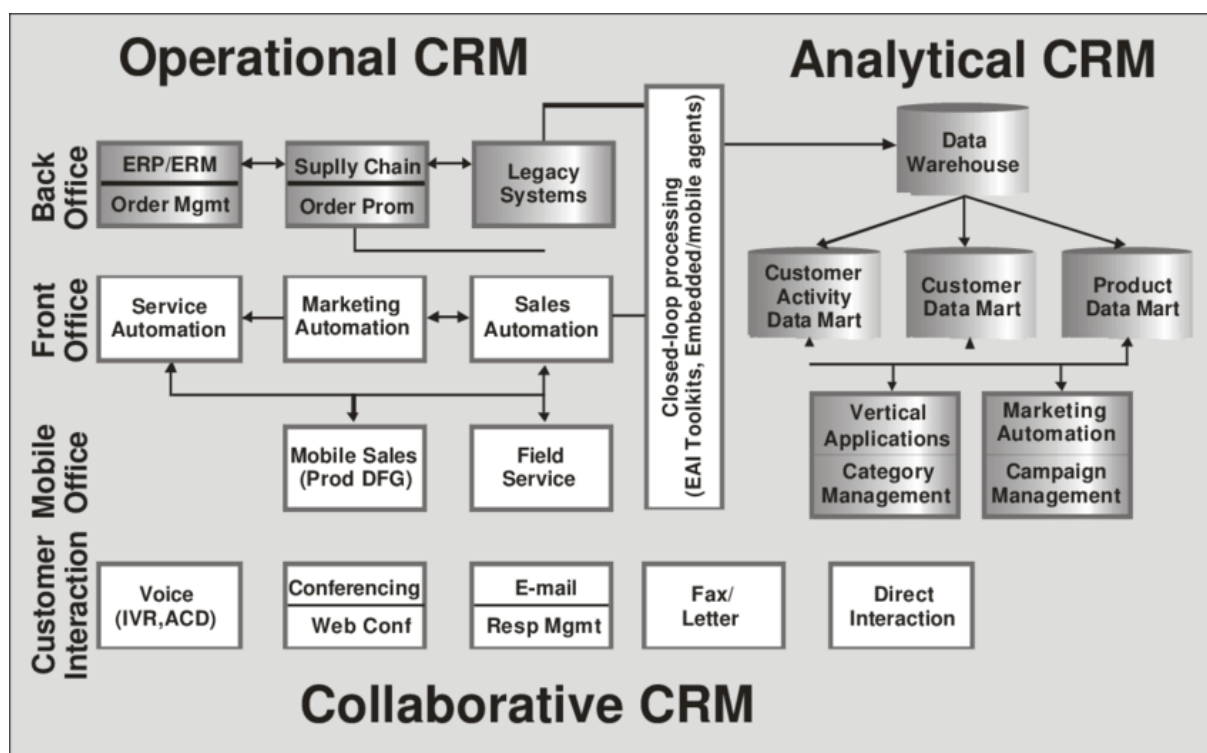
The main task of the Customer Service package is to support sales representatives in performing their tasks by providing them with appropriate information. On the other hand, it is also important to support the sales process itself - reminding about the activities that should be performed, etc. Finally, the third functional aspect of the discussed package is answering the management questions: how is the sales process going for individual customers, what actions are taken by individual sales representatives how long the sales process takes in individual cases, etc.

Customer service also includes a functionality that allows you to prepare offers, which is - as you know - an important element of the sales process. Tenders must be prepared on the basis of verified and correct information and must be easy to find. Tenders must generally have a standard shape, but also to some extent should reflect the specificity of a given situation. Offers must be visually attractive and contain all relevant information about the offered product. An offer should be

entered into the system once and processed into a sales order or production order when it is accepted. Bidding is a module integrated with the Customer Service. In both the customer record and the user record, it is visible as an additional tab.

When we select a given tab, we see all offers prepared for a given client. Offers are visible broken down into their statuses (in preparation, printed, accepted, rejected). On this screen, you can change offers at any stage of the sales process. Only those operations that the selected users should have access to, such as converting a quotation into a sales order, production order, or invoice, must be performed elsewhere in the system.

Scheme 9: Operation of the IT architecture of the CRM system



Source: https://www.researchgate.net/publication/262696005_Mobile_Web_Navigator_in_the_Function_of_Providing_Guests_with_Information_on_Tourist_Offer/figures?lo=1

The latest trends in the development of IT systems supporting telecommunications processes indicate a certain regularity. Operators, still focusing on efficient management of financial flows (revenue assurance), seem to be looking towards improving contacts with customers: their automation, analysis and drawing conclusions flowing from it.

This is to serve better (read: more effective) customer service - both the existing one and the one for which there is a struggle in an increasingly competitive (and liberalized) market. The stereotype of ubiquitous queues in front of customer service points seems to be slowly fading into oblivion, the customer is beginning to be perceived as an individual, requiring care in a manner tailored to the expectations and - which may sound brutal - the income that the customer brings to the operator.

Conclusions: the effects of using the CRM system:

First of all: coordination of activities in the team

Sales management systems, especially those connected with the contact center system, coordinate the work and communication of departments throughout the company. All involved have access to relevant customer information via the platform and can communicate directly with customers or use potential customer databases. This eliminates the need for multiple meetings and promotes teamwork.

Second: saving time

By using CRM, you can organize all customer data so that it is easily accessible to each team member and streamline the sales process. A good platform will help you analyze your data by creating clear charts and reports.

Third: automation and workflow

Thanks to working in the system, the sales team will be able to reduce a lot of tedious daily tasks. Instead of entering data or sending more emails, the sales team can focus on sales while the platform automates these activities.

Fourth: data monitoring

Without the system, managers can have a hard time keeping track of sales data. CRM provides up-to-date information on the status of each potential customer, so that managers and team members can prioritize their activities and give each potential customer attention in a timely manner.

Fifth: process optimization and more effective management of sales processes
A sales management system can help sales teams optimize sales processes so that no potential customer is missed and no sales opportunity is overlooked.

Therefore, the CRM system performs three basic functions and they are:

Firstly: acquiring relationships with customers - mainly consists in adjusting products and services to the needs of customers, as well as acquiring knowledge about them, in order to provide customers with the greatest convenience when making purchases in a given company. This feature also includes a quick response to signals from their side;

Secondly: maximizing customer relationships - focusing on increasing the value of sales per customer. The CRM system allows you to carry out such activities as:

- cross-selling - this is cross-selling, which consists in selling customers products logically related to those they have already purchased,
- up-selling - it is an enriched sale, which consists in selling or persuading customers to buy a more expensive version of the products they are interested in.

Thirdly: maintaining relationships with customers - it consists in acquiring new knowledge about customers, thanks to which the possibilities of their service will be increased, as well as in the development of new products tailored to the current needs of consumers. It is also important to properly motivate employees so that they make an effort to keep the client with them.

Additionally, CRM systems enable the automation of activities such as:

- sales personalization;
- communication with the client, e.g. encouraging him to talk, etc. ;
- developing and conducting personalized advertising campaigns;
- preparing discounts for individual products or customers;
- determining the customer's purchasing power;
- predicting future consumer behavior.

The CRM system is based on three basic subsystems:

Operational CRM (front-office) - this database contains information about transactions and contracts such as sales and orders. Affects customers, products, company employees, and major market competitors. This subsystem is used in such areas as: customer service, marketing, order management, issuing bills and invoices.

Analytical CRM (back-office) - is responsible for the analytical part, and therefore analyzes and processes data about customers and their purchasing behavior. It enables the understanding of customer needs based on the collected information from the operating subsystem.

Interactive (communication) CRM - thanks to it, direct contacts with customers are possible using traditional and modern technologies, including e-mail, discussion groups, websites, telephone communication, call center, fax, etc.

Among the benefits related to the implementation of CRM in the enterprise (both the concept and the IT system), the following are indicated:

- customer loyalty and increase in their satisfaction,
- increasing the effectiveness of contact with customers,
- increase in the company's revenues,
- direct increase in productivity,
- increasing profitability while reducing costs,
- reducing the costs of customer service, sales and promotion,
- improving the customer service process,
- increasing the company's profits by reducing investments in customers who, according to the analysis, are unprofitable and focusing attention on those who generate profits,
- the ability to precisely define the target group,
- competitiveness in relation to enterprises that do not use this type of strategy,
- improvement of business processes based on the analysis of customer data.

Before a given company implements CRM, it should take into account what effects it can expect, because the implementation process is not the easiest thing to do, and the benefits are not immediately noticeable. Besides, you can find different ones barriers related to the implementation of CRM, such as:

- market barriers - limited access to customers, negative attitude of consumers to a given product, etc.,
- organizational barriers - reluctance to introduce changes, low awareness of change planning;
- financial barriers - it is quite an expensive investment.

EXAMPLES OF CRM CLASS SYSTEMS

CRM systems that are worth paying attention to:

Salesforce

One of the most popular CRM systems in the world. Salesforce's motto is "Connect with customers in a whole new way." Salesforce solutions are not only CRM, but a whole ecosystem of innovations that allow you to effectively run a business and manage customer relationships in accordance with the latest market trends. Salesforce offers technologies that help companies generate leads, manage sales, report and plan using all available history of customer relationships. Thanks to mobile solutions, all employees of the organization have constant access to information, and the standardized forecasting and reporting system greatly facilitates the preparation of the necessary management documents. Each of the ready-made Salesforce solutions can be adapted to the specific needs of customers, modifying it or creating your own add-ons supporting non-standard processes in a given company. In addition, over 3,000 components complementing standard functionalities are available, thanks to which organizations can even better use the potential of the information they have³³. In 2016, the company introduced artificial intelligence (*Salesforce Einstein - all for everyone*). The traditional model of software sales is more and more often replaced with "software as a service" solutions. Salesforce.com applications are offered in the license model, do not require software installation and are available from the level of a web browser.

Hubspot

HubSpot is a platform that creates full marketing experience with a CRM system. HubSpot's offer includes, among others, a marketing center to increase traffic and conversions, and a sales center that automates tasks. HubSpot is a complex multi-functional software. It is most often used by large and medium-sized companies, but some tools also work well in small businesses - this is especially true of the CRM system. HubSpot helps you keep track of all aspects of your sales, from customer interactions to detailed profit reports. Integrated with the contact center allows for smooth communication combined with knowledge from the customer base.

The system consists of four main modules:

- **marketing**- helping to increase traffic, the number of conversions resulting from a larger number of visitors and effectively lead and monitor the effects of marketing campaigns,
- **sales**- helps to automate sales tasks (sending e-mails to potential customers, call register),
- **service**- thanks to which you will introduce order and improve customer service processes (notes, detailed data, reports),

³³ <https://www2.deloitte.com/pl/pl/pages/salesforce-deloitte/solutions/aplikacje-salesforce.html>

- **CMS** - used for content management, creating newsletters and landing pages.

Each of the modules is a separate tool and can be used separately, however, for comprehensive sales and marketing support, it is worth using the potential of all of them.



Marketing Hub

Darmowe narzędzia

- ✓ Email marketing
- ✓ Szablony
- ✓ Zarządzanie kontaktami
- ✓ Landing pages
- ✓ Live chat
- ✓ Facebook, Instagram, Google, LinkedIn ads
- ✓ Analityka ruchu i konwersji

Premium narzędzia

- ✓ Wersja Premium darmowych narzędzi
- ✓ Automatyzacja marketingu
- ✓ Narzędzia SEO
- ✓ Hosting i zarządzanie wideo
- ✓ Narzędzia Social Media
- ✓ Narzędzia do tworzenia blogów i treści
- ✓ Pulpity analityczne
- ✓ Ponad 30 dodatkowych funkcji



Sales Hub

Darmowe narzędzia

- ✓ Zarządzanie kontaktami, umowami i zadaniami
- ✓ Śledzenie / powiadomienia e-mail
- ✓ Szablony i harmonogram e-maili
- ✓ Udostępnianie dokumentów
- ✓ Planowanie spotkań
- ✓ integracja z Gmail & Outlook
- ✓ Live chat
- ✓ Quotes

Premium narzędzia

- ✓ Wersja Premium darmowych narzędzi
- ✓ Zaawansowany CRM
- ✓ Automatyzacja sprzedaży
- ✓ e-podpisy
- ✓ Przewidywanie konwersji leadów
- ✓ Sekwencje Email
- ✓ Inteligentne czasy wysyłania
- ✓ Wiele ścieżek ticketów
- ✓ Konfigurowalne raporty
- ✓ Ponad 35 dodatkowych funkcji



Service Hub

Darmowe narzędzia

- ✓ Tworzenie ticketów
- ✓ Team email
- ✓ Live chat
- ✓ Szablony Email
- ✓ Zakładanie ticketów dla email i chatów
- ✓ Tworzenie ticketów przez boty
- ✓ Planowanie spotkań
- ✓ Raportowanie

Premium narzędzia

- ✓ Wersja Premium darmowych narzędzi
- ✓ Automatyzacja customer service
- ✓ Baza wiedzy
- ✓ Customer feedback
- ✓ Wiele ścieżek ticketów
- ✓ Kreacje wideo
- ✓ Niestandardowe pola formularza pomocy
- ✓ Cele
- ✓ Ponad 30 dodatkowych funkcji



CMS Hub

Premium narzędzia

- ✓ Narzędzia do tworzenia blogów i treści
- ✓ Dynamiczna treść za pośrednictwem HubDB
- ✓ Strategia SEO & Content
- ✓ Narzędzia lead generation
- ✓ Inteligentny content
- ✓ Live chat
- ✓ Monitorowanie bezpieczeństwa i wykrywanie zagrożeń
- ✓ Ponad 30 dodatkowych funkcji

Source: <https://verseo.pl/hubspot-opis-funkcjonalnosci/>

Microsoft Dynamics

Microsoft Dynamics, i.e. CRM created by the software giant, is also a huge responsive platform that enables the automation of processes, their analysis and



helps to maintain high-quality customer service. The Microsoft Dynamics CRM system allows you to optimize and connect sales, marketing and services through³⁴:

- synchronization of sales and marketing activities,
- increasing sales effectiveness through monitoring and workflow,
- building and maintaining relationships with customers.

According to Microsoft Dynamics, the combination of customer service and sales makes it easier to learn and anticipate preferences, and also makes it easier for customers to interact with the company. System usimplifies the execution of business processes and maintaining access to customer data in order to build relationships, increase productivity and improve contacts with customers.

Sales and marketing components can work together to better understand customer needs and meet those needs through the right marketing channels. Here are some ways these features work together:

- Timely engage with buyers through their preferred channels.
- Control what types of messages to send to clients and when to deliver them.
- Prioritize your prospects and maintain a relationship with them for a smooth transition from marketing to selling.

The system enables the sales department to find potential customers and prioritize them, and offers analysis of when and where sales specialists should contact customers. These systems can work together to:

- Anticipate future sales and budgets so that you can prepare the right plans.
- Make it easy for your agents to simplify the sales process - from initial contact to closing the deal.
- Centralize data so that agents have access to real-time information and can offer solutions faster.
- Provide sales staff with mobile working options that work across browsers and devices.

