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The Forrester Wave™: CRM Suites For Mid-sized Organizations, Q2 2010

by William Band
for Business Process Professionals



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Many Choices With Robust Functionality And Sensible Price Points

by **William Band**

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EXECUTIVE SUMMARY

Forrester evaluated 19 leading customer relationship management (CRM) suite solutions against 516 criteria reflecting the requirements of midsized organizations. We found that vendors in the Leader category, such as CDC Software, Microsoft, Oracle CRM On Demand, RightNow Technologies, salesforce.com, CRM functionality in SAP Business-All-in-One, and SugarCRM are gaining ground with flexible, quick-to-implement solutions, priced for the midmarket. The Leaders compete with a group of Strong Performers, including FrontRange Solutions, Maximizer Software, NetSuite, SageCRM, and Sage SalesLogix that offer sound solutions specifically tuned for the needs of midsized organizations. Other Strong Performers Oracle Siebel CRM and SAP CRM still offer the most complete solutions, albeit at higher price tags. Oracle E-Business Suite (EBS) CRM and Oracle PeopleSoft Enterprise CRM remain good options for ERP customers. Chordiant Software, Pegasystems, and Sword Ciboodle round out the Strong Performers group offering business process management (BPM) strengths to help orchestrate complex customer-facing processes, but they primarily target solving problems at large organizations.

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NOTES & RESOURCES

In Q2 2010, Forrester evaluated 19 CRM solutions worthy of consideration by midsized organizations: CDC Software, Chordiant Software, FrontRange Solutions, Maximizer Software, Microsoft, NetSuite, Oracle (looking at its E-Business Suite CRM, PeopleSoft Enterprise CRM, Siebel CRM, and Oracle CRM On Demand products), Pegasystems, RightNow Technologies, SageCRM, Sage SalesLogix, salesforce.com, SAP Business All-in-One, SAP CRM, SugarCRM, and Sword Ciboodle. We also surveyed 99 vendor customers.

Related Research Documents

["Trends 2010: Customer Relationship Management"](#)

February 9, 2010

["Topic Overview: Social CRM Goes Mainstream"](#)

January 5, 2010

ENTERPRISES DOUBLE-DOWN ON THEIR INVESTMENT IN CUSTOMERS

Since our last iteration of the Forrester Wave™ evaluation of CRM suites, the world economy plunged into a severe recession from which it is now slowly recovering.¹ However, the fundamental business needs that drive the requirement for effective and efficient customer interaction management have not changed: acquiring new customers, building tighter bonds of loyalty, and reducing the costs of marketing, selling, and servicing. Although many CRM technology projects were deferred or cancelled in 2009, our latest research spotlights that organizations of all sizes are now investing again to improve the customer management capabilities they've neglected during the past 18 months.² If you are a business process leader in a midsized organization, you're challenged to pick the best CRM solutions to enable your company to capitalize on the upturn.

CRM Solutions Are Critical For Organizations Of All Sizes

What are businesses' customer key priorities for 2010?³ Our most recent research shows that both B2B and B2C enterprises spotlight improved customer loyalty as their top goal. But B2B companies are also intent on capturing new customers, while B2C companies obsess about improving the customer experience (see Figure 1).

To support achievement of these important priorities, CRM technology solutions are widely used by organizations of all sizes. Forty-four percent of the 473 midsized organizations we recently surveyed in North America and Europe have already implemented a CRM solution — and many of these are investing more to upgrade their tool set. And an additional 23% plan to adopt a CRM solution within the next 12 to 24 months (see Figure 2).⁴

To make savvy CRM solution investment decisions, you must understand and navigate a number of important trends:⁵

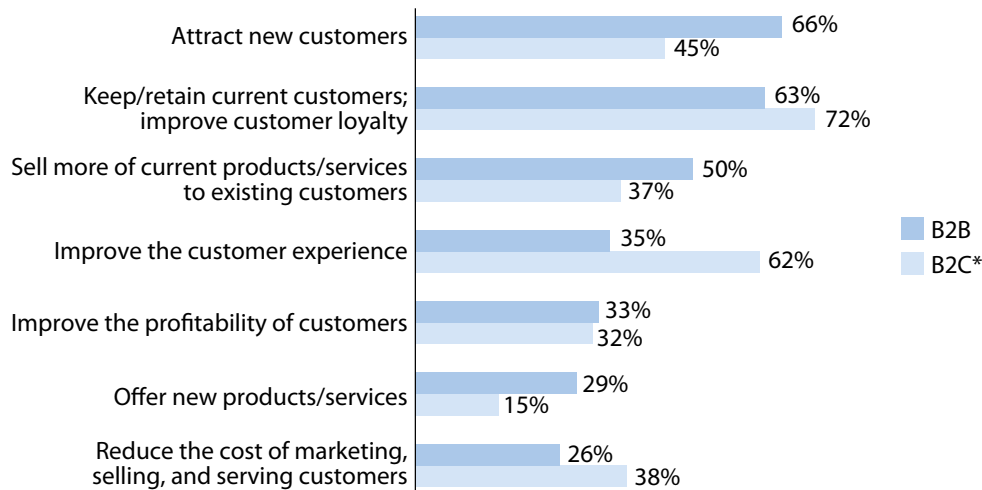
- **CRM evolves into the extended CRM application ecosystem.** Mature organizations understand that optimizing end-to-end customer-facing business processes means integrating solutions that extend beyond “traditional CRM”. In addition to marketing, sales, and service functionalities, you need to think about incorporating closely related capabilities like billing, order management, or contract management. Forrester calls this the “extended CRM application ecosystem,” supporting customer-facing cross-functional processes.⁶
- **Customer service embraces real-time methods.** We are seeing a rising number of inquiries from companies about how to improve their customer service capabilities. In 2010, contact center customer support needs to evolve to better serve customers who no longer rely on one venue for receiving information but instead engage multiple sources. In addition to checking a company's Web site and its brochures, many customers research information on products and services from social networking sources such as blogs and online user ratings. With customers now requiring more real-time support, it's essential to keep pace with their expectations and to respond to them in new ways.

