

The CRM Flex Test

A 5-Point Checklist to Find the Right Mix of Features, Delivery and Deployment Options that Meet Today's Evolving Business Needs

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Today's business executives are looking for the best of both worlds when it comes to CRM solutions — those that offer the financial flexibility and rapid start-up of on-demand offerings combined with the data ownership, customization and security benefits of on-premise applications.

On-demand CRM offers a number of important benefits, including reduced software maintenance, operating vs. capital expenses, and rapid implementation.

Traditional on-demand CRM SaaS solutions, however, are typically rigid by nature, and this rigidity can limit their effectiveness depending upon an organization's needs. These solutions typically offer fewer customization options to reduce the risk of a single customer affecting the larger multi-tenanted instance. Traditional on-demand solutions also may not integrate effectively with back-office or other business productivity applications. Other concerns include privacy and security, forced upgrades, and difficulty in retrieving stored data.

To alleviate these concerns, more companies are turning to a new breed of CRM solutions that give them the flexibility to select from Cloud-based on-demand and on-premise deployment options, or a hybrid scenario, based on an organization's unique business profile. Companies also often desire to migrate from one to the other if their requirements change. This new type of solution offers a great deal of flexibility and control, including customization, integration, data ownership, upgrade control, and security capabilities not found in traditional, multi-tenant SaaS offerings.





This eBook offers an inside look at how a flexible CRM solution can benefit businesses striving to differentiate themselves in today's fast-paced sales environment. Key topics include a review of the primary requirements necessary to help executives make an educated CRM purchase decision—including the new operational requirements companies face today, the challenges of enabling a dynamic workforce, and the role that security must play. The paper also will explore ways to ensure that a CRM solution provides the right mix of flexibility and usability to meet an organization's unique business needs.


The eBook is comprised of a five-point checklist designed to assess the suitability of on-premise and on-demand CRM solutions, including:

- 1. Operational Requirements**
- 2. The Needs of a Dynamic Workforce**
- 3. Security Concerns**
- 4. User Adoption and Usability Issues**
- 5. Flexibility Issues**

In each case, the eBook will explain why a vendor that offers a choice of deployment options is more likely to meet a company's long-term strategic, operational and financial requirements.

1. Can A CRM Solution Satisfy A Company's Operational Requirements?

In theory, CRM is a simple concept: it's all about organizing and analyzing the information a company needs to build stronger, more profitable customer relationships. In practice, however, today's businesses



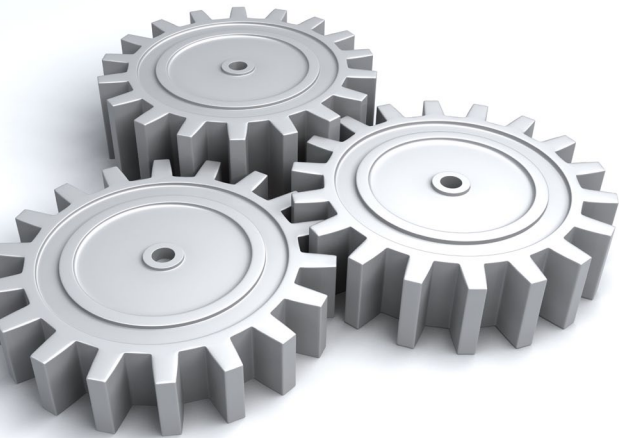
The key is finding a solution that can grow with the business, supporting new users, processes and roles that reach far beyond the sales organization.

gather this information from more sources than ever before—and they need to deploy this information in many different ways, for the benefit of different users, at different times and places.

Greater reach across departments; better data visibility. An effective CRM solution gathers relevant information from a wide range of sources, such as multiple departments within an organization as well as from across multiple partner and customer channels. Consider a typical example: the field service representatives who handle a company's repair and support calls. These front-line employees come into close contact with customers and have a unique understanding of their needs. In these situations, field service staff with access to a CRM solution can record and share everything they observe during a call—including potential new business opportunities. And a CRM solution will, in turn, arm them with the information they need to anticipate a customer's unique needs.

