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CRM

It's Getting
Better
All the Time

Increasing Sales Opportunity
Through **Marketing Compliance**

Tying a Bow on the
Retail Shopping Experience

WebRTC in the
Contact Center Roundup

CRM: It's Getting Better All the Time

By **Paula Bernier**, Executive Editor, TMC | May 15, 2014

The outlook for CRM is a positive one, as more organizations move to employ these systems more widely in an effort to deliver better customer experience. At the same time, there's a lot of talk these days about the failure of CRM systems to reach their true potential.

Good Day Sunshine

CRM software revenue is expected to reach $23.9 billion this year, according to Gartner, which reports that this space has seen strong investment in the past three years and can expect moderate spending in 2014. CRM is positioned to represent the largest segment of enterprise software by 2017, increasing to a $36.5 billion worldwide market, Gartner forecasts.

"This is one technology area that will definitely get funding as digital business is crucial to remaining competitive," Joanne Correia, research vice president at Gartner, said earlier this year.

Hot areas for CRM investment include mobility, social media and technologies, web analytics, and e-commerce, she said. Meanwhile, verticals seeing the greatest uptake of CRM solutions include banking, consumer goods, high-tech, insurance, IT manufacturing, IT services, pharmaceutical, securities, and telecommunications.

One company benefitting from the growth in CRM is SugarCRM. Jennifer Stagnaro, the company's senior vice president of marketing, says that the privately-owned company has experienced 17 consecutive quarters of growth and more than 75 percent year-over- year growth in revenue. That means the company is growing faster than the market as a whole.

More than 1.5 million individuals in more than 120 countries use SugarCRM solutions. And now the company is pushing CRM as a way for non-traditional users to better understand their customers and their companies' work related to those customers.

The CRM industry – which is about 20 years old, has about 20 million users, and about $20 billion in total revenues – could see another order of magnitude of growth in terms of CRM adoption, says Stagnaro, who added that LinkedIn is a "quasi-CRM" solution that already has some 200 million subscribers.

From Me to You

Here is an example of what SugarCRM is referring to in discussing how non-traditional users can benefit from CRM. The Redglaze Group of construction companies makes SugarCRM available to its sales people, but it also enables project managers and subcontractors to use the system to track customer deliverables and bill for their services related to Redglaze customers.

"Since deploying Sugar, we've seen dramatic and impactful efficiency increases –employees can now engage in more effective customer interactions with real-time access to information that spans the entire customer lifecycle," says Dean Jessick, CEO of Redglaze Group, which relies on Sugar's platform "to connect critical, disparate pieces of information – from sales and project management to contracts and accounting."

Geoff McQueen, CEO of AffinityLive, says it makes sense to bring CRM, project management, and service delivery into one platform. That way, sales people know what's happening, so if there's a customer problem related to a project they are not the last ones to find out.

Nowhere Man

For all the growth and success stories the CRM space has seen, however, many CUSTOMER sources say that CRM solutions are much less than ideal.

"CRM has realized that it failed its promise," says Loren Padelford, executive vice president of Skura.

Some say that's because CRM solutions are built with the needs of organizations – and not users, which usually means sales people – in mind. Others talk about how sales people don't like to do data entry, and that CRM solutions need to be populated with usable information to be useful.

"It's classic for sales reps to say they'll do something and not do it," says Mary Brittain-White, CEO of a Retriever Communications.

Here Comes the Sun

To help improve this situation, Retriever provides a cloud-based productivity tool called Barking for Sales that reps can use to log and share customer requests while they're still at the customer site.

Barking for Sales can help reps get up to speed prior to customer visits as well. As sales reps make customer calls, they are often not fully aware of what their own companies are doing with each customer, says Brittain-White. But, for example, they might want to know details such as the solution their company has provided to the customer has been failing, that this particular customer is on credit hold, or that the customer's equipment shipment has been delayed. With Retriever's Barking for Sales, reps can request and receive such details via their mobile devices, and have access to that information even if there's not mobile coverage at the customer site.

Startup Tactile also has come out with a solution that "is a natural fit for customer relationship management, which is notorious for low salesperson adoption."

Founded by former Salesforce.com senior vice president Chuck Ganapathi, Tactile in March unveiled its first app, Tact, which syncs e-mail, calendars, tasks, follow up notes, contacts, LinkedIn, and Salesforce information all in one place.