- **Next-generation customer intelligence solutions emerge.** Because many products and services are highly commoditized, more and more businesses compete on analytics. Getting better insights from information based on richer data sets, more complex models, or even making the same decisions as everyone else but before everyone else makes them — this is how most advanced enterprises compete in today's world. As a consequence, 62% of business and IT professionals at 286 companies that we recently surveyed report that they have implemented and/or are expanding their customer business intelligence (CBI) solutions.⁷
- **The struggle to integrate customer data continues.** The volume of inquiries that Forrester receives about customer data integration (CDI) continues to increase. Customer management professionals tell us that poor data management is one of the biggest barriers to getting value from their CRM systems. But the right approach to customer data management remains elusive.
- **Mobile CRM is a must-have capability.** Organizations have invested for more than a decade in CRM solutions. However, mobile workers often still do not have the necessary information at hand to sell and to serve customers effectively when they are away from the office, so interest in mobile CRM solutions is high. Virtually all CRM vendors now offer mobile solutions as extensions of their applications to fill this gap. Despite the growing maturity of mobile CRM solutions, business and IT leaders will still be perplexed by the complexities of the different mobile options and architectures.
- **Software-as-a-service (SaaS) for CRM becomes the default choice.** Our surveys show that nearly half of apps professionals are actively engaged with SaaS assessments or deployment.⁸ And almost one-third of these those are using SaaS applications for CRM. Forrester observes that CRM technology buyers now look first at SaaS solutions to see if this approach can meet their needs before seriously considering an on-premises solution. And buyers with a large installed base of on-premises CRM solutions are re-evaluating where they should, and can, switch to a SaaS version.
- **CRM and business process management (BPM) solutions converge.** Traditional enterprise applications tend to be monolithic in nature. Purchasers of these applications are increasingly frustrated with the cost and complexity involved in customizing them to the needs of the organization. Moreover, they experience problems when upgrading, effectively setting the IT infrastructure in concrete as the business continues to evolve. Enter pure-play BPM vendors such as Pegasystems and Sword Ciboodle into the customer management space. These types of solutions have for some time offered integration capabilities to access enterprise apps at the component level, allowing the organization to model its processes and call relevant application elements at runtime. Forrester is now beginning to see expensive, complex, monolithic enterprise applications broken up into component pieces, with BPM suite engines sitting on top, orchestrating the appropriate elements needed to deliver highly customized solutions.

- Interest in social CRM continues to build, but projects remain in pilot mode.** Social technology adoption has increased tremendously during the past 12 months. Four in five US online adults now use social tools to connect with each other, compared with just 56% in 2007.⁹ As a consequence, technology vendors and some industry observers have jumped on to this bandwagon, offering an easy path to the promised land of more deeply engaged customers using Social Computing solutions. However, the proof-point use cases for leveraging social media are still emerging, and the business value of social media is still an unanswered question.¹⁰
- Price/value trumps functionality in purchase decisions.** Battered by two years of recession, buyers of customer management solutions have become extremely value-conscious. With major vendors like Oracle and SAP touting new releases of their CRM products, enterprises running older versions of CRM apps are mulling over whether to take the upgrade plunge. Business process professionals wonder if the benefits of upgrading their CRM solution will outweigh the costs. In addition, organizations looking at ways to escape hefty (and perceived low-value) vendor maintenance fees altogether will seriously consider not renewing their vendor maintenance agreement and moving to third parties. In a continuing difficult economy, first-time buyers are in a stronger position to push vendors to demonstrate value through pilot demonstrations and demand more flexible contract arrangements than in the past.

Figure 1 Customer Management Goals

“Thinking of your firm’s current planning cycle, what are your top three customer management goals?”
 (percentage of respondents who chose each goal as one of their top three)



Base: 200 survey participants who self-identified as marketing their company's products/services to only or primarily businesses

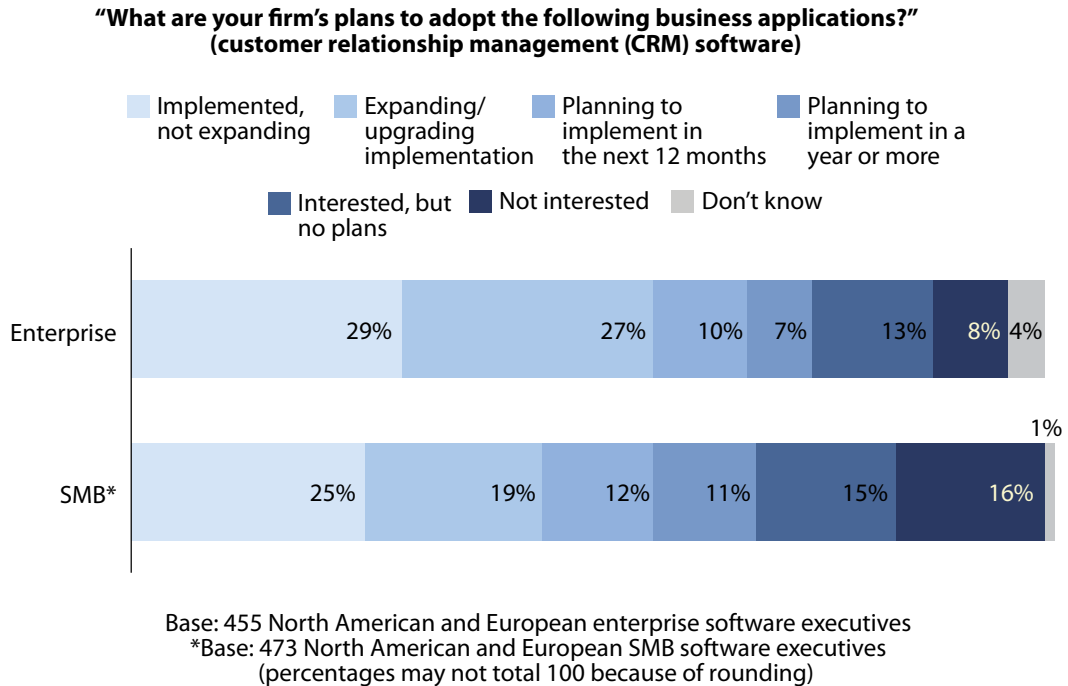
*Base: 82 survey participants who self-identified as marketing their company's products/services to only or primarily consumers

Source: February 2009 Global Forrester/CustomerThink Customer Management Technologies Value Online Survey

56879

Source: Forrester Research, Inc.

Figure 2 CRM Technology Adoption



Source: Enterprise And SMB Software Survey, North America and Europe, Q4 2009

56879

Source: Forrester Research, Inc.

Three Types Of CRM Vendors To Consider: Enterprise, Midmarket, And Specialty

As a buyer considering CRM solutions, you have three groups to choose from, although the distinctions between these categories have become less pronounced over the past three years (see Figure 3):

- **Enterprise CRM suites.** This category comprises vendor solutions that are primarily targeted toward organizations with revenues of more than \$1 billion per year and/or 1,000 employees or more. CRM vendors focused on the enterprise-class organizations typically offer a full range of functionalities, can scale to serve large user populations, and offer support for multiple languages and countries. They offer their products primarily through the traditional on-premises license model. However, many of the leading players now also offer hosted and SaaS deployment options, as well. Vendors in this category also target mid-sized organizations, offering prepackaged versions of their solutions (with more limited functionality and fixed-price implementation services) with more affordable price tags.
- **Midmarket CRM suites.** This category comprises vendor solutions that are primarily targeted toward the midmarket — organizations with revenues of less than \$1 billion per year and/

or fewer than 1,000 employees. CRM vendors in this group also offer a breadth of CRM functionalities, but these often have more limited capabilities in specific areas and are simpler to use than solutions built for the enterprise market. These solutions are less suitable for large-scale global deployments. Vendors in this group also offer a variety of deployment options, including on-premises licensed, hosted, and SaaS. A number of vendors in this category have upgraded their solutions to be more suitable to enterprise-class buyers and are gaining acceptance in that segment, as well.