Enabling additional users and lines of business. Sales may be the first link in the CRM chain, but it is not the only link. A company's marketing, customer service, support, accounting, manufacturing, and executive management teams can contribute to—and benefit from—a CRM solution that gives them a complete, 360-degree view of each customer. The key is finding a solution that can grow with the business, supporting new users, processes and roles that reach far beyond the sales organization.

Enabling new functionality. An effective CRM solution ensures that the right users within a business get precisely the right mix of features and information to suit their needs. While both a sales team and a support organization can benefit from CRM, each group requires a different view of the customer.



In order to enable an effective cross-functional approach to CRM, a decision-maker should look for a solution that provides functionality in three especially important areas:

- **Business intelligence tools.** Today's best-in-class CRM solutions should offer integrated and comprehensive reporting, business intelligence and analytics capabilities.
- **E-marketing tools.** As more companies discover the benefits of e-marketing and marketing automation, they are turning to CRM solutions that offer these capabilities either as native functionality or via seamless integration with a best-of-breed integrated web service.
- **Business Process Automation.** One of the greatest benefits a CRM solution offers is its ability to standardize and automate processes across an organization. Effective workflow tools facilitate automation, standardization, and collaboration at every step of customer lifecycle processes.

Some companies will need to satisfy all of these operational requirements today; others can address them over time, as they grow. Either way, a successful CRM solution will scale effectively, enabling new lines of business and functionality, when and where it is required—either on-premise or on-demand.

2. Can A CRM Solution Enable A Dynamic Workforce?

Today's workforce is more mobile than ever before. Whether employees travel, work in the field, or work from home, they need reliable, always-on access to the same CRM information and productivity tools their office-based colleagues use. But many SaaS CRM vendors are functioning under the idea that



“mobility” is simply a matter of providing access to an application through a Web browser. In reality, any CRM tool designed to serve a dynamic workforce must satisfy three major requirements that a less mature SaaS solution may not be able to satisfy:

- **Online and offline access.** As any seasoned sales professional knows, mobile connectivity has a way of disappearing at the worst possible times. “Workers require anywhere access and need to be productive whether they have network connectivity or not,” says Larry Ritter, SVP and General Manager for CRM Applications at Sage. An effective mobile CRM solution solves this problem through the ability to download, cache, and synchronize data for offline use. Offline access, however, is a relatively new feature in many SaaS products, and more established CRM vendors tend to offer more functional—and more reliable offline capabilities.
- **An appropriate user experience across various devices.** Remote workers rarely access data in their CRM system using a single device. Instead, they likely want to seamlessly switch between PCs, laptops, and mobile devices to access the same data. A successful CRM solution will offer a familiar and situationally relevant user experience across various platforms and devices—allowing workers to focus on customers rather than struggling with user interfaces and feature sets. At the same time, the solution must adapt to the unique nuances and limitations of each particular device. “If users are working from a smartphone, screen real estate is precious,” Ritter states. “So workers need just the relevant capabilities to perform specific tasks. They also require contemporary device support and a native user experience that is consistent with the way they use other applications on a device.”

Effective security is not just about protecting business data against hackers. It also is about finding a CRM solution that is highly reliable, meets the company's risk-management and IT governance goals, and offers the right amount of control over organizational data and business processes.

- **Reliable security.** A laptop or other mobile device is far more likely to get lost or stolen than a traditional desktop PC. Also, because data breaches can permanently damage a company's reputation, in addition to creating serious legal consequences, it is therefore essential that a CRM solution protect sensitive customer data through the use of encryption, remote management and remote-disable features.

Whatever the choice—on-premise or on-demand—the solution should provide remote workers with the same features, security, and productivity benefits that are available to on-site workers. It is essential to keep today's dynamic workforce engaged and productive, no matter where or when they work—and that means providing them with a CRM solution that is up to the task.


3. Can A CRM Solution Keep A Company's Data Secure?

Security may be the single biggest issue for any company considering a SaaS-based CRM solution. In fact, according to a 2010 Goldman Sachs IT Spending Survey, 84 percent of all CIOs now see security as a major hurdle to cloud computing—a number that has actually *increased* over the past 12 months.