The combination of customer service and sales makes it easier to learn and anticipate preferences, and it also makes it easier for your customers to interact with your business while enhancing their trust. By combining these two solutions:

- Get to know your customers' needs to be able to meet their expectations.

³⁴ Source: <https://dynamics.microsoft.com/pl-pl/crm/crm-software/>

- Provide customers and employees with the ability to use mobile applications, regardless of what devices they use.
- Offer your customers an easy-to-use self-service portal so they can keep an eye on their data and get their questions quickly answered.

SALESmanago

Salesmanago is an example of excellent domestic development. It is a comprehensive next-generation cloud solution, primarily used for marketing automation, used by marketing and sales departments in over 10,000 companies of all sizes. CRM SALESmanago helps the sales department to use customer data in an optimal way to adjust communication to their needs throughout the customer experience. Organizes decisions related to potential and current customers at every stage of the sales funnel. Easy integration with the communication system increases the effectiveness of service and sales activities.

SALESmanago is a Marketing Automation application that helps in conducting marketing and sales activities in companies with various profiles. It serves them as a tool for collecting data and their automatic processing, enabling, inter alia, sending commercial information by electronic means for marketing purposes. In connection with these activities, SALESmanago allows you to create consents and document the obtained consents, so that your actions are in accordance with national and EU law.³⁵

Pipedrive

A comprehensive CRM system created in 2010, used today by almost 100,000 companies around the world. It was built on the basis of an action-based sales model. The system allows you to plan, finish and track the activities of sales teams. The inspiration for creating Pipedrive in its present form was the visualization of sales funnels, which allows for the accurate monitoring of the status of a sales opportunity. The creators of CRM emphasize that it is a tool created by sellers for sellers.

Some of the main features of Pipedrive CRM:

- funnel and sales opportunities,
- automation,
- reporting,
- the ability to trace all communications.

³⁵ <https://pomoc.salesmanago.pl/zarzadzanie-zgodami-w-salesmanago/>

The key to creating an easy-to-use Pipedrive layout is the right sales approach. Sales management software or sales platform is a centralized sales center, created in such a way as to present data in a simple and clear manner, allowing salespeople to collaborate, optimize the sales process and even forecast sales cycles. According to Tech News World, more than half of the companies expect to improve their sales results thanks to the sales platform. Other proven benefits of using sales management software include increasing customer satisfaction and retention rates, generating new growth opportunities and reducing total costs³⁶.

LiveSpace CRM

Livespace is also a Polish CRM that collects excellent opinions not only from Polish users. Livespace CRM has a sales process ready to implement, which helps to increase the probability of winning and systematize commercial activities. Livespace in the Sellwise ranking of CRM cloud systems for small and medium-sized enterprises in 2019 took first place as a tool that can scale with the development of the enterprise, easy to configure and use, but also offering the necessary functions related to customer information management, sales and team³⁷.

Is is an application supporting sales management, designed for companies operating on the B2B market that want to sell more efficiently. LiveSpace offers functions of customer segmentation, forecasting, building sales processes and models for settling the work of salespeople. More about LiveSpace CRM. Thanks to this integration, we can automatically transfer quality data about customers between SALESmanago and LiveSpace CRM. Thanks to this, we better segment clients, conduct the sales process more effectively, and create automation processes based on data from LiveSpace CRM.

³⁶ <https://www.pipedrive.com/pl/products/sales>

³⁷ <https://focustelecom.pl/blog/zarzadzanie-Sprzedazaza-jaki-system/>

ADVANTAGES OF THE PROCESS OF BUILDING A RELATIONSHIP WITH THE CUSTOMERS

Adopting a significant theory about the existence of a need to establish relationships in business, its sources cannot be overlooked. The idea of creating business ties is to use the synergy effect between all groups of stakeholders in the sales process.

Companies strive for a situation in which the result of cooperation will be greater than the sum of their individual activities using the same inputs. Close cooperation with partners is aimed at bringing both parties to better results and a favorable return on investment in this relationship. Managers should remember that the company itself generates costs and customers are the source of profit, which is why relationships with them are so important.

On the other hand, building lasting bonds requires additional effort and investment. At this point, it is necessary to return to the questions regarding the essence of loyalty and consider the benefits for the seller due to the creation of lasting bonds. In addition, it should also be considered what such cooperation would look like without incurring additional costs due to building loyal cooperation and leaving it in a purely transactional nature.

The basic premise that companies follow when establishing cooperation with each other is gaining a competitive advantage and a better position on the market³⁸. It should be noted that building customer loyalty can sometimes not only be a factor in building a competitive advantage, but can also determine the company's survival.³⁹. Winning together in the market is a general and broadly understood value for enterprises. It is realized through a number of benefits, such as greater production and sales opportunities, as well as a wider range of activities.

In the context of specific and measurable effects of permanent cooperation, theories and models for measuring customer value, such as an indicator, are applicable Lifetime Customer Value or the RFM model. The first one presents a formula suitable for calculating nominal values and may support financial decisions, while the second one is a model based on the ranking method. Its name is an acronym derived from words in English (Recency - "recent", regarding current practice, Frequency - frequency, Monetary value - monetary value)

³⁸ Iacobucci, D., Hibbard, JD, Toward an encompassing theory of business marketing relationships (BMRS) and interpersonal commercial relationships (ICRS): an empirical generalization, *Journal of Interactive Marketing* vol 13 No. 3/1991, p. 21

³⁹ Stankiewicz, D., Juszczak M., Shaping customer relations, *Scientific Papers 608 of the University of Szczecin, Problems of management, finance and marketing*, No. 15, Relational aspects of consumer behavior, ed. Rudawska, E., Szczecin 2010, p. 48.

which are also parameters for measuring the attractiveness of relationships and building a customer ranking based on them⁴⁰.

RFM model is one of the marketing analysis tools used to segment customers based on their purchasing behavior in a given period. The RFM model includes concepts⁴¹:

- **Recency**- time elapsed since the last purchase (e.g. short, medium, long).
- **Frequency**- frequency of purchases (e.g. occasional, regular, high).
- **Monetary value**- total value of purchases made (e.g. economical, average, high).

There are no strictly defined values in the RFM model. The manager decides what can be considered high frequency of purchases, high value of purchases or a short time since the last purchase. The RFM rate will be the highest if a given customer often purchases from us, the value of his transactions is high, and at the same time made a purchase relatively recently (such people are often called Champions). On the other hand, people who use our offer very rarely and have not done so for a long time, and the value of their purchases is small, will be assigned a low RFM ratio. The more knowledge about the needs, behavior and habits of customers, the more effectively you can reach them with your offer. Segmentation through the RMF model, i.e. assigning customers to appropriate groups based on the analysis of their purchasing behavior, brings the company numerous benefits.

It allows you to get answers to the following questions:

- Who are our best and most loyal customers?
- Who has the potential to join the group of the most valuable clients?
- Which clients should be especially fought for, so that they do not give up on our offer.
- Which customers can we reach with engagement-increasing marketing campaigns?
- What sales and marketing strategies should be used for individual customer groups to maximize sales?

Based on our own RFM model settings, we can segment our clients. Then, we use different sales and marketing strategies for each segment.

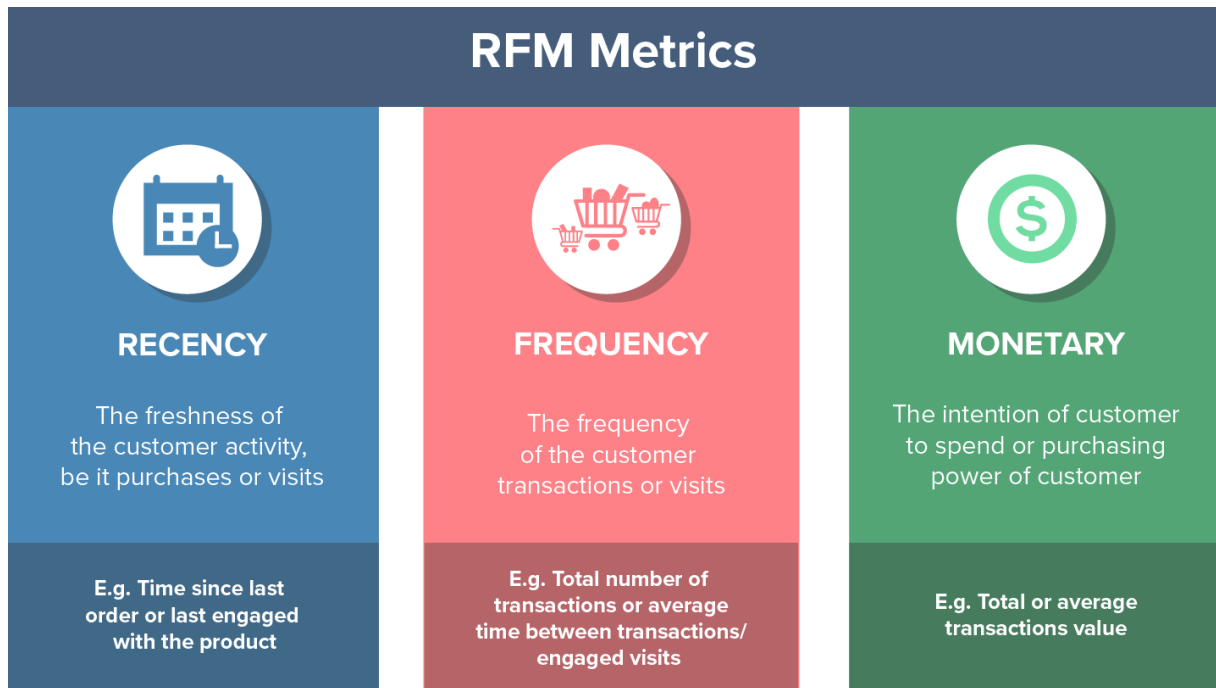
⁴⁰Novo, J., 2004, Drilling Down- Turning Customer Data into Profits with a Spreadsheet, 3rd Edition, Saint Petersburg, PL, Booklocker.com Inc. <http://www.jimnovo.com/RFM-tour.htm>

⁴¹ Quote from: <https://loyaltystarter.io/czego-jest-model-rfm/>

Examples:

- **Champions**- they are the best customers (they buy the most, spend the most and have been active recently). They should be properly rewarded and properly communicated with them. These are the customers who are the first to buy our new products or services.
- **Loyal Customers**- customers who buy regularly and spend a lot. We use an up-selling strategy for them, we ask for product reviews and recommendations, we send free gifts.
- **Promising**- clients with potential who have been active recently. Loyalty programs, small, personalized gifts, as well as direct phone calls work well on them.
- **New Customers**- new customers for whom it is worth ensuring high quality of after-sales service, building direct relationships with them and using special offers to increase the frequency and value of purchases.
- **Cold Leads**- customers who showed low potential and have been inactive for some time. To spark interest, send them personalized email and SMS messages. Their needs and expectations should be diagnosed, it is worth educating them and making the purchasing process easier.
- **Need Attention**- customers who need interest from the seller. It is worth using time-limited offers and product recommendations based on previous purchases.
- **Shouldn't Lose**- these are clients with very high potential who were our clients in the past but are now close to resignation. We can regain their interest with the help of special offers, surveys and direct conversations.
- **Sleepers**- clients with potential who have been inactive for a long time. Make contact with them again by sending personalized e-mail and SMS messages.
- **Lost**- customers who have not used our offer for a long time. It is worth recovering them through personalized e-mail campaigns. If this will not work, this group should be ignored in marketing communication.

Scheme 10: RFM model



Source: <https://clevertap.com/blog/rfm-analysis/>

Diagram 11: Lifetime Customer Value



Source: <https://questus.pl/blog/customer-lifetime-value-czyli-jak-mierzyc-zyciowa-wartosc-klienta/>

If the sample value of transactions made by one client during the year is PLN 3,000, and the average period of remaining a client is 3 years, and the initial cost of acquiring a client was PLN 2,200, the lifetime value of this client will be PLN 6,800.⁴²

$$3\,000\text{ PLN} \times 3\text{ lata} - 2\,200\text{ PLN} = 6\,800\text{ PLN}$$

⁴² Quote after: <https://questus.pl/blog/customer-lifetime-value-czyli-jak-mierzyc-zyciowa-wartosc-klienta/>

Another formula for calculating CLV is as follows: we multiply the average customer loyalty time, the average number of transactions per customer, the average transaction value in a given period and the average gross margin from one sale.

Scheme 12: Lifetime Customer Value - another formula for calculating CLV



Source: <https://questus.pl/blog/customer-lifetime-value-czyli-jak-mierzyc-zyciowa-wartosc-klienta/>

We have the following data:

- The average period from the first to last customer purchase is 2 years.
- The average number of transactions per one customer is 3.
- The average transaction value is PLN 250.
- The gross margin is 12%.

When we substitute the data into the formula, we calculate the value of the CLV ratio = 180 PLN.

$$2 \text{ lata} \times 3 \text{ transakcji} \times 250 \text{ PLN} \times 0,12 = 180 \text{ PLN}$$

From such data, we can conclude that if the cost of customer acquisition exceeds PLN 180, the investment will not pay off⁴³.

Currently building relationships with customers is extremely important as the customer becomes the key factor competitive advantage organization. Thus, the measurement of real value is extremely important in the entire process customer, which is the Customer Lifetime Value (CLV) indicator. The purpose of this indicator is to calculate the value of your current income which the organization will achieve thanks to the transactions with the given customer during the period in which the customer is shopping.

⁴³ Józwiak P., 6 things you need to know about customer lifetime value, <https://www.callpage.pl/blog/customer-lifetime-value>; Tysowecka M., Customer lifetime value (clv), or how to measure the customer's lifetime value? <https://www.greenweb.pl/customer-lifetime-value-clv-czyli-jak-zmierzy-wartosc-zyciowa-klienta/>; How to calculate Customer Lifetime Value ?, <https://www.conversion.pl/blog/wartosc-zyciowa-klienta-customer-lifetime-value/>

Why is it important? Because knowing how much a customer is worth helps answer the question: how big customer acquisition expenditure and maintaining a relationship with him can be incurred by the organization in order to pay off? Thus, an important advantage of using the CLV index is the possibility of assessing whether acquiring, retaining or recovering a given client is financially beneficial for the company. This in turn allows for efficiency assessment of different strategies before their implementation and choosing the one most beneficial for the organization.

It may also turn out that maintaining relationships with current customers will be more effective than acquiring new ones. Knowing the customer's value translates into making effective decisions in the area of tactical operations. Such decisions will include, for example, the choice of the method of promotion or the profitability of maintaining a given communication channel⁴⁴.

Constant, sincere cooperation also brings measurable benefits in terms of minimizing the costs of business. Assuming that the market in which the entity operates requires specific investments for its research, exploration and expansion, by sharing the cost of reaching consumers among the cooperating companies, they may be less financially burdensome than if they were incurred by the companies individually multiplying the investments.