- **CRM specialty tools.** This category comprises vendors that offer solutions with narrow functional breadth but deep specialty capabilities for both large and midmarket organizations. Specialty CRM tools are available for marketing automation, customer service, customer analytics, and customer data management. This category also includes CRM vendors that specialize in specific industries like life sciences and telecommunications.

CRM SUITES FOR MIDSIZED ORGANIZATIONS EVALUATION OVERVIEW

To assess the CRM market and see how well the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top CRM vendors suitable to meeting the needs of large and midsized organizations across 516 criteria. We then applied two sets of criteria weightings: one appropriate for large enterprise-class organizations and another reflecting the priorities of midsized organizations.¹¹ The following assessment will help you see how the 19 CRM suite products that we evaluated for midsized organizations stack up against each other.

Buyers Focus On Current Offering, Future Vision, And Strength Of Installed Base

After examining past research, user-need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 516 criteria, which we grouped into three high-level categories:

- **Current offering.** We looked at the breadth of vendors' product offering(s), global capabilities, and adaptation to specific industry requirements. We evaluated vendor customer data management abilities and usability and took into consideration cost and the strength of vendors' technology platform and tools.
- **Strategy.** We looked at the strength of the vendors' product strategy and vision and how they intend to be leaders in the CRM market. An important set of criteria focuses on the methods vendors use to deliver a satisfactory application ownership experience to their customers and how long it takes customers to realize value from their solution.
- **Market presence.** We gauged the size of the vendors' customer base in the midsized organization market and evaluated the depth of human and financial resources available to enhance their products and serve customers.

Figure 3 Types Of CRM Solutions

Examples of enterprise CRM suites

CRM suites primarily designed for firms with revenues of \$1 billion a year or more and/or 1,000 employees or more

- Chordiant Software CX Suite
- Microsoft Dynamics CRM*
- Oracle CRM On Demand*
- Oracle E-Business Suite CRM
- Oracle PeopleSoft Enterprise CRM
- Oracle Siebel CRM
- Pegasystems Customer Process Manager
- RightNow CX*
- salesforce*
- SAP CRM
- Sword Ciboodle

Examples of midmarket CRM suites

CRM suites primarily designed for firms with revenues less than \$1 billion a year and/or fewer than 1,000 employees

- CDC Software Pivotal
- FrontRange Solutions' GoldMine Enterprise Edition
- Maximizer CRM
- Microsoft Dynamics CRM*
- NetSuite
- Oracle CRM On Demand*
- RightNow CX*
- SageCRM
- Sage SalesLogix
- salesforce*
- SAP Business All-in-One CRM
- Sugar Enterprise

Examples of CRM specialty tools

Examples of analytics tools:

- SPSS Predictive Analytics

Examples of customer data management tools:

- D&B Purisma's Purisma Data Hub
- IBM InfoSphere MDM Server
- IBM Initiate Master Data Service
- Oracle Customer Hub
- SAP NetWeaver MDM
- SAS DataFlux CDI Solution
- Siperian MDM Hub
- Sun Master Data Management Suite

Examples of customer service tools:

- Consona CRM
- eGain Service
- Genesys Telecommunications Labs' CIM Platform
- InQuira Customer Experience Platform
- KANA Suite
- LivePerson's Enterprise Platform
- nGen Customer Interaction Mgmt. Suite
- Numara FootPrints for eService
- Parature Customer Service

Examples of marketing automation tools:

- Alterian Marketing Suite
- Aprimo Enterprise
- Infor CRM Epiphany
- SAS Customer Intelligence Platform
- Teradata Customer Management
- Unica's Affinium Marketing Management

Examples of industry specialist tools:

- Amdocs CES Customer Management (telecommunications)
- Veeva VBioPharma (life sciences)
- StayinFront CRM (life sciences)
- Cegedim Dendrite (life sciences)

*These vendors have a significant base of both enterprise and midmarket customers.

Evaluated Vendors Offer A Breadth of Capabilities For Midsized Organizations

We included 19 solutions in our assessment of CRM suites for midsized organizations: CDC Software Pivotal; Chordiant Software CX Suite; FrontRange Solutions GoldMine Enterprise Edition; Maximizer CRM; Microsoft Dynamics CRM; NetSuite; Oracle CRM On Demand; Oracle E-Business Suite CRM; Oracle PeopleSoft Enterprise CRM; Oracle Siebel CRM; Pegasystems Customer Process Manager; RightNow CX; SageCRM; Sage SalesLogix; salesforce.com Sales Cloud, Service Cloud, and Custom Cloud; CRM functionality in SAP Business-All-in-One; SAP CRM; Sugar Professional; and Sword Ciboodle (see Figure 4). Vendors met the following criteria for inclusion in the evaluation:

- **Offers a multifunctional CRM applications suite.** Each vendor included in this Forrester Wave has functionality in a minimum of three of the following CRM subdisciplines and tools: marketing, sales force automation, customer service, field service, partner channel management, eCommerce, customer analytics, and customer data management. Products promoted primarily as best-of-breed solutions for a single functional area were not included. For this reason, two products reviewed in our 2008 Forrester Wave CRM reports — Infor CRM Epiphany (a marketing interaction management-centric solution), and Consona CRM (now promoted primarily as a customer service/knowledge management solution) — are not part of this evaluation.
- **Offers solutions for midmarket organizations or divisions of large enterprises.** Midmarket organizations and divisions of large enterprises are typically more IT- and budget-constrained than large enterprises. These firms seek CRM solutions that offer quicker deployments, lower total cost of ownership, and provide more out-of-the-box support for their business compared with larger organizations.
- **Offers solutions suitable for large organizations with complex requirements.** Many of the vendors we included focus on, and have references from, enterprise-class organizations with complex requirements. These requirements include the ability to scale on a global basis, manage end-to-end business processes, integrate into complex legacy environments, and manage large volumes of customer-related data.
- **Provides a solution targeted to multiple industries.** The vendors we included offer solutions and target buyers across a diverse range of industries and business models including B2B, B2C, and B2B2C. For this reason, we did not include one vendor — Amdocs, which was reviewed in our 2008 CRM Forrester Wave reports — because it focuses almost exclusively on the telecommunications industry. Nor did we include CRM solutions that specialize in the life sciences sectors: Veeva, StayinFront, and Cegedim Dendrite.
- **Has a product now in general release and in use by customers.** The solutions we included have a specific solution (release) that was generally available at the time of data collection for this evaluation with at least three references available for contact.