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Above all, however, CRM security is a matter of protecting one of the company's most valuable assets—its customer data. When an organization is choosing between an on-premise or an on-demand CRM solution, the answers to the following four questions will help make the decision clear:



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- **Do we have control of our data?** Backups are your first—and perhaps last—line of defense against catastrophic data loss. On-premise solutions offer a high level of assurance regarding the consistency of backups, although these still depend on the processes and diligence of a company's internal IT staff. On-demand offerings should be evaluated for their backup and disaster recovery services and procedures, which vary by vendor.

Concerning data ownership, traditional on-demand CRM solutions often do not provide customers' private data in a usable format. "SaaS sites typically do not make it easy to get access to your data so you can back it up or move it elsewhere when you need to," says David Wallace, Director of Product Management for Sage CRM Solutions. This raises the question of who really owns the data on a SaaS provider's systems—and what will happen if you decide to end a relationship with that provider and demand access to your data.

- **Can the CRM solution protect sensitive customer data?** CRM systems frequently manage sensitive customer information, including credit card and other financial data. They also may integrate with other back-office systems, including ERP and financial applications, which handle sensitive data. The best CRM solution will provide the necessary security for companies that need to allow employee access to customer data and access to data that may be moving to and from on-premise (or even other hosted) applications. "Getting access to secure data from the cloud is not always easy," says Wallace. "It is also a concern as companies need to open up their security to allow outside access [to sensitive customer data]."

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- **Do we know where our CRM data is stored?** Many SaaS solutions employ multi-tenant architectures that may raise privacy, security or regulatory concerns for a business. Certain countries and industries have specific requirements regarding where data is kept. SaaS providers may fail to address the question of exactly where the data is being stored. “Some hosting sites are outside national boundaries,” Wallace says, “and government policies may limit where sensitive data can be stored geographically.”
 - **Do we have control over internal access to customer data?** A less mature or less sophisticated CRM solution may provide every employee with uniform access to all CRM data and functionality. This approach may sow confusion and hinder productivity, and it also creates serious security and privacy concerns. A robust CRM solution, whether it is deployed on-premise or on-demand, allows a company to lock down access to sensitive data based on specific, user-defined parameters. A sales team, customer service staff, and field service organization, for example, should each have access to specifically defined, and carefully controlled, customer data subsets.

Based on these considerations, a company may choose to manage data-security risk by using an on-premise CRM solution. Or it may turn to an on-demand CRM option built upon an advanced architecture that has built in benefits to managing and controlling data security. Either way, it is essential to keep control over—and ownership of—vital customer data.

The best solutions, from a usability standpoint will be user-friendly, offering the right feature set for the right users at the right time and place to meet their needs.

4. Will Users Adopt The CRM Solution We Choose?

A surprisingly high number of CRM projects fail to meet companies' expectations. According to a 2007 Economist Intelligence Unit study, for example, 44% of companies say their CRM efforts delivered only "acceptable" results—and another 22% describe their efforts as a disappointment .

What separates the CRM successes from failures? According to many experts, user adoption/usability—or lack thereof—is the single most important factor. But when considering the usability of a solution, companies should not be fooled by a solution that is touted as "simple" to use. Self-described "simple" solutions may actually negatively affect productivity by forcing businesses to adopt a wasteful, inflexible approach to the technology. The best solutions, from a usability standpoint will be user-friendly, offering the right feature set for the right users at the right time and place to meet their needs. But while providing a user-friendly environment, the solution also must offer the desired reliability and provide the right balance of flexibility to ensure adequate security. Some solutions that offer the tightest security also offer the least amount of flexibility and customization for users.

Whether a company begins with an on-premise or on-demand CRM solution, the following questions can help an organization address these key usability requirements:

- **How robust is the core functionality?** Any successful CRM application will begin with a rich, highly functional set of core features. Yet many newer SaaS solutions will, by definition, be less mature and less capable of satisfying this requirement. Users, in turn, are likely to find that a less mature solution forces them to adapt the way they work based on the product's limitations, rather than a solution accommodating the unique ways that the business operates.