Example:

In the FMCG market, producers do not sell their goods directly, but cooperate with intermediaries. Producers of alcoholic beverages have data from research agencies, and conduct analyses of the market, consumer behavior, etc. As part of constant cooperation with customers, they often make such statements and presentations available. They are, of course, a kind of material promoting the company's products, showing their position and profitability, but they also contain valuable information for the partners themselves, constituting an added value from the relationship. The retailer, by not investing in such research, has access to their results.

As part of reducing costs, a key aspect is to achieve cheaper deliveries. The company can enter into close cooperation with the item preceding it in the supply chain and under this agreement obtain discounts, favorable delivery times, ensured liquidity of the goods, and thus minimize the costs of maintaining inventory.

Costs are also reduced thanks to the elimination of unnecessary intermediaries. Instead of investing in the vertical diversification of activities or the costs of searching for new sales entities, the company may start permanent cooperation with an entity that is the next link in the supply chain. Constant cooperation minimizes the risk associated with running a business, facilitates the distribution of products or services and improves the quality of customer service.

⁴⁴ <https://questus.pl/blog/customer-lifetime-value-czyli-jak-mierzyc-zyciowa-wartosc-klienta/>

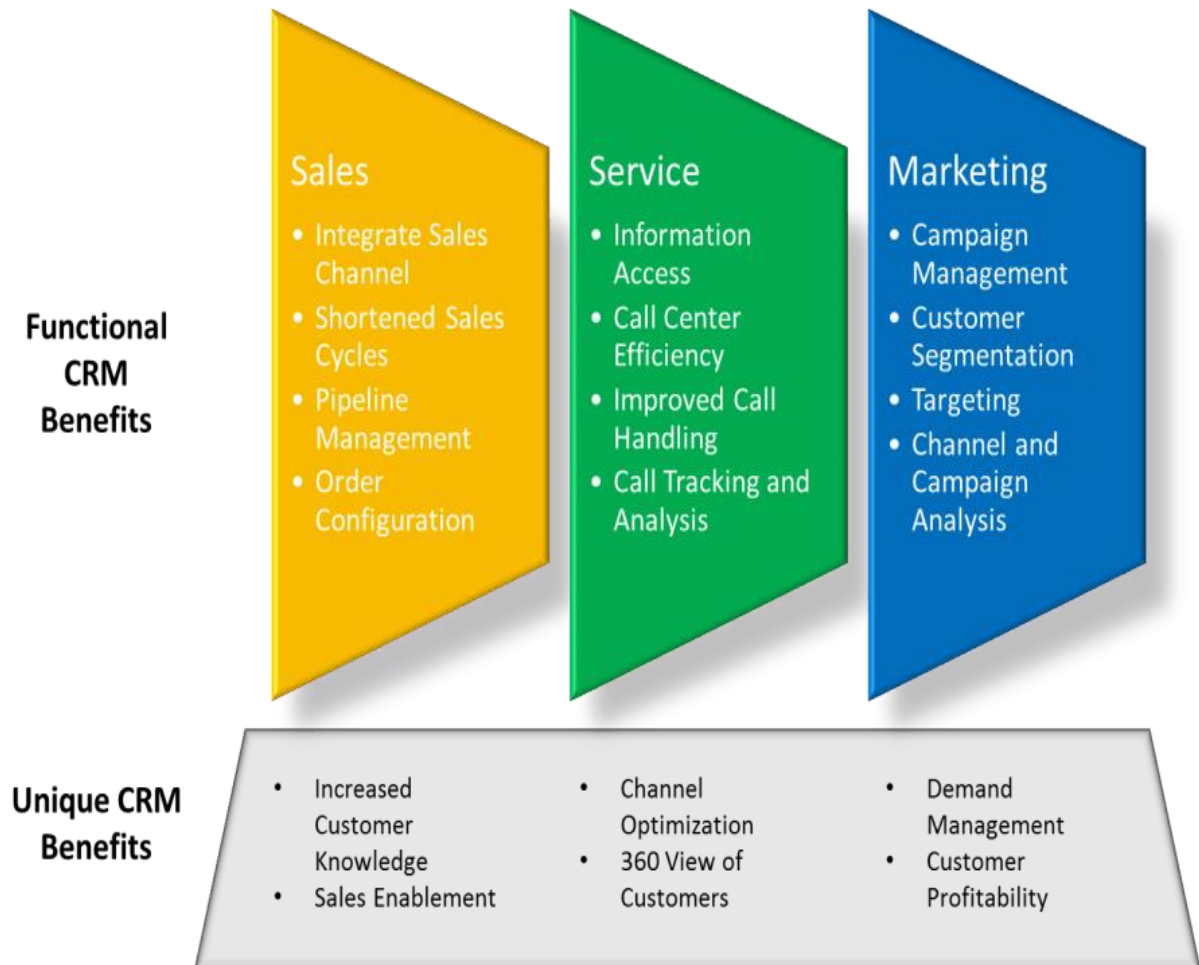
A company that does not have a developed strong, own brand, by entering into cooperation with an entity with such an image, also benefits from its positive effects. Value creation is thus positively correlated with achieving a competitive advantage. The relational approach can be seen as both the theoretical and methodological direction in management sciences as it covers almost all corporate management orientations, including market orientations, strategy, processes, human resources, change and knowledge. It requires the coordination of all the above-mentioned elements at the same time.

It is also worth noting that customers are also not the only external partners with whom the company can build lasting relationships. Such entities as suppliers, brokers, the labor market, competitors or state institutions should also be included in the activities of affiliate marketing. Mature companies should maintain an appropriate balance between the efforts and the benefits of managing relationships with these entities, taking into account their impact on the value created for the client and the company's market value.⁴⁵ The parties to the relationship weigh the costs and benefits of the relationship against the benefits they could achieve and the investments they would have to incur without the relationship.

Supplier loyalty and promotion by the customer, therefore, it is not only systematic purchases and recommending it to other entities on the market. Loyalty can also be manifested by the willingness to talk and provide the supplier with feedback regarding cooperation and tips on what he can add or change to provide the customer with even more value and satisfaction from the relationship. After all, customer loyalty is not a company's resource. It is a derivative of the relationship that the parties have built with each other and maintain thanks to trust and providing benefits to both parties.

⁴⁵ Deszczyński, B., The Maturity of Corporate Relationship Management, "Gospodarka Narodowa", No. 3 (283) / 2016.

Diagram 13: CRM and the increase in business efficiency



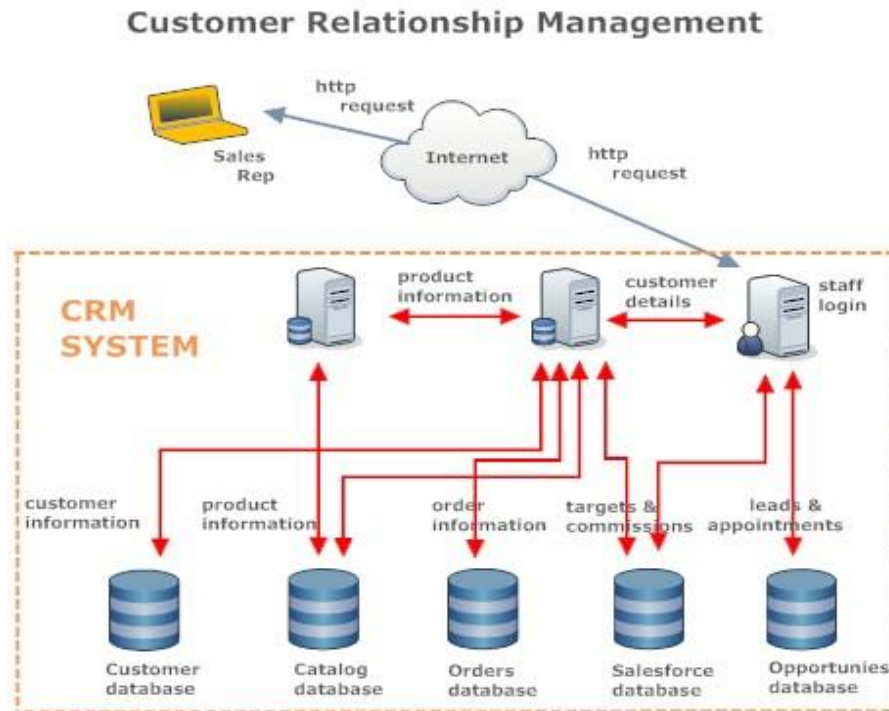
Source: <https://www.veonconsulting.com/top-5-crm-benefits-of-crm/>

Retail sales it is anonymous by design. So in order to use CRM methods in it, it must be personified beforehand.

While this will help CRM, it can hurt your sales. A customer accustomed to anonymity may not accept the change or demand large benefits in return, for example in the form of a loyalty program. Retail sales, however, are also statistical.

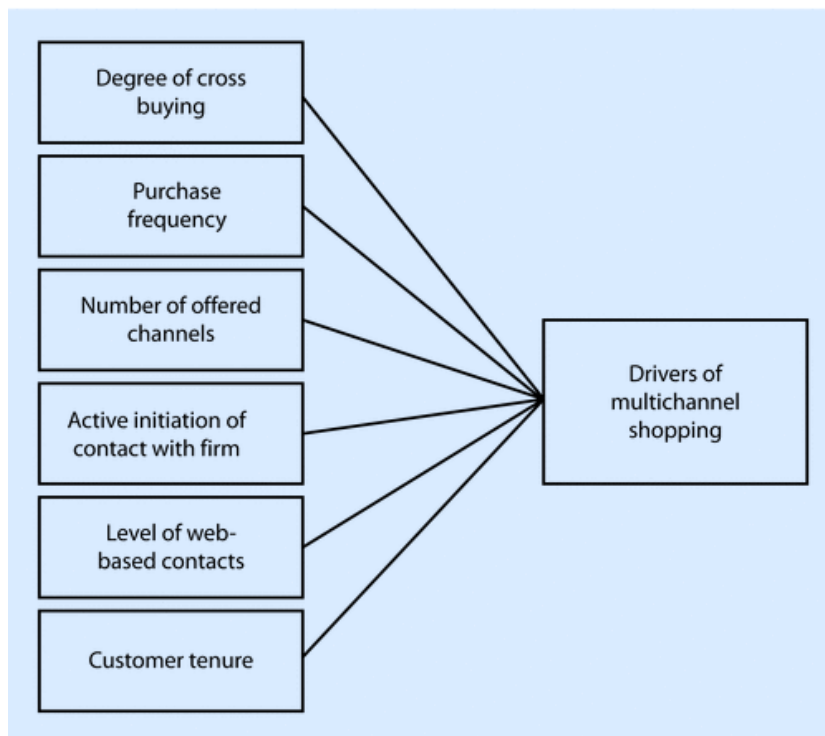
You can extend the definition of CRM and move from customer relationship management to customer relationship management for their entire groups. Preferably those that stand out in some way statistically.

Scheme 15: CRM and the Internet



Source: <https://www.ecommerce-digest.com/customer-relationship-management.html>

Diagram 15: CRM as a marketing channel



Source: https://link.springer.com/chapter/10.1007/978-3-662-55381-7_12

CRM is also a marketing channel. If the company notices and understands it, it is easier to manage and easier to use. This approach means that it's not about relationships, but about using them for communication. And if so, you have to define what kind of communication and what this message should be like.

Example - increasing sales by CRM.



Example - controlling the client by understanding him.



Source: Mrugała A., <https://frame.org.pl/detal-a-crm-2/>

Example - comparison of profitability of relationship management and customer understanding. Amounts in €, a chain of 100 stores, 100,000 customers per month. Average 100 receipt, 10% conversion.

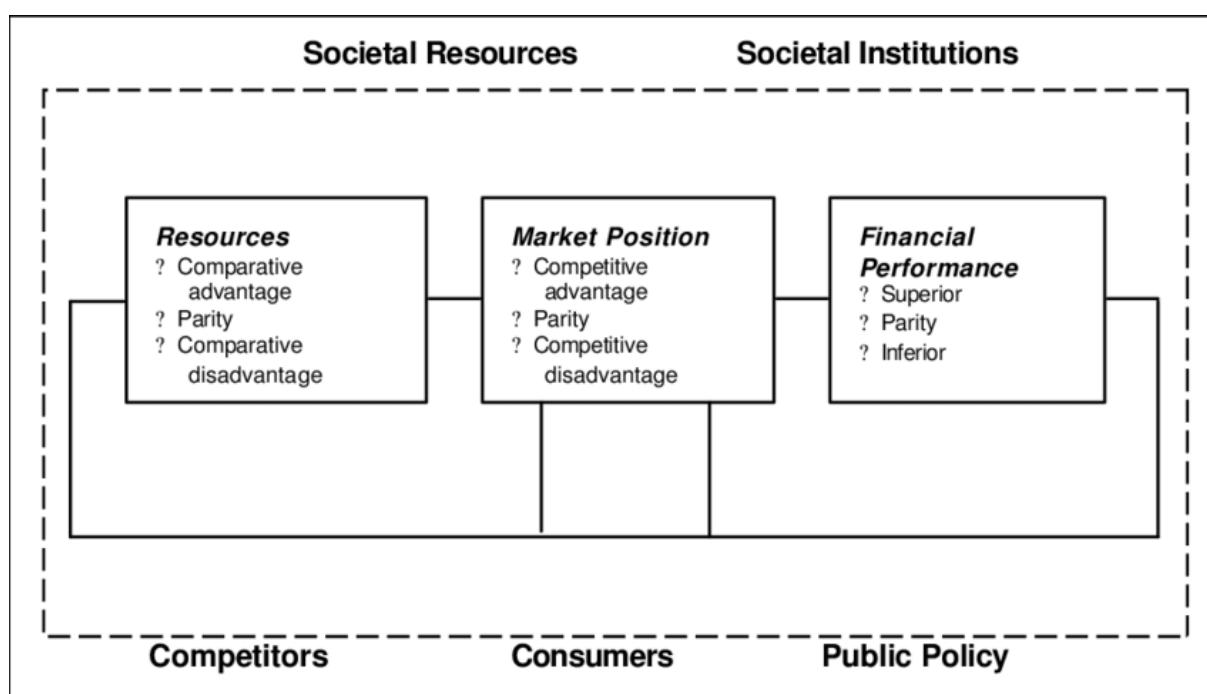
Rentowność sposobu	CRM	Rozumienie klienta	Uwagi
Oprogramowanie	500 000	n.a.	Co 2-3 lata system trzeba modernizować
Roczne koszt utrzymania systemu			Większości kosztów firmy sobie nie uświadamiają
Software	100 000	n.a.	W tym nieustanne poprawianie raportów
Płace	n.a.	240 000	100 kierowników po 200 miesięcznie dodatkowo
Koszt analiz	40 000	n.a.	W CRM to analitycy, w rozumieniu klienta to płaca dobrych kierowników
Koszty relacji z klientem			Rzadko kto je liczy, a na pewno nie przez wdrożeniem systemu
Koszt przygotowania oferty	Niewielki	Duży wysiłek	Przygotowanie dobrego np. newslettera to i wysiłek, i koszt
Koszt zakomunikowania oferty	Skuteczność jest wprost proporcjonalna do kosztu		Np. e-mail jest tani, ale mało skuteczny
Koszt specjalnych dedykowanych ofert	$10\% \times 100\,000 \times 100 \times 12 \times 10\% = 1\,200\,000$	n.a.	Koszty dedykowanych promocji. 10% rabatu od co dziesiątego paragonu

Source: Mrugała A., <https://frame.org.pl/detal-a-crm-2/>

Relationships can be defined as enterprise resources. In 1991, JB Barney made relationships with partners one of the company's resources. He made the classification on the basis of the VRIO model, proving that the resources meet its assumptions by being valuable (rare), difficult to copy (inimitable) and well-used (well organized)⁴⁶.