Figure 4 Evaluated Vendors: Product And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
CDC Software	Pivotal	6.0.5	November 2009
Chordiant Software	Cx Suite	6.3	October 2009
FrontRange Solutions	GoldMine Enterprise Edition	6.3	October 2009
Maximizer Software	Maximizer CRM	10.5	October 2008
Microsoft	Microsoft Dynamics CRM	4	December 2007
NetSuite	NetSuite	2009.2	September 2009
Oracle	Oracle CRM On Demand	R16	February 2009
Oracle	Oracle E-Business Suite CRM	R12.1.2	December 2009
Oracle	PeopleSoft Enterprise CRM	9.1	October 2009
Oracle	Oracle Siebel CRM	8.1.1	November 2008
Pegasystems	Customer Process Manager	6.1	June 2009
RightNow Technologies	RightNow CX	RightNow CX November	November 2009
Sage	SageCRM	v7	December 2009
Sage	Sage SalesLogix	7.5.2	November 2009
salesforce.com	Sales Cloud, Service Cloud, Custom Cloud	Winter '10	February 2010
SAP	CRM functionality in SAP Business All-in-One Based on SAP CRM 7.0		August 2009
SAP	SAP CRM	7.0	May 2009
SugarCRM	Sugar Professional	5.5	December 2009
Sword Ciboodle	Sword Ciboodle	3.1	October 2009

Vendor selection criteria

- Offers a multifunctional CRM applications suite.
- Offers solutions for midmarket organizations or divisions of large enterprises.
- Offers solutions suitable for large organizations with complex requirements.
- Provides a solution targeted to multiple industries.
- Has a product now in general release and in use by customers.

THE RESULTS: MIDSIZED ORGANIZATIONS HAVE PLENTY OF CHOICES TO SIFT THROUGH

The evaluation uncovered a market in which (see Figure 5):

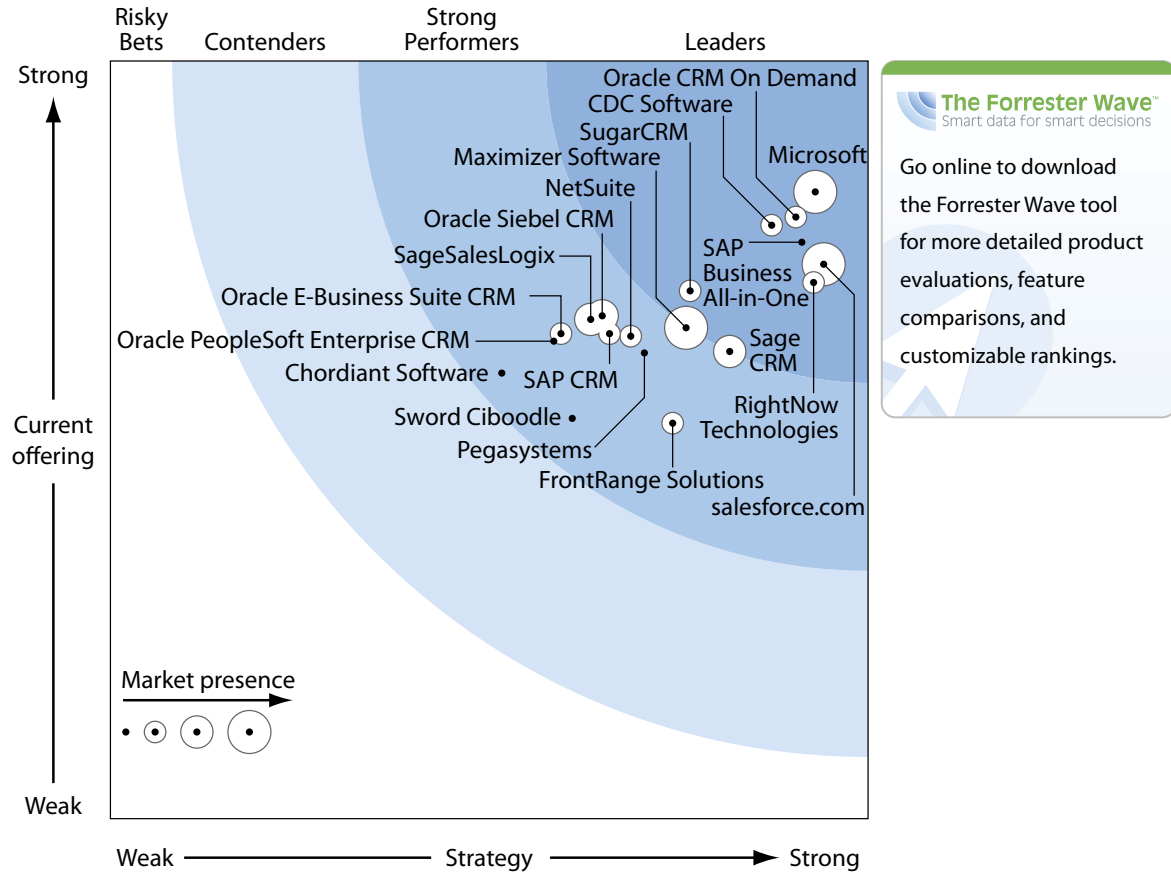
- **CDC, Microsoft, Oracle CRM On Demand, RightNow, and salesforce gain ground.** These products all get high marks for ease of use and relatively fast deployment times. RightNow and salesforce.com, which are SaaS solutions, are much faster to deploy and easier to change than traditional on-premises offerings. Oracle CRM On Demand is also gaining traction in the market as a SaaS companion to Oracle Siebel. Microsoft owns a SaaS solution — Microsoft Dynamics CRM Online — and buyers value the solution’s native integration with Outlook and being able to work within the familiar Microsoft technology stack. CDC’s Pivotal also leverages Microsoft technology to offer a solution that is highly flexible and adaptable to complex use cases. Although these players are not full-featured across the board, they are gaining the acceptance by both large and midsized organizations looking for fast time-to-value and flexible solutions.
- **Seven vendors offer sound solutions for midsized firms at lower price points.** Solutions from FrontRange Solutions, Maximizer Software, NetSuite, SageCRM, Sage SalesLogix, CRM functionality in SAP Business-All-in-One, and SugarCRM have been traditionally targeted at the midsized and small organization market, but they continue to be improved and find a home in smaller divisions of large enterprises. These vendors offer a breadth (although not depth) of CRM capability at a lower price point than many of the market leaders that have traditionally focused primarily on the needs of large enterprises.
- **Oracle Siebel CRM and SAP CRM still offer the most complete solutions, but are costly.** During the past four years, SAP has worked steadily to fill out its CRM offering, resulting in end-to-end process integration support that no longer comes at the expense of missing CRM functionality. Meanwhile, Oracle promotes the Siebel product and brand as its most full-featured CRM solution, with a breadth and depth of functionality for many industry verticals. In their most current releases, both vendors moved to address key complaints: poor usability, high cost, and long implementation times that are not suitable to the needs of midsized organizations. Siebel 8.1 features the Siebel User Interface, which can be highly personalized, uses embedded analytics, and is task-driven. The SAP CRM 7.0 UI is flexible to support varying roles. It offers drag-and-drop personalization embedded across the entire solution, which allows any section of any page to be rearranged by the end user. Both vendors are working to lower total cost of ownership (TCO) for their customers by introducing more preintegrations with other solutions from within their respective corporate families and offering “rapid implementation” methodologies and tools to reduce upgrade costs.
- **Oracle EBS CRM and Oracle PeopleSoft CRM are good options for ERP customers.** Oracle continues to support two other important CRM customer franchises. Oracle EBS CRM attracts customers by providing ease of integration into the rest of the Oracle EBS suite and offering strengths in field service and sales compensation management. Similarly, PeopleSoft Enterprise