"In my 18 years in enterprise software, I've never met an end user who isn't frustrated by disconnected, company-mandated tools," says Ganapathi, whose new company has secured $11.2 million in Series A funding from Accel Partners and Redpoint Ventures. "In our personal lives, we have come to expect everything – photos, music, documents – to be available everywhere and instantly up to date. Sync is the defining technology of this generation, and we are on a mission to bring its power to our work lives and deliver business applications that people love."

CRM solutions manage customer data, but have never once managed a customer relationship, Skura's Padelford says. She adds that CRM's limitation is that it doesn't work in the field, and it doesn't lead score very well either. Instead, she says, CRMs are essentially back office systems.

"What we do is we give tools to sales people that they want to use," she says. "We're not about the back office."

The Word

Skura delivers a SaaS-based solution that centralizes customer information from disparate CRM, social media, and other available data sources, as well as marketing content. It puts all that information in a mobile format so sales staff can access customer information, send marketing materials to customers, and see what those customers do that information – all from the mobile devices of their choice.

The Skura platform, which integrates with all major CRM solutions, is used by 40,000 sales reps daily, including the sales people at footwear company Clark, health care company GlaxoSmithKline, and golf gear provider Ping.

OptifiNow is another company that brings together CRM, content management/marketing, and sales. Its offerings are delivered as a modular solution set.

President John McGee explains that the OptifiNow software gives sales and marketing team members the ability to view company sales processes, see what marketing content should be sent to a customer at what points in that customer's lifecycle, get that content, and send it in any format to the customer. The 17-year-old company, which has more than 100 enterprise customers with tens of thousands of users, sells its software to such verticals as automotive, financial services, health care, IT software, and telecommunications.

Revolution

The Dun & Bradstreet Corp., a giant in the commercial data and analytics space, also talks about how its solutions can put the most useful data at sales' reps fingertips. But the content we're referring to here is something different.

Mike Sabin, senior vice president of partner solutions at D&B, explains that the company has compiled a database of more than 230 million companies across the world. That includes such basic information as company names, addresses, leadership, and employee numbers, to more detailed and predictive data such as sales volume, and how likely particular companies are to pay their bills on time or purchase a particular type of product.

D&B's mission is to deliver indispensible content, so it wants D&B to be everywhere – when and where B2B professionals need it, says Sabin. Because many sales people already use CRM systems, D&B wants to natively integrate its content with popular CRM systems so that data become part of their existing workflows, he says. That way, if a sales rep is selling to company XYZ, he can enter that company's name into his existing CRM to receive a pull-down menu for that company in the D&B database to access a rich array of information on that particular customer or prospect.

In an effort to forward the D&B strategy to reach users where they are, the firm has announced integrations with Oracle's Eloqua marketing automation solution, and the SugarCRM solution. Sabin says similar D&B partnerships are in the offing.

 "Sales, marketing, and customer service teams are fighting a losing battle against incomplete data," says Sabin. "CRM users want to maximize their sales and marketing efforts, but until now they've had limited access to quality business information. Through our new partnership with SugarCRM, users can overcome this challenge with company, industry, and contact data flowing directly into their CRM."

Gainsight is yet another company that pairs its solutions with CRM systems to make customer data more useful and accessible to sales people and other enterprise users. The company delivers a platform, which with its latest release provides what it calls Sponsor Tracking, which monitors executive and advocate relationships via LinkedIn and InsideView; a Salesforce1 mobile app; Success Snapshots, which automate presentation materials with customer-relevant data and metrics; Gainsight Home, which presents specific data and workflow views targeted to each department with a role in the customer experience; and

Enterprise Permissions, through which administrators can define data and system functionality access and usage privileges for employees.

"The 360-degree view of customers has been talked about for years, but is usually little more than a transactional view of the customer," says Jeremy Cox, principal analyst of customer engagement and CRM at Ovum. "Gainsight provides a predictive platform to enrich any enterprise B2B relationship by aggregating information from multiple sources together, analyzing the health of the relationship, presenting data in a role-relevant and intuitive manner, and driving actions through predictive playbooks. Gainsight, which is already natively integrated with Salesforce.com, provides a valuable augmentation to any CRM system – first to pre-empt customer defections and secondly to increase the lifetime value of strategic customers – which is the fundamental goal of any enterprise CRM strategy."