A similar classification was made in the RA theory (Resources - Advantage) by Hunt, Arnett and Madhavaram. According to the authors, companies establish relationships when it helps them gain a better market position. Thus, they indicate the endogenous nature of factors influencing the competitive position of the organization and include the degree of integration of the relationship with the company's resources⁴⁷.

Scheme 16: Theory RA: Resources - Advantage



Source: Van Auken S., Resources and Relationships: New Drivers of Marketing Thought, Journal of Economic and Social Research 3 (1) 2001, 29-41; https://www.researchgate.net/publication/251723640_Resources_and_Relationships_New_Drivers_of_Marketing_Thought/figures?Lo=1

Possession of such assets and the ability to use them is to be, in line with the resource approach of enterprises, a guarantee of gaining a competitive

⁴⁶ Deszczynski, B. Global Strategies of Customer Relationship Management [in:] M. Gorynia, S. Rudolf (ed.), Poland in the European Union and the Global Economy, Polish Economic Society, Warsaw 2014, pp. 536-558.

⁴⁷ Hunt, SD, Arnett, DB, Madhavaram, S., The explanatory foundations of relationships marketing theory, Journal of Business & Industrial Marketing, No. 2, vol 21/2006, Bingley, UK p. 76.

advantage. Deszczyński, defines relational resources as intangible assets of the enterprise that arise as a result of continuous interactions between entities and lead to the creation of new, useful resources of knowledge and the development of positive associations with the enterprise, brand and employees representing them. The result of the newly created resources is not only benefits for the parties to the relationship, but also a competitive advantage for both companies⁴⁸.

Therefore, it can be said that relational resources are subject to the same mechanism as other enterprise resources and only purposeful and active management, their creation, maintenance and optimal use can be the basis for achieving a competitive advantage. By effectively using the opportunities offered by permanent and reliable cooperation, it can also be considered that one of the most valuable assets of any business are its relationships with customers.

When accepting the resource theory of enterprises as binding, it should be recognized that relations are intangible resources and it is possible to manage them by developing them, investing in them and basing cooperation on them. However, postponing the effects of investments into relationships over time makes it difficult to measure the effectiveness of these activities. Relational resources are an accumulated sum of effects in the long run, so they cannot be acquired, cannot be recreated, and possible imitation will not bring the same results. A company may also be able to build relationships with its key partners on an exclusive basis, as close, lasting relationships bring greater and more lasting effects.

⁴⁸ Deszczyński, B., 2014, Relational resources - conceptualization of the concept in the light of the resource theory of the enterprise, "Studia Oeconomica Posnaniensia", No. 11/2014, pp. 25-44.

CUSTOMER LOYALTY AND THE MARKET VALUE OF THE ORGANIZATION

Tangible assets, the reflection and valuation of which are on the balance sheet, are only one of the factors contributing to total market value. However, it can be assumed that the other elements that affect the perception of the company's value from the point of view of providing tangible benefits to selected groups of shareholders are equally important, and perhaps even more important. In this understanding, the value of an enterprise is characterized by relativity and relativism, because it is based on a subjective assessment and individual calculations of future benefits resulting from the acquisition or purchase of a given company, as well as gaining power, thanks to which it is possible to gain real control over the company and the implementation of particular interests.

John D. Martin, J. William Petty and James S. Wallace rightly say that a company should also be viewed from the perspective of delivering tangible benefits, thanks to which value for society is created⁴⁹. Bruce Hoag and Cary L. Cooper pay attention to the multifaceted perception of values that underlie interactive relations between the company and the environment⁵⁰. Therefore, we can talk about a bundle of values that are subject to exchange processes and are the basis for balancing mutual benefits for owners, customers, managers, employees and other stakeholder groups.

The increase in the company's value, expressing the effectiveness of the capital employed, is a derivative of the skillful use of knowledge, thanks to which we can diagnose the company's sources of income and the factors generating value, and the ability to effectively manage them. Identifying the factors and elements that most contribute to building a company's market value must be a primary process. Committing a mistake at the stage of diagnosis of determinants responsible for creating the company's value will result in far-reaching negative implications affecting subsequent actions taken⁵¹.

In the analysis of the factors that influence the building of the company's market value, a comprehensive approach was adopted, pointing to the most important

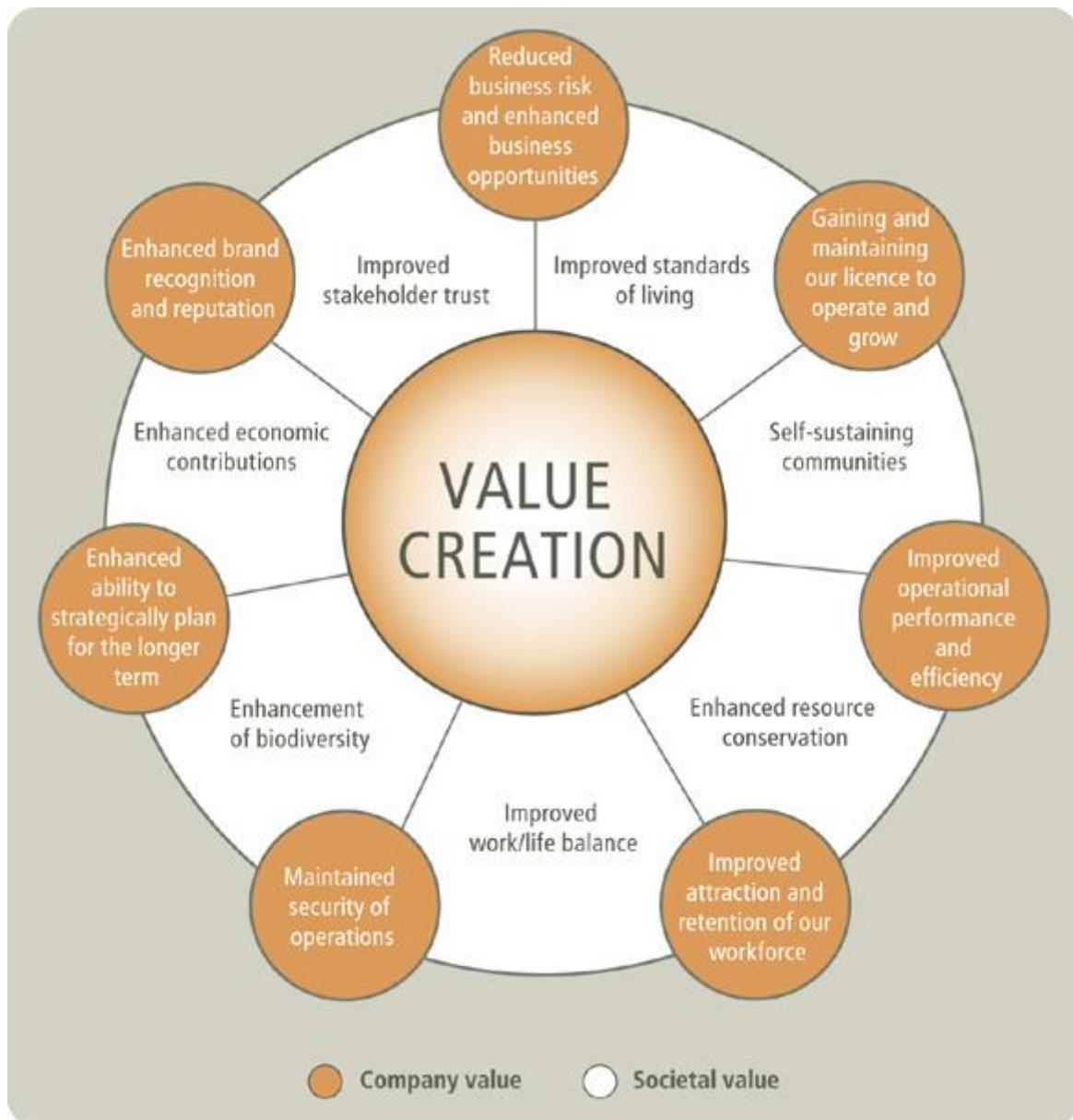
⁴⁹ Martin JD, Petty JW, Wallace JS, Value Based Management with Corporate Social Responsibility, Oxford University Press, New York 2009.

⁵⁰ Hoag B., Cooper CL, Managing value-based organizations: it's not what you think, Edward Elgar Publishing Limited, Northampton 2006.

⁵¹ Walczak W., Managing the value of enterprises in the conditions of globalization, [in:] A. Pabian (ed.), Managing organizations in the conditions of globalization. New trends, strategies, techniques, Faculty of Management, Częstochowa University of Technology, Częstochowa 2009; Walczak W., Immaterial determinants of the competitiveness of modern enterprises, [in:] S. Lachiewicz, M. Matejun (ed.), Competitiveness as a determinant of enterprise development, Politechnika Łódzka, Łódź 2009; Walczak W., Sources of Value Creation of Contemporary Enterprises, [in:] Contemporary Enterprise, Scientific Papers - Economic Problems of Services, vol. II, no. 572, University of Szczecin, Szczecin 2009.

groups of stakeholders and the synergistic impact of tangible and intangible resources.

Scheme 17: The resource model of creating the company's value



Source: <https://eriasmarna.wordpress.com/2010/04/26/creating-value-and-business-opportunity-part-1/>

Interpretation of the above model, relating to the creation of market value, allows to indicate various categories of factors and conditions related to each other by a complex network of feedback. Two groups of factors can be distinguished among them, differing in nature and influence on the functioning of the enterprise. One group of factors creates material resources, while the other is responsible for developing non-material resources. It is worth paying special attention to the effect of their synergistic impact, which makes the challenge for modern ma-

nagers to skillfully set goals and shape organizational processes, taking into account the parallel development of tangible and intangible resources of the company⁵².

Another important issue presented in the above diagram are the interdependencies and relationships between the identified groups of stakeholders for which the company presents subjective value and generates measurable benefits. For example, the value of an enterprise perceived by employees does not have to be consistent and identical with the assessments of investors, shareholders or owners, because for employees the most important thing is which employer is a given enterprise - what counts is employment stability and financial conditions (remuneration for work). In turn, the assessment of customers will be primarily related to the measurable values that are provided by products or services generated by a given enterprise.

Most often, the value of the enterprise is equated with measurable profits for shareholders, shareholders and owners. However, the most important thing is to understand that in a strategic perspective, it is impossible to provide them with measurable benefits if the company does not create value for other stakeholder groups - in particular for customers and employees. However, this simple dependency is often underestimated by managers. There are many examples of pathological behaviors of entrepreneurs who believe that the company should provide benefits only to themselves, and treat employees as a movable asset that can be easily replaced by employing another person, in addition for less money.

From the point of view of knowledge management in an enterprise, the processes of creating measurable value for the customer are an important task for managers, because they are a factor determining gaining a competitive advantage⁵³. Customer orientation is associated with the introduction of systemic changes, in which organizational culture and leadership play an important role¹⁰.

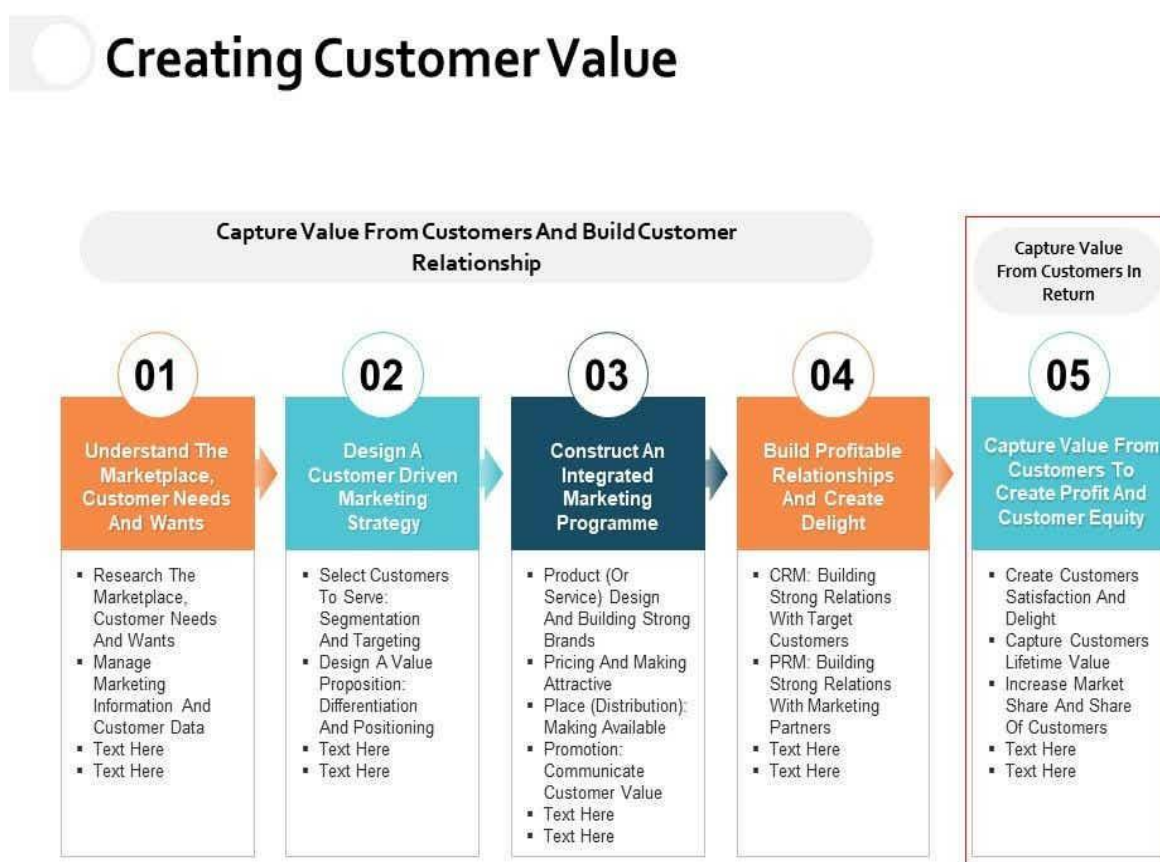
There is no doubt that the offered product must first of all meet the expectations of the customer who, when making decisions about the purchase, is guided by the premises that are important to him. Gaining knowledge about the factors that determine customer choices and make a given product perceived as attractive is of fundamental importance, because based on this stream of knowledge, the

⁵² Quote from: Walczak W., The importance of intangible resources in the processes of building the market value of an enterprise, "E-mentor", No. 4 (36) / 2010.