CRM attracts companies already using PeopleSoft by providing strong integration benefits. PeopleSoft is also making headway in developing unique functionality to meet the relationship management needs of the higher-education sector and offering new solutions to support human resources professionals. Both products offer strong capabilities across the broad footprint of most CRM functionalities, including marketing, sales, service, field service, and partner channel management, but they remain less robust for customer data management and eCommerce.

- **Chordiant Software, Pegasystems, and Sword Ciboodle fill business process gaps.** As enterprises begin to understand the importance of truly integrating end-to-end customer-facing processes from front office to back office, they turn to solutions with native business process management (BPM) capabilities that can support highly unique — and flexible — process flows. This is particularly important in supporting and integrating multichannel customer service processes that cut across functional silos. Sword Ciboodle has pushed into the CRM market with a focus on the intersection of business process modeling, customer service, and customer interaction management. Pegasystems offers robust BPM capabilities and is building out a pre-templated set of solutions to support customer-facing processes — with a focus on customer service. Chordiant also offers a process-centric platform combined with advanced decisioning tools to orchestrate multichannel interactions to support real-time customer interaction management. In April 2010, Pegasystems acquired Chordiant in a move that will result in an even more robust process-centric solution approach for the CRM market.¹²

This evaluation of CRM suites for midsized organizations is intended to be a starting point only. We encourage readers to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Figure 5 Forrester Wave™: CRM Suites For Midsized Organizations, Q2 '10



Source: Forrester Research, Inc.

Figure 5 Forrester Wave™: CRM Suites For Mid-sized Organizations, Q2 '10 (Cont.)

	Forrester's Weighting	CDC Software	Chordiant Software	FrontRange Solutions	Maximizer Software	Microsoft	NetSuite	Oracle CRM On Demand	Oracle E-Business Suite CRM	Oracle PeopleSoft Enterprise CRM	Oracle Siebel CRM
CURRENT OFFERING	50%	3.92	2.94	2.62	3.24	4.14	3.18	3.97	3.18	3.15	3.32
Sales	7%	4.04	2.36	2.88	3.40	4.73	3.75	4.09	4.41	3.75	4.57
Marketing	5%	3.32	3.36	2.47	2.61	3.94	2.84	2.52	3.89	3.43	4.68
Customer service	7%	2.70	3.63	2.04	2.43	3.34	2.58	3.18	3.83	3.92	4.32
Field service	0%	1.42	0.10	0.56	1.37	2.78	1.99	1.56	4.52	2.83	4.52
eCommerce	3%	3.38	1.77	0.34	1.90	1.90	3.08	1.12	3.81	2.63	3.99
Partner channel management	2%	2.93	0.47	0.00	1.77	3.21	2.26	3.82	4.04	3.55	4.93
Analytics	7%	2.49	3.27	0.73	1.78	3.61	2.87	2.96	3.51	3.41	3.66
Customer data management	7%	3.74	2.12	1.78	2.54	3.87	3.25	3.17	3.71	3.55	4.72
Internationalization	1%	4.34	2.69	2.03	3.00	5.00	4.01	4.01	4.67	4.67	4.67
Industry business process support	1%	0.94	1.40	0.10	0.26	2.59	1.08	1.67	3.27	3.34	4.25
Architecture and platform	5%	3.90	3.90	3.03	2.97	4.20	3.47	4.58	3.97	4.24	4.83
Usability	10%	4.15	3.52	2.63	4.15	4.92	3.87	4.45	3.53	4.28	4.30
Cost	45%	4.50	2.95	3.40	3.80	4.35	3.15	4.60	2.40	2.40	2.00
STRATEGY	50%	4.37	2.58	3.71	3.79	4.65	3.43	4.51	2.96	2.92	3.25
Time-to-value	50%	5.00	2.00	5.00	5.00	5.00	4.00	5.00	2.00	2.00	2.00
Product strategy	10%	3.50	3.25	2.00	3.50	4.25	3.00	4.25	3.50	3.00	4.25
Application ownership experience	25%	4.09	3.09	2.59	2.34	4.58	2.76	4.05	4.41	4.44	4.51
Corporate strategy	15%	3.35	3.25	2.40	2.40	3.85	2.95	3.85	3.40	3.40	4.65
MARKET PRESENCE	0%	2.75	1.00	2.25	4.35	4.18	2.90	2.95	2.05	1.95	2.85
Customer base	80%	2.50	1.00	2.00	5.00	4.00	3.00	2.50	1.50	1.50	2.50
Employees	10%	3.00	1.50	3.00	2.00	4.75	3.00	5.00	5.00	5.00	5.00
Financial performance	10%	4.50	0.50	3.50	1.50	5.00	2.00	4.50	3.50	2.50	3.50

All scores are based on a scale of 0 (weak) to 5 (strong).

56879

Source: Forrester Research, Inc.

Figure 5 Forrester Wave™: CRM Suites For Mid-sized Organizations, Q2 '10 (Cont.)