- **Does the CRM solution empower users?** A CRM solution, whether implemented on-premise or on-demand, should offer users the features that support and optimize their daily activities, whether they work in sales, marketing, customer service, or any other part of an organization.
- **Is the solution architected for usability?** True usability reflects a major investment in software design, architecture, and user testing—the hallmarks of an established CRM solution. The results, such as the ability to get to necessary information with fewer clicks, drag-and-drop support, and support for standard mouse and keyboard behaviors, may not seem important, yet they have a major impact on a user’s comfort level and productivity. These are precisely the features that many newer SaaS CRM solutions still fail to deliver.
- **Can the solution integrate with familiar office applications?** An effective CRM solution should be designed to work effectively with standard business productivity tools, such as Microsoft Office and Outlook, enabling users to work with minimal disruptions.
- **Can the solution adapt to a range of user requirements?** A CRM solution, whether it is deployed on-premise or on-demand, should support custom screens, data fields, menus, and other elements. These customization capabilities are essential for any CRM tool designed to work with different user groups, business units, and organizational needs.

Finally, keep in mind that user-friendly CRM is always a two-way street: it will reward users who take advantage of it by making their jobs simpler, easier, more productive and, ultimately, more successful. It's an obvious point, yet it's one that very few CRM vendors—no matter how they are deployed—take to heart.

"Most CRM systems provide little back to the end user," says Wallace. "Users are demanding more 'for me' features that allow them to do less administrative work and more selling, marketing, or troubleshooting."

5. Does The CRM Solution Offer The Flexibility We Need?

Flexibility is a very individual concept for vendors and end-user companies. End-users must consider their own organization's needs when it comes to choosing a solution that may be defined as flexible. For example, if an organization is in a growth stage, a CRM solution should offer the flexibility to grow with the company. For a company with unique user requirements, a solution should be flexible enough to offer the necessary customization options.

Taking the broadest possible view of what it means to implement a flexible CRM solution, executives should take note of three particular areas of concern, each of which is absolutely essential to the long-term success of a CRM initiative.



“Having a solution that supports multiple deployment models provides customers the flexibility they need to adapt and thrive in changing business conditions,”

Larry Ritter, SVP and General
Manager for CRM Applications at Sage

1. Financial flexibility. Pricing and licensing models that worked for a company at one point in time will not work as well at another point. A small, rapidly growing company, for example, may initially prefer a subscription-based on-demand CRM model but later decide that a perpetual license, on-premise model makes better financial sense, in essence shifting costs from operating expenses to a capital expense due to a more favorable long-term TCO. As a company’s financial situation changes over time, so should its options for licensing a particular vendor’s CRM solution.

2. IT Flexibility. Planning for future growth is an essential task for any IT organization. Unexpected changes can strain a company’s IT infrastructure, play havoc with budget forecasts, and interfere with other IT projects. In some situations, adopting an on-demand CRM solution may be the best choice, especially for organizations that lack the infrastructure or staff to support an on-premise solution. This is also true for companies that must deal with new branch offices, remote workers, or other types of growth that can overtax an IT staff.

Again, the essential point is that a vendor should provide both options, allowing an IT organization to move between the two, or adopt both using a hybrid model as necessary. “Needs and circumstances change,” says Ritter. “Whether it’s an acquisition, management changes, regulatory needs, or business expansion, your deployment needs can change quickly.”

“Having a solution that supports multiple deployment models provides customers the flexibility they need to adapt and thrive in changing business conditions,” Ritter adds.


The CRM solution should integrate effectively with new applications, such as social media tools that play an increasingly important part in today's customer relationships.

According to Hal Skelley, Inside Sales Manager for Tilcon, this ability to manage unpredictability through CRM is an essential factor. "We have grown through acquisition and have various sales processes that need to be consolidated through CRM," Skelley says. "We need a solution that ensures our employees and customers are working on the same page, brings islands of information together, and easily shares relevant data with all the offices that need it."