⁵³ Kaczmarek B., Walczak W., Knowledge management in modern enterprises. Multidisciplinary approach, Publishing House of the University of Łódź, Łódź 2009; Kumar V., Customer Value Management, PWN, Warsaw 2010; Marcinkowska M., Immaterial sources of enterprise value, [in:] B. Dobiegała-Korona, A. Herman (ed.), Contemporary sources of enterprise value, Difin, Warsaw 2006.

company's strategy should be created and key business processes reconfigured.⁵⁴.

Diagram 18: Identifying key aspects as seen from the customer's perspective



Source: <https://www.slideteam.net/creating-customer-value-ppt-powerpoint-presentation-file-introduction.html>

The conditions presented in the above diagram may constitute an important source of knowledge about factors and processes that significantly affect the measurable value that the offered product presents in the eyes of the customer. Identifying and understanding the most important factors that are taken into account when making a decision by a customer to purchase a given product should be the basis for developing the company's key competences. The new product targeted at the customer is created on the basis of an integrated bundle of current legal, technological, market and marketing knowledge. Moreover,

⁵⁴ Marcinowks M., Intangible sources of enterprise value, [in:] B. Dobiegała-Korona, A. Herman (ed.), Contemporary sources of enterprise value, Difin, Warsaw 2006; Martin JD, Petty JW, Wallace JS, Value Based Management with Corporate Social Responsibility, Oxford University Press, New York 2009; Morin RA, Jarrell SL, Driving shareholder value: value-building techniques for creating shareholder wealth, McGraw-Hill Companies, New York 2001.

there is a close relationship between the perception of the features and properties of a given product and the overall assessment of the image of the entire company. The product then presents value to the customer when it meets his expectations and needs. It is important to remember

It is worth noting that companies operating in a given industry often use comparable technological solutions, at the same time trying to emphasize such values of their products that distinguish them from other offers. Careful observation of the economic reality leads to the conclusion that the use of new technological solutions is an indispensable necessity today. The real source of success for modern enterprises are complementary activities aimed at increasing the level of customer satisfaction and comprehensive service. Acquiring extensive knowledge about customer and market needs is a basic condition, while the critical success factor is the ability to use the acquired knowledge in practice.

From the point of view of management practice, the question of which enterprises are particularly forced to take actions aimed at meeting the needs and expectations of customers is important. The answer is, in fact, very simple - such activities must first and foremost be undertaken by enterprises operating in sectors in which there is real market competition, and in which the offered products and services are mainly intended for individual recipients, consumers. In other words, enterprises have to take more care of satisfying the client's needs when the client is the main entity and, thanks to the possessed decision-making possibilities, influences the financial condition of the company.

Example:

Enterprises that have a monopolistic position on the market or whose operation is associated with special privileges do not have to worry and seek customers, because their customers have no choice, because they are reliant on using the services of a given company. Until recently, such a position on the market was occupied by, for example, Telekomunikacja Polska SA, it is still held by: Poczta Polska SA (in the area of reserved services), PKP SA, enterprises supplying gas, energy, heat, enterprises that are municipal companies that perform tasks in the field of collective transport, water and sewage systems, road construction.

Enterprises whose operation depends to the greatest extent on the decisions of individual clients, include: mobile telephony operators, internet providers, banks and insurance companies, retail chains, producers of fast consumer moving goods (FCMG). This is the main reason why these companies closely monitor the actions of competitors and constantly enrich their product offer, about which they inform customers in advertising spots disseminated primarily on television and on the Internet.

Based on the advertising analysis, it can be clearly seen how important the role is assigned to intangible values, such as: image, credibility, trust, brand. The advertising message focuses precisely on showing those features and properties of the product that distinguish it from the competition's offer, and also provide measurable added value. In promoting banking products, companies very often use the image of liked and positively received actors who, through their participation in the advertising campaign, are designed to evoke positive associations in the recipient about professional success and professionalism, which translate into the perception of the bank's image. By selling a financial product, e.g. a loan, it is shown as a way to make your dreams of your own home, travel and family come true. To strengthen customer trust, additional information is provided, e.g. about a large number of customers who have decided to use the services offered. The price of the product is still an important factor to attract the customer, but it must nevertheless be presented along with other important values of the product, such as e.g. guarantee of quality, reliability, functionality, prestige of ownership.

As can be seen from the examples quoted, the conditions and determinants of competitiveness for a given industry determine the customer relationship management strategy, as well as the approach to building market value⁴. It should be added that the most important from the customer's point of view is the added value obtained by the buyer of a given product during its use. It is a derivative of the synergistic interaction of several factors resulting from the subjective assessment of both the features and functionality of a given product, and the relationship between the customer and the company offering the product, which affect the level of satisfaction.

Customer satisfaction in turn, it is the basic condition of his loyalty to the company, which arises when the impressions resulting from the use of the product exceed the expectations of the buyer. It can be assumed that the customer positively assesses his decision to purchase a given product, above all, if the perceived value of the product at the time of purchase is confirmed in everyday practice (its use). In other words - the value generated by a given product reflects the degree of satisfying the buyer's needs and expectations, analyzed through the prism of comparing the product's properties with the offer of competing companies.⁵⁵.

⁵⁵ Bratnicki M., Dilemmas and traps of modern management, Polish Academy of Sciences, Katowice Branch, Gnome Publishing House, Katowice 2001; Dobiegała-Korona B., Doligalski T. (ed.), Customer Value Management. Measurement and strategies, Poltext, Warsaw 2010; Juchnowicz M., Management through commitment. Concept. Controversies, Applications, PWE, Warsaw 2010; Kaczmarek B., Walczak W., Knowledge management in modern enterprises. Multidisciplinary approach, Publishing House of the University of Łódź, Łódź 2009.

BUILDING RELATIONSHIPS IN THE NETWORK OF CONTACTS WITH CUSTOMERS

Rationally conducted marketing campaigns and the entire strategy of building a relationship with the client are the foundation of good business relations with the client. The modern market is characterized by strong competition. What counts in the activities carried out is not only the product, but also its quality and price. To be successful in sales, our products and services must additionally stand out from the competition so that the customer is not willing to give up our services (products). So how to manage customer relationships and why building relationships is so important from the perspective of the company's competitiveness?

Building a relationship with the customer is an extremely important issue that allows you to achieve better sales results. The client's needs should be the foundation of our decisions and actions addressed to the client in order to build relationships with him and shape his loyalty, because:

- High competitiveness means that a client who feels dissatisfied with the cooperation may leave the company that will provide him with appropriate conditions;
- All information about products and services is freely available on the web. The contractor may at any time look for new, cheaper or, in his opinion, better solutions;
- Retaining existing customers and the process of building relationships is much more profitable than constantly acquiring new customers.

What tools are worth using:

- Customer Relationship Management - CRM systems turn out to be helpful in managing customer relations. They allow for convenient gathering of useful information and processes in one place.
- **Lead Nurturing:** it is a marketing concept related to the conduct of marketing programs. The task of Lead Nurturing is to prepare the customer to make purchases. The collected data shows that a well-prepared program can contribute to increasing the conversion of obtained leads by up to 50% and reduce the costs of obtaining them by 30%. Launching efficiently operating programs is possible thanks to Marketing Automation class systems. As a result of Lead Nurturing, the client is covered by an automatic marketing campaign. A cycle of automatically matched and predefined marketing, information or sales messages is directed to such a person.

The benefits of building relationships:

- Nurturing relations with the client who is not yet fully determined to purchase our products (services).
- Ability to generate the most valuable leads.
- The possibility of increasing the conversion of obtained leads by up to 50%.
- Increasing sales opportunities - even if a person decides not to buy products or services at a given moment, it is very possible that one day they will complete the purchase.
- Knowing the preferences and behavior of potential customers.

How to build a relationship and increase sales?

First and foremost, the client should be our business partner. The mutual relationship must proceed in such a way that contractors can receive long-term and reliable support, and thus feel confident and safe in it.

- **First contact with the client - Mr.** a positive first impression is one of the most important aspects of building a relationship with your client. The subsequent contact depends to a large extent on him.
- **Mailing - jlf** mailing is the first and main form of contact in our company, it should be prepared in an appropriate manner. It should be remembered that the messages sent to recipients are to encourage them to familiarize themselves with the offer and use the services. A poorly implemented mailing campaign may prevent messages from being read or automatically end up in spam.
- **After-sales service - Mr.** the process of establishing good relations with the customer cannot be carried out only before and during the sale. Therefore, as part of building relationships, it is worth ensuring that the company contacts the customer immediately after finalizing the transaction, in order to build loyalty and trust in the brand.

How to do it?

- **Make sure that the customer receives information on all transaction details,** i.e. how the transaction works, the method of payment and shipment of the product, the possibility of return and how it can be done. You can send this information by e-mail.
- **Order system monitoring-** the customer can check where his shipment is at any given moment. This is very helpful because the buyer does not have to worry that his package will not arrive on time.

- **Quick reaction to negative customer feelings**- if there is a problem during the transaction, you need to quickly find out about it and react.

Building relationships in a network of contacts is the basis for achieving sales success. In the course of the activities carried out, it is worth ensuring that the person using your products or services could feel satisfied with the decision made. A satisfied customer will certainly come back to you, and you will be able to enjoy the satisfactory results of your activities and the success of your business⁵⁶.

- Marketing Automation - we need more leads to increase sales. This can be achieved by investing in marketing activities that are worth running through the system Marketing Automation. Such a system helps to penetrate the market and attract our target group, among others through landing pages, intelligent mailing campaigns (sending specific messages and materials depending on the recipient's reaction) or integration with social media.
- Online stores - we can increase sales not only by improving the efficiency of a given distribution channel, but also by using completely new ones. It is worth considering starting online sales - using an online store. The sales process in the online store is fully automated, thanks to which it is able to significantly reduce human work.
- Telephone exchanges - another distribution channel that we can use to sell our own products is the telephone. Telephone customer service (including customer orders, account management, etc.) should be automated (at least partially) via the telephone switchboard.
- Product wizards - automated, online sale of some products is difficult due to their complexity (e.g. configuration). For example, you cannot buy a website (tailored to your own requirements) by selecting it from a simple product catalog, or put a wall unit made of several modules into the basket. However, both of these cases can be handled with the help of wizards made available to clients (website builder - Wix.com furniture generator - IKEA), thanks to which **they develop products of interest to them on their own**- by being attached to them and saving our own and our employees' time.
- Payment systems - consumers like to buy where they can quickly pay for the purchased products.

⁵⁶ Quote after: <https://dmsales.com/blog/budowanie-relacji-z-klientem-wazne-warzeniaowki/>

- BPM (Business Process Management) systems - are used to model and manage the company's business processes (e.g. sales service). They are available not only as standalone software, but also as an element of larger business applications (e.g. CRM or ERP systems). These systems, by increasing the quality of sales, stimulate its growth.

PROCESS MANAGEMENT AND THE EFFECTIVENESS OF SHAPING THE RELATIONSHIP WITH THE CLIENT - CONSUMER

Process approach is based on the assumption that it is necessary to optimize activities, including sales ones, taking into account the processes (including the processes of building relationships with the client), and not functions, therefore the process is a natural determinant of achieving an increase in the efficiency of a modern organization. Streamlining operations based on the analysis of processes allows for the dynamization of the organizational system.

Systemic mechanism of the organization functioning. It makes its members aware that it is a specific ecosystem of elements with a complex system of mutual dependencies. Interference with even one element of the system may destroy the logic of its functioning and threaten the existence of the whole. The basic principle that is used to build the configuration of team activities is their division into elements so that they become understandable and can be quickly mastered by a human. Such a category is a process treated as a dynamic object around which a system of intra-organizational relations is built.

Processes are an element of organization and management in every company. It can be said that a company is a system of interconnected processes that are dependent on each other. Anyone who manages the company's activities should know the complexity of the processes and their interdependencies in order to be able to effectively analyze the situations encountered. Implementation of the tool is the action that allows the entire company to move to process thinking⁵⁷.

The effects of process management is: creating a structured form of process flow; determining their impact on the main and secondary results of the company and determining the indicators that will allow us to periodically monitor the effectiveness of the operation.

Generally speaking, every process, regardless of whether it is part of an organization or a course of conduct in carrying out everyday activities in every household, consists of three basic elements: input data, processing and output data. Delivered to process initiation - the input data, influenced by processing due to the interaction of various resources in the final, is converted into output.

⁵⁷ <https://leanactionplan.pl/zarzadzanie-procesami-wkietaniki/>.

Diagram 19: Process flow diagram

Infographics

5 STEP PROCESS FLOW DIAGRAM



Source: <https://slidebazaar.com/items/5-step-process-flow-diagram-template/>

Although these elements occur in each process, their components differ depending on the type of the identified process. For example, the input data to the SHOPPING process may be a demand for the purchase of goods or a purchase plan, to the SALE process - receipt of an order from the customer, or to the EMPLOYEE RECRUITMENT process - a vacancy⁵⁸. The same applies to the processing stage, which leads to the obtaining of output data, which may be, according to the above processes: purchased goods, employment contract or invoice. In order to properly define the processes, you should first define:

- beginning and ending the process,
- process input and output data,
- process supplier and customer,
- and the process leader - that is, the person responsible for the process and its control, as well as providing it with appropriate resources.

Process approach is a dynamic approach to management. Its genesis can be looked for in the classical school of management: in the organization of production processes and ergonomic research⁵⁹.

⁵⁸ <https://aniba.pl/blog/jak-dentowac-procesy>.

⁵⁹ Wider: Hofman M., Skrzypek E., Process management in an enterprise, Wolters Kluwer, Warsaw 2010; Lech P., Integrated ERP / ERP II management systems, Difin, Warsaw 2003; Ossowski M., Identification and classification of processes in the enterprise, "Zarządzanie i Finanse", No. 4/2012; Wawak S., Analysis

Process orientation - it is such a method of comprehensive, wide-ranging reconstruction of the procedures for organizing sequences of activities, e.g. production, sales, customer relationship management, procurement or quality control, which revolutionizes the principles of doing business in order to significantly improve the so-called critical parameters: cost, time, quality, etc. Process orientation understood in this way is a contradiction of the classic functional organization, based on rigid service hierarchies and vertical arrangement of supply and information flows⁶⁰.

It can therefore be concluded that process orientation means an increased emphasis on the quality of work performed, greater coordination between functions and the important role of team (project) work. Importantly, there are systemic views, i.e. the entire process and configuration of the organization's processes, with a strong customer orientation⁶¹.