	Forrester's Weighting	Pegasystems	RightNow Technologies	SageCRM	Sage SalesLogix	salesforce.com	SAP Business All-in-One	SAP CRM	SugarCRM	Sword Ciboodle
CURRENT OFFERING	50%	3.08	3.54	3.09	3.30	3.66	3.81	3.20	3.49	2.64
Sales	7%	3.82	3.96	2.83	3.52	4.42	4.80	4.80	3.24	2.24
Marketing	5%	3.02	3.16	2.21	2.25	2.73	4.09	4.09	1.48	1.42
Customer service	7%	4.26	4.50	2.24	2.17	3.90	3.59	3.59	1.87	3.84
Field service	0%	0.15	0.27	0.68	1.82	2.66	4.05	4.12	0.65	1.62
eCommerce	3%	0.85	1.74	0.83	0.66	0.79	4.40	4.40	0.51	0.90
Partner channel management	2%	1.16	2.87	0.38	1.09	4.24	4.73	4.73	0.40	0.94
Analytics	7%	3.45	3.32	1.21	2.53	2.28	3.61	3.61	1.43	1.91
Customer data management	7%	2.57	2.76	2.21	2.38	2.91	3.76	3.76	1.58	3.10
Internationalization	1%	4.67	4.67	3.35	3.34	4.01	4.34	5.00	4.34	3.35
Industry business process support	1%	1.32	2.34	0.28	0.46	1.78	4.54	4.54	0.19	1.54
Architecture and platform	5%	4.78	4.21	3.11	3.48	4.25	4.70	4.68	3.81	4.50
Usability	10%	3.54	3.82	3.62	4.37	4.87	4.22	4.35	3.80	3.70
Cost	45%	2.75	3.55	4.00	3.90	3.80	3.40	2.00	4.90	2.45
STRATEGY	50%	3.52	4.65	4.09	3.17	4.71	4.56	3.29	3.83	3.04
Time-to-value	50%	3.00	5.00	5.00	3.00	5.00	5.00	2.00	5.00	3.00
Product strategy	10%	3.00	4.25	3.50	4.25	5.00	4.25	4.50	3.50	2.50
Application ownership experience	25%	4.43	4.55	3.15	3.17	4.53	4.26	4.35	2.47	3.52
Corporate strategy	15%	4.05	3.90	3.00	3.00	3.85	3.80	5.00	2.40	2.75
MARKET PRESENCE	0%	1.95	2.20	3.13	3.08	4.75	1.65	2.85	2.38	1.15
Customer base	80%	1.50	2.00	3.00	3.00	5.00	1.00	2.50	2.50	1.00
Employees	10%	3.00	3.00	3.25	3.25	3.50	5.00	5.00	1.25	1.50
Financial performance	10%	4.50	3.00	4.00	3.50	4.00	3.50	3.50	2.50	2.00

All scores are based on a scale of 0 (weak) to 5 (strong).

56879

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders: A Range Of Solutions To Fit Different Needs

- **CDC's Pivotal delivers a compelling UI and agility.** CDC Software targets its Pivotal solution to companies that believe that their unique business practices provide a key factor in their ability to compete successfully in their own markets and grow revenue. These companies need a product that: leverages industry best practices as a starting point, has the flexibility to tailor those best practices, and enables “business agility” — the ability to quickly respond to changes in the business environment. Pivotal's strengths include low license costs and strong sales force automation, marketing, customer data management, and internationalization capabilities. It also provides sound eCommerce functionality. The product offers native support for rich Internet application frameworks such as Ajax and Microsoft Silverlight to provide a better UI than can traditionally be accomplished through Internet applications and make them more similar to desktop applications. This promotes higher user adoption and productivity, which is the linchpin for value realization from CRM solutions.

The solution stumbles, however, in the areas of field service, analytics, and a lack of industry-specialized offerings. All product functionality is offered as an on-premises and hosted solution and is used by customers in each deployment mode. The vast majority of customers are on-premises, but the hosted option is growing in popularity. Only a subset of functionality is available through a SaaS model. Pivotal best suits an organization that needs a solution that can be highly tailored to its own unique best practices and that needs a compelling and tailored user experience that promotes high adoption of the solution.

- **Microsoft Dynamics CRM shines by offering flexibility for large and midsized organizations.** Microsoft seeks to exploit its desktop applications strength in large organizations and promote its now-more-robust business applications to this sector. As a result, Microsoft is pursuing its strategy for penetrating the CRM market through offering buyers the “Power of Choice” so that companies may choose how to deploy (on-premises, on-demand, partner-hosted), how to pay (license, subscribe, finance), and how to use (Outlook client, browser, SharePoint site, other interfaces) the application. The product competes well on price compared with its major competitors, and this favorable price/value profile is capturing buyer interest at midsized organizations — and in the large-organization segment, as well. The product provides very strong sales force automation and strong capabilities in the areas of marketing automation, customer data management, customer service, and analytics. But it is weaker in eCommerce, partner channel management, and field service. The product is relatively easy to configure and deploy, and the solution's code is the same regardless of deployment choice, so migration from one deployment type to another is relatively easy.

Microsoft Dynamics CRM lacks industry-specific solution sets at this time. However, Microsoft is investing substantially in growing its already strong global partner ecosystem to help customers address local and industry-specific requirements. To accomplish this, Microsoft is

revamping its partner program and creating a new incentive structure, more rigorous training, and certification assets. Buyers will be attracted to Microsoft Dynamics CRM if they have made a commitment to a Microsoft infrastructure in order to lower their TCO in buying and managing business technologies. Buyers also like Microsoft Dynamics CRM's usability, lower price, and its quick time-to-value compared with traditional CRM applications.

- **Oracle CRM On Demand offers expanded functionality and social CRM capabilities.** This product has achieved success in the market by offering the same benefits as other CRM SaaS solutions: quick time-to-value, strong usability, and low upfront costs. This value proposition attracts midsized organizations, and it is finding increasing acceptance in units of large companies. The solution strategy for Oracle CRM On Demand includes enabling superior business responsiveness with a combination of industry-specific solutions, business intelligence, prebuilt integration, and business process management solutions to provide organizations with the agility that allows them to know and respond to their customers. Oracle CRM On Demand also features innovative new capabilities such as social CRM, which promotes increased collaboration, innovation, and adoption of CRM within organizations as well as delivering differentiated sales and service to their end customers. The product offers strong sales force automation (SFA) capabilities and partner channel management, and it provides sound support for customer service, customer data management, and analytics. But its marketing capabilities are weak, and it lacks field service and eCommerce functionality.

The solution at present offers few industry-specific solutions. However, the vendor has plans to add more vertical industry capabilities in future. In combination with its sister product, Oracle Siebel CRM, Oracle solutions let customers choose among enterprise-grade SaaS, hosted, packaged, and SOA-based component applications. Oracle CRM On Demand is best suited for businesses that want a SaaS deployment method and that are committed to the Oracle platform and Oracle technologies.