3. Application Flexibility. Whether deployed on-premise or on-demand, a CRM solution should adapt to, and integrate with, existing applications and data sources. This includes the ability to integrate with back-office applications; business intelligence and analytics tools; and desktop productivity tools, such as Microsoft Office and Outlook. Flexibility also means that companies can continue to use external data analysis tools as well.

As addressed previously, the solution also should support a variety of customization options, including custom screens, forms, workflows, menus and toolbars, and scripts. It should provide these features using a combination of open standards (Web services, SOA) and codeless tools that open the customization process to the widest possible set of business users. Just as important, the CRM solution should integrate effectively with new applications, such as social media tools that play an increasingly important part in today's customer relationships.

The "future proofing" dilemma. Many SaaS vendors promote their solutions as "future proof" due to the fact that they handle infrastructure upgrades, software updates and other processes that may increase



the cost and complexity of on-premise CRM deployments. According to Wallace, however, there are other factors that make that task more complex:

- **Integration challenges.** “It can be hard to manage through a tightly-bound integration where changes to a SaaS platform’s API break the integration,” Wallace says.
- **Testing.** SaaS providers may not always provide adequate test systems and resources during major upgrade cycles.
- **Custom complications.** “You may have to decide whether to build customizations required to support strategic policies, or workflows that will break a SaaS provider’s automatic upgrade experience and require manual conversion,” according to Wallace. “And that could mean not doing a key customization and limiting your options to a ‘just good enough’ solution.”

All of these concerns make the process of choosing a CRM provider especially difficult for companies that demand predictability and long-term reliability. When it comes to adopting CRM to an on-demand situation, Ritter says, “It’s the established application with years of experience addressing use cases that can make the difference.”

“It’s more than just being on-demand and Web-based,” he adds. “It’s being able to provide a complete understanding of a customer’s use cases, giving them a solution with enough depth to maximize their productivity and the value of their CRM investment.”

Conclusion

Recent trends suggest that many companies understand the value of CRM as both an on-demand and on-premise solution. According to a 2010 Goldman Sachs study, for example, while 19 percent of CIOs were planning to spend more on SaaS-based enterprise software, 21 percent were also planning to spend more for on-premise applications.

The key, then, is finding a CRM vendor that understands both deployment options and offers businesses the flexibility to move easily between the two, or to adopt both at the same time. The vendors most likely to accomplish this task without sacrificing functionality, flexibility or security, are those that can leverage their deep experience in the on-premise CRM market to provide the same functionality in a mature, single-tenant, on-demand solution.

Goldman Sachs IT Spending Survey, January 10, 2010, p. 18

"Improving Customer Relationships: An Integrated Approach," Economist Intelligence Unit, 2007. p. 7

Goldman Sachs IT Spending Survey, January 10, 2010, p. 14

About

Sage SalesLogix

Sage SalesLogix is a powerful and secure CRM solution that offers a complete view of customer interactions across a company's departments and teams—providing the information and insights necessary for better planning, managing, and forecasting. SalesLogix provides the tools needed to increase sales, identify and reach more profitable customers, enhance the customer experience, and anticipate customer needs. Because business priorities and economic conditions change, Sage SalesLogix offers flexible access, deployment, and payment options—and it can be tailored and personalized to mirror a company's unique business processes and user preferences.

Sage SalesLogix Cloud delivers all of the robust functional benefits of the Sage SalesLogix CRM solution but without the responsibility of purchasing and maintaining your own hardware, committing to an up-front capital expenditure for software, or managing an implementation project. With Sage SalesLogix Cloud, a company's own private instance of Sage SalesLogix is hosted 'in the Cloud,' leveraging Amazon's world-class Web platform, Amazon Elastic Compute Cloud™ and EC2™. This frees up the IT staff to focus on other business-critical projects while offering the peace of mind that vital customer data is secure. (Amazon Web Services, the "Powered by Amazon Web Services" logo, Amazon Elastic Compute Cloud, and EC2 are trademarks of Amazon.com, Inc. or its affiliates in the United States and/or other countries.)

About



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