Process approach puts emphasis on translating the strategic goals of the organization into process goals, satisfying the needs of customers, reducing the costs of the company's operations, as well as increasing the quality and shortening the time of task completion. It is based on the assumption that activities should be optimized with regard to processes, not functions, and therefore the process is a natural determinant of achieving an increase in the efficiency of a modern organization. An important role in the process approach is played by the process owner (process manager), who is responsible for the effects of the entire process, and also has the appropriate powers to coordinate its implementation. Has appropriate knowledge of the process, is able to design its course and has the appropriate authority to introduce changes⁶².

A process-oriented organization can be considered when:

- processes have been identified, the number of which should not exceed several dozen,
- process connection maps have been built,
- there is a system for measuring the results of processes,
- a process management process is carried out, aimed at their permanent improvement.

and improvement of quality management systems in municipal offices, doctoral dissertation, AE in Krakow, Krakow 2007.

⁶⁰ Małachowski AND., Methodology of creating object-oriented systems of economic communication, Publishing House of the University of Economics, Wrocław 1997, pp. 19 - 22.

⁶¹ Hammer M., Reinżynieria and its consequences, PWN, Warsaw 1999, p. 15.

⁶² Bitkowska AND., The line W. (ed.). Managing business processes in the enterprise, VIZJA PRESS & IT, Warsaw 2009, pp. 16-26.

Features of the process organization:

- internal implementation of the principles of mutual relations in the client-supplier system, which in practice entitles the members of the process organization to negotiate between themselves the conditions of implementation and reception of the effects of business partners' work,
- team nature of work performed in the process organization, which means broadening its subjectivity,
- designing the course of operations in processes adapted to the contract in order to obtain the maximum effect of adapting the process organization to the complex level of meeting customer expectations,
- empowering implementers to make the necessary decisions and actions in the performance of operations in processes, which allows the client to be brought closer to the contractor, creator of the added value of a product or service,
- configuration of the organizational structure, taking into account the "pro-customer" orientation of intra-organizational relations.

There are the following reasons why companies decide to reorient their company's vision towards process solutions:

- the tasks performed do not relate to the company's value,
- in most companies, no one manages the processes and no one is responsible for them,
- companies have a significant level of bureaucracy (e.g. complicated document flow or task description), which makes it difficult to operate efficiently,
- many different procedures and instructions are created in companies, which means that knowledge about functioning is dispersed,
- no one can coordinate one whole process, there are many people involved in the processes, but it is not the work of one functional department,
- processes divided into fragments and specialized structures are usually not flexible enough for companies to react to significant external changes,
- no control of the effectiveness of processes (costs, quality, time).

Process management is an activity consisting in the optimization of the structure of the elements of an organization, due to their influence on directing the value

of the final effect of the separated processes. It is therefore an attempt to maximize the share of value-adding elements in this structure and to minimize the share of ineffective operations. In practice, this means looking for such an operation structure, i.e. process components, that would be maximally focused on creating added value for the entire organizational system, and thus its individual parts.

Process management method a modern enterprise is much more effective compared to traditional management methods. Companies that have decided to implement process management are better at forecasting and generating revenues, and are also better adapted to market realities. They more easily improve the functioning of the entire organization and the speed of its operation. The project, however, requires a lot of discipline and full commitment on the part of all employees involved in the correct course of the process. Its success is determined, among others, by involvement of the management board and employees, proper examination, definition and definition of needs and monitoring of the effects.

What is the difference between process management and classic company management. In practice, we encounter two management models: functional (traditional) and process-based. Each of them is characterized by a different way of achieving the assumed strategic and operational goals. Functional management is getting more and more difficult. It is influenced by the dynamics of the market and the environment. On the other hand, process management causes many difficulties for organizations related to the correct modeling of processes, the transformation of employees' approach and shaping process maturity.

Functionally managed organizations base their activities on the implementation of individual tasks leading to the achievement of the assumed goals, while minimizing the costs and expenditures. All departments in the company are responsible for the final product, but only in the scope of performed tasks. Employees specialize in assigned duties that can be easily assigned and controlled. Optimization through technology and specialization take place within departments and their own structures. The effect is achieved through a scale that allows you to focus on the entrusted area of operation.

Process management it is always about treating all tasks in the organization as some kind of sequence of sequences that are grouped within one process. The goal of the organization is to satisfy the customer's needs as fully as possible by implementing its own strategic and operational goals, defined on the basis of the added value of goods and services manufactured for the customer. Such a structure of tasks generates greater operational efficiency, more effective use of resources and potential of employees as well as a structured increase in their competences. The efficiency of the company's operations is verified and implemented by identifying, designing and optimizing processes, standardizing activities and

controlling their course. This approach gives the possibility of flexible adaptation to the environment and changes taking place in it.⁶³.

Process management - the most important benefits for the company and its customers:

Service quality- many companies have never measured the quality of services before implementing the process. Meanwhile, transparency of this element is key to assessing the value of process management and building value for the customer. Quality comes down to continuous monitoring of results, compliance with safety procedures and the development of team expertise. The interdisciplinary nature of employees and their orientation towards understanding business needs becomes a vehicle for success.

Work efficiency- becomes the basis of business. It is measured by the adequacy of processes, standardization of tasks, elimination of unnecessary activities, transparency of procedures and rules of operation. Understood and implemented in this way, it leads to the optimization of structures and an increase in business efficiency.

Organizational flexibility- indicates its ability to adapt to the environment, but also openness to changes taking place in it. Such a possibility is provided by systems and the speed of access to data, effective implementation of new solutions, and the ability to adapt resources to the market situation.

Risk mitigation- it is most often omitted in strategic management within functional, traditional structures. In the process model, the risk is transferred to process steps and measurement and analysis systems. The availability of comprehensive management information allows not only to limit the risks from inside the organization, but also to flexibly react to risks coming from the outside.

Costs- their reduction takes place on the basis of the scale effect, consolidation of task handling and their synergy. Employees' competences and skills, which when properly grouped, become an effective economic indicator, also have a significant impact on cost reduction.

Each tool is used in order to best achieve the intended goals. When observing the changes taking place on the market, it is good to use proven methods that increase the market efficiency and competitiveness of the company. The certificate

⁶³Source: Kohlbacher M., The effects of process orientation: a literature review, Business Process Management Journal 2010, No. 16 (1), pp. 135-152; Kohlbacher M., Gruenwald S., Process ownership, process performance measurement and firm performance, International Journal of Productivity and Performance Management 2011, No. 60 (7), pp. 709-720; Hernaus T., Vuksic VB, Štemberger MI, How to go from strategy to results? Institutionalising BPM governance within organisations, Business Process Management Journal 2016, No. 22 (1), pp. 173-195; vom Brocke J., Schmiedel T., Recker J., Trkman P., Mertens W., Viaene S., Ten principles of good business process management, Business Process Management Journal 2014, No. 20 (4), pp. 530-548 ; Lee RG, Dale BG, Business process management: a review and evaluation, Business Process Management Journal 1998, No. 4 (3), pp. 216; Armistead C., Principles of business process management, Managing Service Quality: An International Journal 1996, No. 6 (6), pp. 48-52.

of quality and reliability of the process management method is confirmed many times by the effectiveness of its application in practice⁶⁴.

A sample process for implementing process management may include the following steps:

Stage I

1. Analysis of business processes and performed activities.
2. Description of selected customer processes, indication of areas of ineffectiveness and possible optimization.
3. Modeling of target business processes.

Stage II

1. Implementation of recommended changes at the client's site.
2. Training and workshops for the client's employees involved in changes.

Stage III

1. Change management in the organization.
2. Monitoring of changes and post-implementation audit.

Process management brings the following benefits:

- identification of process inefficiencies and areas requiring improvement,
- indication of optimal solutions and cost savings,
- cost reduction,
- shortening and streamlining processes and information flow,
- improvement of cooperation between departments in the company,
- implementation of a system of measures (productivity, quality control, timeliness, etc.),
- standardization of work,
- increasing employee awareness of key business processes,
- increasing knowledge of the costs of a given process and ways to optimize its profitability and profitability,
- eliminating unnecessary activities and limiting those performed redundantly,
- increase in the company's efficiency and the accuracy of strategic decisions.

⁶⁴ <https://bpo.impel.pl/czytelnia/dyszne-warto-wdrozyc-zarzadzanie-procesowe,news,357,1712.php>

Process management should include the following functions according to the Deming cycle called the PDCA cycle (plan → perform → check → act).

Plan- this is the stage of formulating a hypothesis. It is necessary to precisely define the action plan (what we want to do), define the goals and present the expected results (what we expect to achieve).

Down- test of the hypothesis. The planned activities should be implemented, after which the process should be subjected to careful observations, and the collected data should be thoroughly analyzed.

Check- comparison of the actual results obtained when testing the hypothesis that the expected results.

Act- if you have not achieved the expected results, restart the cycle. Verify the plan, goals and method of operation. Make the necessary corrections to it. Test the hypothesis and compare the results. If it turns out that the assumptions have been met, it is necessary to act towards maintaining the developed solution. Develop standards for practices resulting from the cycle.

Process operations can be divided into three types:

1. Value-adding operations - the customer is ready to pay for the product (the price is a function of the justified costs of its creation). They are operations and activities that create value from the customer's point of view.
2. Operations that do not add value directly to the customer, but are necessary to carry out value-adding operations, eg human resources development, management, planning, information creation.
3. Operations that do not add value or create value, such as rework, delays, inspections, redundant or re-checks, document signing with no real action, which holds up the process.

The processes can be divided into types using different criteria for this division. Due to the importance of tasks (functions) performed in the organization, the following are distinguished:

- basic processes, the effect of which is a product (service) on the external market - from which the company "lives" (obtains revenues from sales), e.g. production and sale of a product in a production company or keeping an accounting book in an accounting office,
- auxiliary processes (supporting, supporting main processes), the effect of which is a product (service of a material nature) for the internal market (but also for the external market) - thanks to them, basic processes can be efficiently implemented and the company can operate, e.g. repairs and equipment maintenance, transport.

Due to the importance of decision-making positions in the organization, the following are distinguished:

- management (managerial) processes of a conceptual nature; their effect is a "service" of an intangible nature, e.g. preparation, making and transfer of decisions as well as control of their implementation,
- executive processes, which boil down to the execution of orders (decisions), e.g. execution of a series of technological operations, preparation of a plan, issuing an invoice, accepting an order, collection of receivables.

Due to the importance (importance of the decision) for the organization, the following are distinguished:

- strategic (key) processes - these are basic, auxiliary and management processes that have the greatest impact on the strategic success of a given organization (guarantee strategic advantage and ensure the greatest customer satisfaction), e.g. planning a new product, introducing a new key process for the organization,
- operational (non-strategic) processes - these are the processes that enable the organization to function on a daily basis, e.g. acquiring customers, producing products and providing services.

Due to the creation of added value for the client, the following are distinguished:

- processes creating added value - meeting the needs and expectations of the client, for which he is willing to pay,
- processes that do not create such value - processes necessary for those that create such value to exist.

Due to the spatial and organizational allocation (mileage), the following are distinguished:

- intra-functional processes - processes within one function (e.g. in procurement) or in one organizational unit (e.g. supply warehouse),
- cross-functional processes - processes running through various cells of various functions of the company (e.g. preparation of a new product, execution of a customer order).

Due to the place in the value chain, the following are distinguished:

- innovative processes - researching customer needs and designing a product or service,

- operational processes - producing the product and delivering it to the customer.
- after-sales service processes - customer service after delivery of a product or service.

The division into particular types of processes in a specific enterprise is not static and mutually exclusive. It facilitates the ordering of all processes occurring in the enterprise, and, consequently, the selection of those that will be the subject of management. Each enterprise has its own set of business processes, the set of key business processes is small and includes a number of 5-15, and their type depends on the industry to which the corporation belongs and on the key results produced for its own customers.

The business process analysis follows a 4-step plan:

Identify the process:

The first step is to select the "current state" to be analyzed, and identification of the stakeholders who deal with it. Make sure you have a clear starting and ending point for this process.

Collect information about the process:

Then you need to gather as much information as possible about the process in order to understand the problems we are facing, goals, range of improvement and other purposes of analysis.

Analyze the As-Is process:

Should be implemented plan business process analysis. Go to the bottom of the identified process, define the process in flowcharts and other diagrams and measure its efficiency.

Develop a To-Be Plan:

Finally, use the analysis to make recommendations on what the "future" process should look like. Indicate requirements, make suggestions of resources and changes, define the timeline etc.

SHAPING RELATIONS WITH THE CLIENT AND MANAGERIAL COMPETENCES

Steering grid by Blake and Mouton model⁶⁵.

Observed in various situations and over time, the behavior of leaders shows a certain constancy. These constants make up the so-called the person's management style. There are many concepts of steering styles, the best known of which is "Steering Grid". The authors of this concept - Blake and Mouton distinguished two basic factors determining the style of management: focus on relationships (focus on the employee) and focus on execution of tasks (focus on production).

Relationship orientation (consideration) - the superior supports and motivates his employees, is interested in the needs and expectations of employees, job satisfaction, their private and professional goals. She is an open and accessible person, appreciates two-way communication, I often take the role of a coach and adviser. Recognition, respect and support are the most common management methods he uses.

Relationship orientation:

- I treat my employees as partners
- I support my employees in carrying out their tasks
- I am interested in personal problems of employees, their needs and interests
- I communicate with my employees with great ease
- I try to create a good, harmonious work atmosphere

Attitudes towards the execution of tasks (initiating structure) - the supervisor is only interested in the work to be done. He deals with organization, planning, coordination and problem solving. His strengths are the ability to structure tasks, define meaningful goals and create plans for their implementation. In an organization where it manages a task-oriented approach, employees are controlled and there is a strong emphasis on efficiency⁶⁶.

Attitudes towards the execution of tasks:

- I place emphasis on employees doing their best

⁶⁵ Quote from: Blake RR, Mouton JS, Theory and Research for Developing a Science of Leadership, "Journal of Applied Behavioral Science", Volume 18 issue: 3/1980, p. 275-291.

⁶⁶ Horner M., Leadership theory: past, present and future, "Team Performance Management", Vol. 3 No. 4/1997, pp. 270-287.

- I give clear instructions and monitor the results
- My interest in an employee is aimed at achieving production goals rather than employee development
- Employees work efficiently only under pressure and constant control
- I urge weak and slow workers to make greater efforts

Taking these two dimensions into account - relationship orientation and task orientation, Blake and Mouton built a chart in which they considered 81 different management styles, which were a mixture of five core styles, denoted by the symbols 1.1, 1.9, 5.5, 9.1. and 9.9.

Every manager should move towards field 9.9, the ideal style.

Management styles:

Style 1.1 - non-intrusive style, is characterized by a low attitude towards both people and tasks. It expresses the desire to accomplish the task with the least possible effort and keep the group together (non-interventional management).

Style 9.1 - autocratic style, differently task-oriented, characterizes managers focused on implementing plans, even at the expense of people. Here, the employee does not count, only the tasks and suitability of the employee to perform them (task management) are important.