- **RightNow focuses on “eliminating bad customer experiences” for B2C enterprises.** RightNow has gained success by offering a CRM suite solution available through the SaaS deployment model. RightNow helps its clients deliver exceptional customer experiences across the Web, social media, and contact centers. The core concept of enabling clients to compete on customer experience has fueled RightNow's guiding principle since inception, and it has built its strategies and solutions to support this concept. RightNow's key strengths include customer service, sales force automation, and internationalization capabilities. The product also stands out for having very strong social Web capabilities. Its low upfront application costs attract businesses that are hesitant to commit large amounts of capital to a CRM solution. It has improved its analytics capabilities, but key weaknesses for the solution include lack of strong support for field service, eCommerce, and customer data management.

RightNow provides very strong support for the CRM processes in the public sector and sound support for finance and insurance, but its solution lacks support for industry-specific CRM processes for most other industry sectors. RightNow believes that it's not enough to simply sell software; it must also be a partner in helping its clients mature their processes and achieve real business results. To that end, it introduced the "CX Commitment," a set of non-product tangible activities and investments it is making to ensure client success. It is best suited for B2C organizations in need of a customer-service-centric CRM suite solution with a rapid time-to-value.

- **salesforce.com proves the value of SaaS for organizations of all sizes.** salesforce.com has grown quickly by making CRM solutions available through the SaaS deployment model. The company's strategy for growth in the CRM solutions sector builds on helping companies that want to roll out business solutions quickly, while minimizing their overall IT risks and implementation costs. The company claims an outsized customer base of 68,000 organizations, comprising more than 2 million users across large, midmarket, and small companies. The Salesforce application is an easy-to-use tool, with deep SFA capabilities. The product also boasts strong functionality in partner relationship management and strong support for customer service. Where the solution is weaker, however, is in support for marketing, field service, customer analytics, customer data management, and eCommerce.

The application is built on top of a modern architecture, allowing for robust scalability, reliability and availability, and openness to connect to other applications via Web services. However, the product is only available in SaaS deployment, so organizations selecting Salesforce CRM must be committed to the SaaS deployment model. It lacks industry-specific vertical solutions, with the exception of Wealth Management in the financial services segment. Along these lines, the vendor relies on its partner ecosystem (AppExchange) to complement its shortcomings in the areas where the application is not robust. Salesforce is an application best-suited for businesses that are looking for an easy to use, rapidly deployable, and well-proven sales management and customer service CRM application, and those that are committed to the SaaS as deployment approach.

- **CRM functionality in SAP Business-All-in-One offers quick deployment and flexible pricing.** SAP Business All-in-One is a new solution on the market. Its value proposition involves offering combined comprehensive, preconfigured business scenarios from SAP CRM and SAP ERP so that mid-sized companies can more effectively manage their customers, brands, and sales effectiveness together with core business operations in an easy to use solution. A single unified solution with pre-integrated ERP and CRM supports end-to-end business processes, such as creating an opportunity in CRM and converting it directly into a quote in ERP. Common master data and built-in business analytics ensure a "single source of truth" and 360-degree visibility to key data. SAP offers the product with two deployment options: on-premises and hosted. The hosting option has two payment choices for licenses: perpetual and subscription.

The product's strengths include deep across-the-board CRM functionality from SAP CRM, combined with attractive pricing and prepackaged "fast start" implementation packages for midsized organizations. For example, for CRM functionality in SAP Business All-in-One, the vendor provides an online tool that displays business process scenarios and allows the customer to plan a solution that matches its specific needs. The tool automatically estimates the total price of a deployed CRM solution, thereby greatly reducing the complexity of evaluation. This transparency also reduces the uncertainty and the risk of add-on costs. For customers exceeding the preconfigured scope or user metrics, SAP prices its CRM solutions on an industry basis, using metrics relevant to the industry. The key drawback? SAP has few customers currently using the CRM functionality in SAP Business-All-In-One, so the success of this solution tailored to the needs of midsized organizations still remains an open question. CRM functionality in SAP Business-All-In-One is best suited for midmarket organizations committed to SAP and its ERP platform that need support for end-to-end industry processes.

- **SugarCRM brings open source development to CRM.** SugarCRM offers open source CRM, allowing firms to leverage free code to manage basic sales, service, and marketing activities. SugarCRM's Professional CRM and Enterprise CRM editions are available for a fee. The open source model allows organizations to take a basic CRM platform application and build upon it using their own IT resources or add-on modules that are available through SugarCRM's partner and developer communities. The application is offered in SaaS and on-premises deployments. Key strengths of the SugarCRM system include low application costs, internationalization support, usability, and SFA functionality. Additionally, because the application is based on open source technologies, the technical skill sets required to support the application tend to be widely available, thereby lowering resource support costs.

A key weakness of the solution, however, is that it provides only very limited support for analytics, customer data management, partner channel management, eCommerce, and field service. Additionally, the product does not provide much industry business process support, so buyers with strong industry vertical needs will need to build out functionality through custom development. SugarCRM's vision relies on its open source development community to drive add-on capabilities or deep vertical editions. Sugar Enterprise offers a sound, low-cost choice for organizations that want deep customization flexibility in a packaged CRM application.

Strong Performers: Solutions With More Breadth And Depth — Or Lower Price Tags

- **Chordiant Software remains an evangelist for maximizing customer lifetime value.** Chordiant has evangelized "customer experience management," for quite some time to help companies with brands that seek to elevate and manage the ways in which they drive thousands of intelligent multichannel customer conversations that ultimately improve the customer lifetime value for the organization. Chordiant uses a BPM-oriented platform for building its product and targets the needs of companies in three core verticals — telecom, insurance/healthcare, and financial services — which all need to orchestrate thousands of multichannel

customer interactions each day. Chordiant's decision management tools let companies analyze data from many customer touchpoints so that they can understand outcomes and apply rules to improve each interaction. Chordiant CX Suite provides strong support for marketing and customer service interactions. Recent product enhancements for CX Suite focus on building upon centralized decisioning capabilities primarily for outbound and inbound marketing.

Support for sales functionality is sound, but the product lacks capabilities present in other CRM functional areas such as field service, analytics, and customer data management. It does not offer a SaaS deployment option. Chordiant CX Suite is a good fit for very large B2C-centric organizations with complex customer interaction channels that are looking for the means to coordinate an intentional and consistent customer experience at every point of contact. Chordiant was acquired by Pegasystems in April 2010.

- **FrontRange Goldmine Enterprise Edition (GMEE) meets the needs of smaller organizations.** FrontRange's GoldMine has a long history of serving small and midmarket organizations, which is evident through the product's sizable customer base (estimated at 130,000). However, the GMEE product, the company's most full-featured product, has a much smaller customer base. High points of the GoldMine product include its sound sales force automation functionality, relatively low cost, and modern architecture and platform. It serves the basic sales and contact management needs that organizations seek in a CRM solution and also supports several of the newer Web 2.0 enabling technologies. In addition, FrontRange offers the product in both hosted on-premises and traditional on-premises deployment modes.