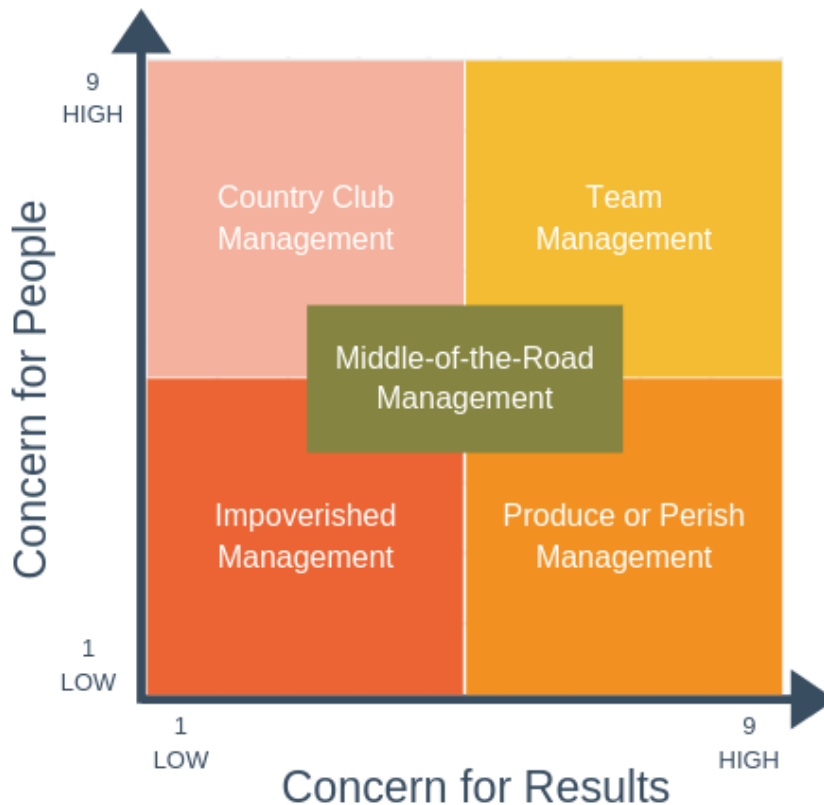
Style 1.9 - democratic style, corresponds to the type of manager for whom the subordinate is the primary value, and therefore attention is directed to his needs, emotions and moods (recreational management).

Style 5.5 - intermediate style, which expresses a compromise between taking care of a good working atmosphere and the interests of the organization. In a negative aspect, it expresses a lack of willingness to change (management of the measure).

Style 9.9 - comprehensive style, also known as integrated, the manager achieves significant results due to the integration of employee goals with the goals of the organization (team management).

Scheme 19: Blake & Mouton steering grid model

Blake Mouton Managerial Grid



Source: <https://expertprogrammanagement.com/2019/05/blake-mouton-grid/>

Model weakness: While the steering grid model reflects many different steering styles, it does not take into account situational factors that also affect the effectiveness of the style.

There is no ideal style of leadership, the effectiveness of a given managerial behavior is determined by the situation in which the leader and the group are. Thus, the effectiveness of the management style may depend on such situational factors as, for example:

- industry in which the organization specializes (production, services, e.g. advertising)
- the situation in which the organization is located (crisis management)
- relations between employees and superiors (acceptance, sympathy)

For example, James McGregor Burns divided the leaders into two groups⁶⁷:

- transactional (they check whether people are following the plan)

⁶⁷ Burns JMG, Transforming Leadership: A New Pursuit of Happiness, Grove Press, New York 2003.

- transformational (inspire people to take on tasks that go beyond the plan).

Burns found that only transformational leaders are capable of managing effectively in changing conditions (they are more charismatic and inspiring). Transformational leadership is often referred to as charismatic. In general, the leadership style is a practically shaped and relatively permanent way of a manager's influence on subordinates so that their behavior leads to the achievement of a pre-determined goal (a group of goals). Generally speaking, we can talk about potential and real styles.

The potential leadership style is shaped by the set of views and beliefs (subculture) of the manager about the mechanisms of subordinates' behavior and how to effectively fulfill the managerial will accepted by superiors.

The actual leadership style is a practically shaped and actually used integrated system of methods, techniques and other tools for influencing subordinates, adapted to the assumed goals, tasks performed and specific operating conditions.

Characteristics of leadership styles according to R. Likert and RF Bales⁶⁸:

Rensis Likert and RF Bales, American theorists, distinguished two styles of management: consultative and participatory.

A manager using a consultative style gives instructions to employees after discussing the topic with them and consulting with them. It provides for a certain degree of activation of subordinates in the process of team management.

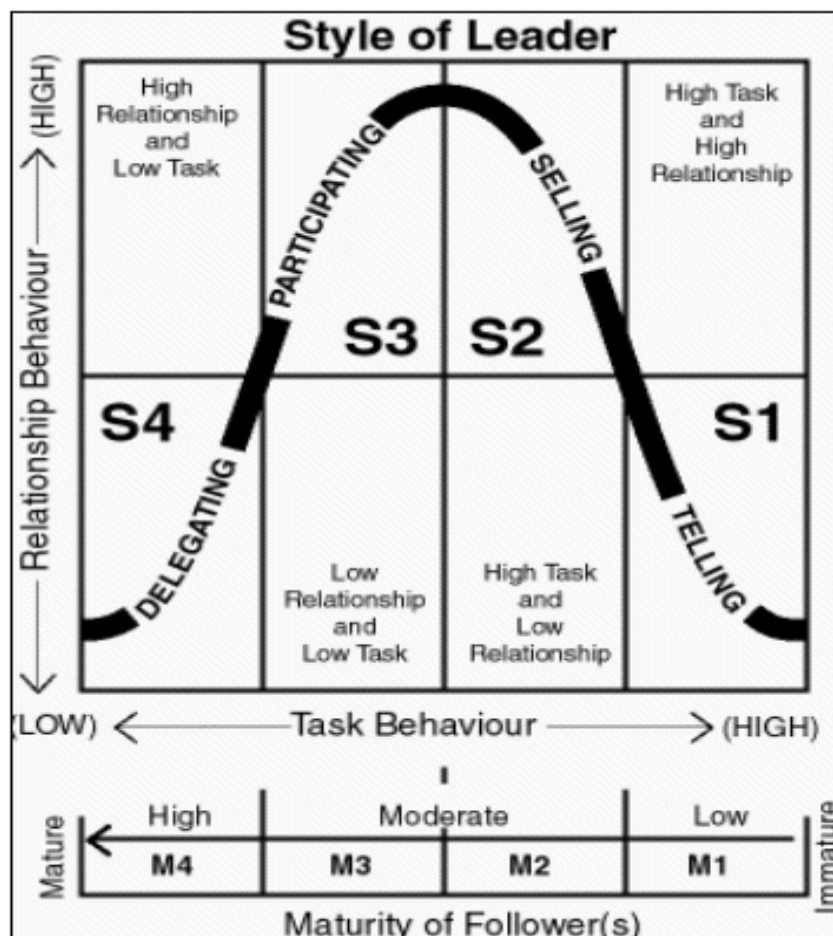
The participatory style is characterized by the fact that a group of employees sets goals on their own and makes decisions on their own, the manager usually only accepts them. There are open, friendly relations based on mutual trust. It is based on full trust between the manager and his subordinates and leads to the actual co-management of the team. Most decisions are made jointly, with group members being held accountable as much as contributing to the benefits achieved by the team result. Participation in management is the basic factor motivating subordinates to engage in work for the good of the group and ensuring their integration with the entire organization.

Hersey & Blanchard's model of situational leadership emphasizes the importance of employee maturity as a situational factor determining the effectiveness of the management style. The management style should be adjusted individually to each employee, to his degree of maturity. An employee's maturity is defined in terms of competence (knowledge, skills, experience) and commitment (perseverance, willingness to work, motivation). Depending on the level of maturity of the employee, the supervisor should instruct, train, support or delegate⁶⁹.

⁶⁸ Quote from: Żukowski P., Galla R., Management styles manifested by managers in organization management, "Problems of Profesjologii" No. 1, pp. 21-40.

⁶⁹ Source: Blanchard K., Senior leadership, Warsaw, PWN 2007.

Scheme 20: Hersey and Blanchard's model of situational leadership



Source: K. Blanchard, Higher leadership, Warsaw, PWN 2007.

The maturity of the employee is characterized by:

- the ability to set high but realistic goals for yourself
- willingness to take responsibility
- education and experience.

These criteria relate to specific tasks only. This means that the worker himself is neither mature nor immature. It shows a different degree of maturity, depending on the goals, functions and tasks set. So, adjusting the management style always takes place in relation to a specific person and the task that a given person is to perform.

70 Łukaszewski W., Motivation in the most important theoretical systems, Strelau, Warsaw 2000; McGinnis AL, The Art of Motivation: or How to Get the Best Out of People, Oficyna Wydawnicza "Vocatio", Warsaw, 1992

How to recognize the maturity of an employee?

Competences:

1. Can the employee solve the problem on his own?
2. Does the employee require additional training to be able to undertake a new task?
3. Does the employee work independently?
4. Is he willing to make career decisions or is he avoiding them?

Engagement:

1. Is the employee able to clearly define his role in the team?
2. Is the employee willing to face new tasks?
3. Is the employee achievement-oriented?
4. Is the employee tough?
5. Is the employee at the limit of his endurance or do he still have some reserves?
6. What motivates the employee to achieve achievements?
7. Is the employee looking for or avoiding responsibility?

Diagram 4: Employee maturity grades

Employee Activation Maturity Assessment

To activate employees you need **5 critical competencies**: Leadership, Policies & Governance, Education, Metrics & Measurement and Tools & Technology

Competency	Maturity Ratings		
	Stage 1: Hierarchy	Stage 2: Emergent	Stage 3: Synergistic
	<i>Employees feel restricted to share any content about the brand, even on personal social media platforms</i>	<i>Handful of employees are sharing brand content and some engagement with customers and prospects</i>	<i>Robust organization armed and working collaboratively to connect with customers, prospects, advocates & influencers</i>
Leadership	Command & Control	Consensus	Collaborative
Policies & Governance	No Guidelines	Restrictive	Inclusive
Education	No Training	Ad hoc	Formal Program
Metrics & Measurement	Anecdotal	Activity Tracking	Behaviors & Outcomes
Tools & Technology	Consumer tools used by individuals	Mix of consumer tools & enterprise tools	Social Functionality is integrated throughout

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Source: https://www.slideshare.net/LizBullock1/using-brand-advocates-employees-for-influence/8-Employee_Activation_Maturity_AssessmentCompetencyMaturity_RatingsStage

The Hersey and Blanchard model classifies management styles according to the situational factor, which is the employee's maturity, and also indicates the continuous development and improvement of the employee's qualifications. Starting with a low level of maturity, the employee (apprentice or graduate) receives information and instructions from the supervisor. The supervisor, using appropriate methods, e.g. feedback on the level of task performance, helps the employee move to a higher stage of development. As the independence of the employee grows, the supervisor reduces his actions focused on the performance of tasks and then actions related to the care of the employee. Ultimately, the supervisor delegates the task (or goal) and the associated responsibility. Therefore, the supervisor changes the management style over time depending on how the employee's performance will be assessed. If it turns out that the employee is not making progress, the supervisor should revert to the previous management style. The weakness of the model is the "expenditure of time", ie not every supervisor finds the time to get to know his employee in detail. However, thanks to this, he is aware of the various needs and expectations of his employees and can properly guide their behavior.

Team management: There is no perfect management style that would work for any team. It is most important for a team leader to realize what his natural style is and what other styles may work better in the team. A boss who is aware of both his strengths and weaknesses can modify his behavior. In an enormously competitive world it is difficult to achieve lasting business success and one factor that can help you achieve such a goal is knowing your own leadership style⁷¹.

Paul Hersey and Kenneth H. Blanchard have proved that there is no one perfect style of management. Research into the various dimensions of group leadership and functioning confirms that satisfied groups are guided by any style. This demonstrates the need to change the management style over time depending on situational and human factors⁷².

What is essential for effective team leadership?

Diagnosis - the ability to assess the team's needs and the stage of its development

Flexibility - Ability to apply different leadership styles

Adaptation - Ability to apply a style appropriate to the team's needs.

71 Lundy O., Cowling A., Strategies of human resource management, ABC, Kraków 2000; Makowski K. (ed.), Human Resource Management Instruments, Poltext, Warsaw 2002; Makowski K. (ed.), Employee management. Instruments of personnel policy, Poltext, Warsaw 2001.

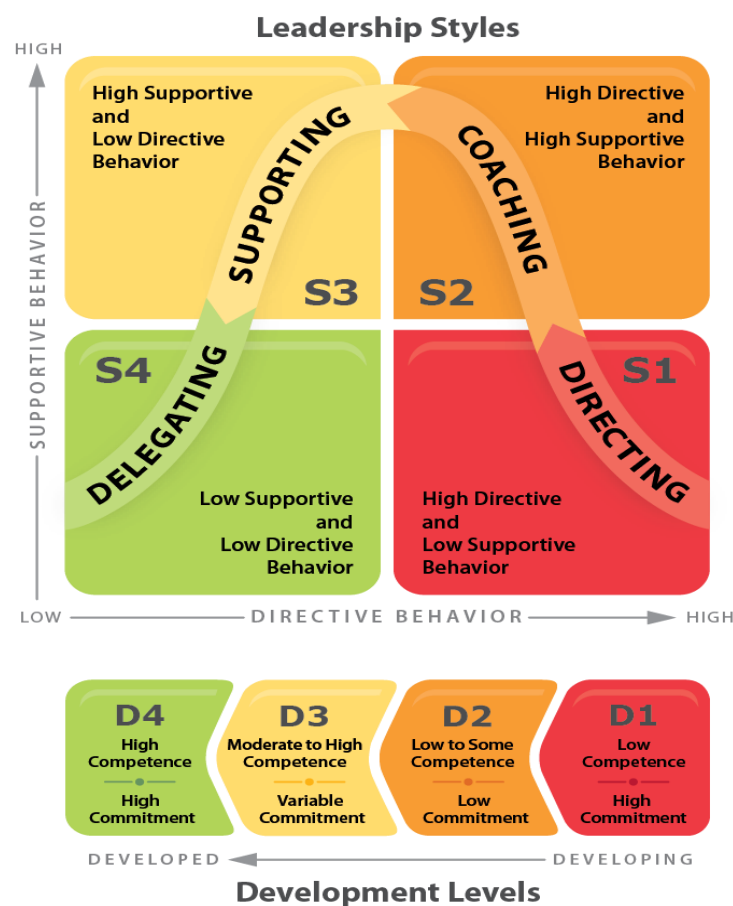
72 Cf., among others: Tyszką T., Psychological traps of evaluation and decision making, Gdańskie Wydawnictwo Psychologiczne, Gdańsk 1999; Whiddett S., Hollyforde S., Competency method in human resource management, Oficyna Ekonomiczna, Kraków 2004; Wiśniewski Z., Pochtowski A., Human resource management in the conditions of the new economy, Oficyna Ekonomiczna, Krakow 2004.

Effective managerial behavior is defined by Hersey and Blanchard as behavior appropriate to a given situation within a larger environment. They introduce a new variable: the maturity of employees or their readiness to take on the tasks facing the group.

Maturity, defined only in relation to the specific tasks facing the group, is the ability to set high but achievable goals (achievement motivation), the desire and the ability to take responsibility, and the education and / or experience of individual group members.

Maturity is determined by two main variables: performance (competency) and morale (employee motivation). The first relates to the so-called task maturity - skills and specialist knowledge related to the performed work. It depends on the ability of team members to cooperate, their skills and knowledge, the degree of precision of goals and access to the necessary resources. The second is psychological maturity - defined by a sense of self-confidence, mutual respect, motivation and unity in pursuing a goal, which allows the bar to be set high and employees taking responsibility.

Diagram 21: Adapting the leadership style from the SLII Situational Leadership model to the team development stage



Source: <https://workplacepsychology.net/2019/08/25/how-to-manage-better-by-matching-leadership-style-to-development-level/>

Group maturity and management style

At the first stage of team development the optimal strategy is to instruct (conduct). Maturity is low - while employees are committed and morale is high, productivity is low because employees do not yet have knowledge of tasks and themselves. They have high expectations of the new team and their place in it. The leader should display high task-oriented and low-relationship behavior to help the group achieve some initial success and begin learning. Instructions or structuring are essential as they provide the information your team can use to get started. Employees must know what the goals and values of the team are and what is expected of them. Team norms, communication rules and responsibilities should be established.

In the second stage, the stage of dissatisfaction or storm, consultation is the most appropriate style. There is a gradual increase in productivity and a decline in morale.

Conflicts between team members arise, disappointment arises from unfulfilled expectations and the resulting anger, confusion and discouragement. The boss should continue the instruction strategy and increase support to help the group build competencies, he can apply coaching and training here.

Team members need encouragement and reassurance that they did well to join this team. It is essential to establish a strategy for working together and getting things done. It is important to increase the influence of the team on decision-making.

Expressing appreciation and giving feedback on their progress reassures them and encourages them to make further progress, increasing morale. It is good to conduct honest and open conversations (in private) about such problems in the team as: emotional blockages, personality conflicts.

At the stage of integration (standardization) the best style is to support. At this stage, morale and harmony in the team as well as the level of competence of its members increase. The group learns to work together and be successful. Goals and strategies become clear, negative emotions are dealt with, and the sense of self-confidence, team coherence and confidence increases. Members gain the willingness and ability to assume leadership functions. Support and collaboration should prevail at this stage. The team no longer needs a lot of instruction, but more support to increase self-confidence, commitment and consistency. Employees should be encouraged to express their views and take responsibility for leadership. The team should focus on increasing the level of performance and developing problem-solving and decision-making competencies.

Team in stage productivity (execution) is already reaching maturity and requires delegation from the manager. There is a positive atmosphere in the team, the quality and quantity of the work performed is high. Often, the team's need at this stage is to take on new challenges, maintaining high morale and focus on tasks. The team functions independently - members instruct and support themselves.

At this stage, first of all, it is necessary to express recognition and joy of the team's achievements, as well as to provide new challenges or raise work standards. The leader should ensure the autonomy of decision-making by individual members within the designated boundaries.

The ability to communicate authentically has become an extremely important and motivating factor in the modern business world. Many managers want to lead, and very often they think they are. Sometimes, however, the entire management process only seemingly takes the form of leadership. A real leader is not necessarily a person who knows how to separate and delegate tasks, properly communicate and then receive them. A leader who achieves his goals is someone who inspires, activates and motivates the team and, above all, is able to bind people together with emotions and community of interests. Nothing binds people and teams together as much as joint achievement of set goals, but it is important that at each stage of their implementation, you should have specific features that the team will define itself as leadership.

Principle-focused leadership are honest, friendly and efficient, but also effective managers. We realize that humans are not only economic, social and psychological beings, but also spiritual. They want to make sense - to know that they are doing something important. People do not want to work on something of little importance, even if the work involves all their mental resources. There must be a goal that attracts them, ennobles them, releases the best in them.

Management styles and management effectiveness: functions of the management process may be exercised differently by the manager, depending on the manager himself and the management situation, which shape, among others, the following variables⁷³:

- a) the position and scope of the manager's power, measured by his powers: to engage and dismiss employees, award them bonuses, promotion, etc.
- b) the structure of the task, which depends on the quality and specific purpose of the team's operation, the uniqueness of the methods used to achieve this goal;
- c) the group's readiness to succumb to the manager's influence, i.e. the degree of trust, support, sympathy that subordinates give to their supervisor, taking into account his personal characteristics, relations in the group, etc.

⁷³ McKenna E., Beech N., Human Resource Management, Gebethner i S-ka, Warsaw 1997; Z. Mikołajczyk, Managing the process of changes in organizations, Katowice 2003.

Each manager behaves in his own way in leading situations, preferring different forms of this behavior to his subordinates, in other words, it means that he has his own management style.

So what is a management style?

Typically, the management style is characterized by the whole range of methods (i.e. methods, techniques, instruments of a manager's influence on subordinates in order to elicit the right attitude towards their tasks and persuade them to use them in the best possible way. subordinates to stimulate and coordinate their team activities aimed at achieving the goals of the organization.

The management style is characterized by behavioral patterns, techniques for making decisions, issuing orders, and using stimuli to achieve goals.

The management style can have a decisive influence on the working atmosphere in the organization. It can foster the integration of the crew as well as innovation and entrepreneurship.

The rationality of the style depends on the situation - an efficient manager adjusts the management style to the circumstances, taking into account:

- a) personality traits;
- b) the qualifications and general level of their employees;
- c) type of work;
- d) features and weight of implemented processes;
- e) the degree of risk associated with the work
- f) the economic situation of its organization.

The manager's actions when choosing a specific management style may focus on tasks, where the main attention is paid to the performance of work and "contractors", ie on interpersonal relations and motivating attitudes. A manager who combines these two orientations is considered to avoid being one-sided and to be successful.

Extreme positions say that there are as many management styles as there are managers. There is some truth to this claim due to the uniqueness of the personalities of managers. Management styles do not appear in "pure" form - in practice, they are highly diversified, because a style is a complex category that synthesizes all behaviors and interactions with other people in the process of action. Besides, each organization, its type, tasks, management professionalism and other factors force a specific way of behaving towards subordinates and creating its various patterns.

Research on styles has led to the creation of various concepts, which are often not so much a representation of reality - but the ingenuity of their authors.

Some managers clearly set tasks, define the methods of their implementation, and expect from their subordinates obedience and precise implementation of orders, and they also diligently hold them accountable for the effects of their actions. In everyday contacts with subordinates, they keep quite a distance, they

are sometimes unfriendly, and they motivate to work with punishments, not rewards.

Another group consists of managers who do not require much from their employees, avoid assigning tasks and, if possible, give up decision-making, and burden others with solving problems. In dealing with subordinates, they try to maintain friendly relations.

Briefly, this is how the management styles reflect in practice.

To illustrate the importance of management styles in an organization - let me quote some of their classifications, mainly based on the following criteria:

- a) employee participation in the performance of managerial functions - making decisions;
- b) how to subordinate staff to goals;
- c) the stimulants used by the supervisor.

From the point of view of these criteria, we distinguish the following types⁷⁴:

- **autocratic style** - task oriented. It is characterized by a sharp division into drivers and drivers. It is dominated by individual, independent decision-making by the manager, which he personally and in the form of orders communicated to his contractors. In this style, one can clearly feel the distance created by the superior from the subordinates, because the principle applies to him: "I rule here and you must follow my orders". The subordinate staff is treated in a typically objective way - as a means of achieving the goal, the only task of which is to work for the benefit of a given company (organization, enterprise). There is formal discipline, mainly imposed by penalties, which are believed to be the only method of influencing employees. In this style, there is a clearly defined system of rewards and punishments, and the possible ideas of employees are not taken into account.

However, an autocratic leadership style can bring positive results in the case of a poorly integrated group, with low qualifications and low motivation to work, as well as in atypical situations requiring rapid mobilization of staff.

⁷⁴ Haber LH, Outline of Small Business Management, Professional Business School, Kraków 1996, p. 77; Pocztowski A., Human resource management. Strategie- processes- methods, PWE, Warsaw 2008; Pocztowski A., International human resource management, Oficyna Ekonomiczna, Kraków 2003; Pocztowski A., Best practices in human resource management in Poland, ABC, Kraków 2002.

- **democratic style-** is represented by managers who set limits within which the group makes decisions or allows subordinate employees to make their own decisions within set limits. People representing the democratic style strive for partnership with subordinate staff, and they treat the exercise of power as a result of the division of labor. This results in the lack of formal distance between the superior and the subordinate, thanks to which the business relations are friendly. Employees are treated subjectively - as participants and implementers of the decisions made. Formal discipline exists to a limited extent and, as a rule, applies to working time. Regulatory penalties are used as a last resort, as opposed to awards (praise, recognition, promotion, etc.) which are the basic instrument of motivating employees to work.

The presented management style can be adopted in relation to employees with high qualifications and professional experience as well as with high motivation to work;

- democrat manager - fulfills the role of a coordinator of the group's activities, delegates his powers, distributing them in such a way that during his absence the group can operate efficiently, often contacts employees, strives to eliminate barriers to mutual communication and participates in the work of his team.
- liberal style - it is associated with leaving employees to be independent in the implementation of their activities. The manager encourages presenting ideas, developing skills and improving the quality of work. It is related to the joint setting of tasks and goals by the manager and his employees. On the other hand, it leaves them free to choose the methods of implementation and is associated with the abandonment of the current interference and "leading by the hand". It also does not mean "letting go of the helm", but is intended to use the ambition and personal satisfaction of employees who perform their tasks and show initiative. This style occurs in research teams and establishments, colleges, design studios, and art establishments;
- liberal manager - leaves the members of the group a lot of freedom in planning and organizing activities, tries not to make any decisions himself, does not participate in the work of the group.

The analysis of the effects of using these management styles showed that autocratic steering motivates to work "on quantity" and favors obtaining results of low quality and originality. Aggression and apathy often appear in groups led by autocrats.

Democratic governance in most cases results in less work done - but higher quality, original results are obtained. The effects of work do not depend on the presence of the manager. Interpersonal contacts are characterized by kindness. Non-intervening steering is accompanied by a relatively small amount and poor quality of the work performed. Participants often do not accept this style - they are often frustrated at being left on their own.

American theorist GS Sergie⁷⁵ relates the targeting style to the personality of the manager and distinguishes the following types of management styles:

- personal style - characterized by a certain egocentrism of the manager, who authoritatively makes decisions in the belief of his infallibility, is demanding, demands discipline, attaches great importance to controlling his employees, the manager is changeable in his moods and emotionally involved in the evaluation of his employees. In addition, he is a tyrant of work, he is "blown up" by energy and he is enterprising, he selects employees on the basis of their personal characteristics, disregarding the interests of the organization, in this style there is no delegation of powers and responsibilities;
- impulsive style - is a pejorative variety of personal style, the manager is an enthusiast, a person of an impulsive nature, extremely creative, but he cannot consistently implement his ideas, selects people - staff guided by enthusiasm - on the basis of randomness, with many characterological advantages introduces organizational chaos, on the basis of random observations or heard opinions, he constantly proposes new ideas, makes peculiar decisions that seem to him to be wonderful solutions, does not care about rational organization of work, because he is preoccupied with his "perfect" concepts;
- impersonal style - characterized by the fact that a manager with such a style is not emotionally involved, and represents a rational attitude with a specific scale of restraint and distance. The division of competences is strictly defined, and the decision-making process is strictly conditioned - when making decisions, the manager focuses his attention only on important matters, which he previously discusses with his subordinates - after ca-

⁷⁵ See Penc J. Creative management, Placet, Warsaw 2006, p 69; Juchnowicz M. (ed.), Tools and practice of human resource management, Poltext, Warsaw 2003; Juchnowicz M., Company personnel strategy, Difin, Warsaw 2000; Karaś R., Theories of motivation in management, Publishing House of the University of Economics in Poznań, Poznań 2004; Kostera M., Personnel management, PWE, Warsaw 2010.

reful consideration. Within such a system, relations between people are quite good, however, shortcomings, chaotic activities, and organizational mess are not tolerated, and the climate is generally favorable for improvement proposals and new ventures.

- collective style - it is the equivalent of the democratic style, the manager is one of the members of the group, full of kindness, decisions are made collectively, as a result of discussions, actions are not formalized - all matters are dealt with immediately;
- calm style - is a function of the orderly and calm nature of the manager. The basic features of this style are order and regularity, decisions are made calmly and equally, with limited collegiality, an atmosphere of calm reflection and information exchange prevails, the manager delegates a large part of his powers and responsibilities, having confidence in the staff that the tasks entrusted to them will be performed, interpersonal relations are generally informal, friendly, in such conditions employees can develop freely.

A modern manager focuses a large part of his attention on employees, because his basic tasks include building relationships based on trust in which employees - in accordance with the empowerment principle - can engage in organizational life, including participating in making various decisions. The role of a manager is therefore to see and develop the potential of employees who are treated subjectively and as partners. Performing the above-mentioned tasks becomes possible when the manager has specific skills, a large part of which is related to knowledge management.

These skills include, above all, the ability to create conditions for effective work, taking care of the broadly understood development of oneself and employees, stimulating employees to creativity and developing innovative solutions. It is also becoming important to shape an appropriate organizational culture in which the above-mentioned attitudes will have a chance to emerge and the ability to manage a culturally diverse staff, sometimes in a culturally diverse environment. Being a manager is seen as a transitional state, and fulfilling this role harmonizes with the democratic type of organizational decision making. To sum up, managerial competences related to the challenges of working in a culturally diverse environment are gaining more and more importance,

The effectiveness of the manager's actions depends on the degree of implementation of the assumed intentions and strategic goals of the enterprise. Managers of micro, small and medium-sized enterprises are required in this respect to be much more competent than in the case of large enterprises with an extensive organizational structure, where the most important (strategic) decisions are often made at the highest levels of the company. In the case of smaller entities, managers take an active part or even decide on their own (as in the case of owners)

about strategic directions of enterprise development, adopted for the implementation of business models, or factors of competitiveness that will distinguish their company from other enterprises on the market. It depends not only on the strategic orientation of SME managers, but also on the knowledge, skills and attitudes conditioning the effective definition and implementation of the company's strategy. It also requires managers to be entrepreneurs or at least - entrepreneurial managers who not only react to changes taking place outside and inside the company, but also have a proactive approach to searching for market opportunities and eliminating emerging threats.

The effectiveness of managers in this area largely depends on their innovativeness and searching for solutions to build the image in the long term. Within this group, the following competences can be distinguished:

- Defining goals and priorities,
- Strategic analysis,
- Image shaping,
- Entrepreneurship,
- Innovation.

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