On the downside, however, the product lacks partner relationship management capabilities and offers very weak support for industry-specific business processes, eCommerce, field service, and built-in analytics. It also lacks strong support for mobile devices. GoldMine is a product best-suited for midmarket organizations that seek a traditional SFA solution at a low cost and that value customer base as an indication of a product's strength and versatility.

- **Maximizer CRM helps to mobilize the workforce.** With a well-established customer base, Maximizer continues to demonstrate its abilities to support small and mid-sized organizations' CRM requirements. The product's primary strengths include usability, sales force automation, and mobile capabilities. For example, the MaxMobile for BlackBerry and Windows Mobile devices provide access to Address Book (customers and leads), opportunities, customer service cases, notes, documents, user-defined fields, appointments, and tasks. The Web-based Wireless Web Access provides the same information access in real time through a wireless Web browser without requiring any installation. Maximizer CRM is competitively priced and offers a fast time-to-value for an on-premises solution — deployment time frames range from a few days to a few weeks.

However, the product falls short in its industry business process support, field service, and partner relationship management. The vendor offers on-premises deployment, and its partners offer the on-premises and hosting options. Partners typically bundle together other solutions and host the whole package for customers. Maximizer is appropriate for smaller firms and divisions of large organizations seeking an on-premises CRM suite application with a low price tag.

- **NetSuite delivers a 360-degree view of customer data.** NetSuite's SaaS solution helps its customers achieve 360-degree view of the customer through its emphasis on front- and back-office integration, and a focus on personalization and customization without constraints. NetSuite targets its solution to midsized organizations, and its product's functionality spans enterprise resource planning (ERP), accounting, and eCommerce, as well as CRM. Key CRM strengths center on sales force automation, eCommerce, and a relatively fast time-to-value. The product provides sound support for marketing, analytics, and customer data management. It also offers strong ease of use and a modern architecture and platform. The product is available only through SaaS deployment, making hardware, software, and implementation costs comparatively low.

A key drawback for this solution is its limited deployment options, so buyers need to be committed to the SaaS platform. The product also offers only limited support for several CRM functionality areas such as customer service, field service, and partner relationship management. It lacks industry-specific solutions but specifically targets several vertical markets, including: wholesale/distribution, software, professional services, eCommerce, IT VARs, media/publishing, and more recently, manufacturers. NetSuite best suits organizations needing an all-in-one business application that spans the front- and back-office functions of CRM, ERP, eCommerce, and financials, delivered by a SaaS solution.

- **Oracle E-Business Suite (EBS) CRM delivers integration benefits.** Oracle EBS CRM incorporates a set of applications, including information-driven sales, service, and marketing. Oracle's vision for growing EBS in the CRM sector is to offer incremental improvements to features and functions with a focus on serving customers that desire the simplicity and lower total cost of ownership of a suite of front- and back-office applications. Oracle EBS CRM builds on an open-standards-based architecture that streamlines business processes, improves data quality, and allows all business units to draw from the same source of data. As such, the EBS CRM solution provides strong capabilities across all major CRM functionalities. It offers very strong capabilities to support sales and field service, and it has the ability to scale for global deployments. eCommerce capability is also strong, as is partner channel management and customer data management. Cost and lengthy implementation cycles can be drawbacks. Oracle is investing heavily in a next-generation product strategy, Fusion Applications, to fully modernize its technology architecture.

The solution offers on-premises or on-premises hosted deployment options, but it does not offer a SaaS deployment alternative. The solution provides sound support for some industry-specific CRM business processes. For example, it provides very strong support for the manufacturing, high-tech, and retail sectors. EBS CRM best suits buyers who, to achieve economies from working with one vendor, are committed to Oracle for platform and applications, and those who need comprehensive multinational capabilities.

- **Oracle's PeopleSoft Enterprise CRM reaches new markets with Campus and HR solutions.**

Oracle's PeopleSoft Enterprise CRM product line has a significant base of loyal customers who value the integration benefits and usability of PeopleSoft's HR and ERP suite. Oracle's vision for PeopleSoft products encompasses helping customers join together business processes and extending its investment in the PeopleSoft platform through delivered integration to Oracle applications and technologies for buyers who would prefer to purchase integrated solutions from a single vendor. It features SOA for standards-based messaging to ease integration and lower costs. Oracle's PeopleSoft Enterprise CRM solution offers a solid and broad range of functionality across all the major components of CRM, with particular strengths in sales, marketing, customer service, analytics, and customer data management. The product has less-robust capabilities in areas of field service and eCommerce.

The solution does not offer a SaaS deployment option. It provides very strong support for the public sector, particularly higher education — a focus of investment through the Campus Solutions portfolio. Oracle is also developing solutions to apply CRM-type capabilities to support the needs of HR departments. PeopleSoft Enterprise CRM is well suited for existing PeopleSoft customers who need a broad-based CRM platform to build upon and who seek economies through working with a single vendor's platform.

- **Oracle Siebel CRM maintains its lead for across-the-board deep CRM functionality.** Oracle Siebel CRM is designed to provide robust capabilities that empower users to better address customer needs. It enables businesses to be more responsive to growth through a combination of business intelligence, customer data integration, and business process management solutions to provide organizations with the agility that allows them to know and respond to their customers. The Oracle Siebel product for large organizations has achieved best-of-breed status for most CRM functionalities, including: sales, marketing, customer service, field service, partner relationship management, and customer data management. Its analytics capabilities are also strong and can be enhanced further through integration with other Oracle business intelligence solutions. Usability is strong through Siebel Task UI, a wizard-style interface that drives the user through the flow by navigating via a next, previous, pause, and cancel toolbar. Siebel offers deployment flexibility through its sister solution, Oracle CRM On Demand. Oracle Siebel CRM also boasts good industry-vertical adaptations that are increasingly being integrated with other Oracle products to offer end-to-end industry solutions. For example, Siebel 8.1.1 features application integration architecture (AIA) and process integration packs (PIPs) that focus on integrating business processes between Siebel CRM and other Oracle applications.

However, application complexity, high cost, and lengthy implementation schedules have given customers cause for concern in the past. To address this, Oracle Siebel has introduced enhancements to improve time-to-value in its latest release. The Siebel Application Development Manager (ADM) is designed to reduce the deployment effort and application downtime and to increase the application deployment quality. Oracle Siebel 8.1.1 delivers out-of-the-box support for more than 80 data types residing in Siebel Repository, Siebel runtime database, and customizable files. Oracle Siebel lets customers choose among hosted, packaged, and SOA-based component applications. The vendor allows customers to choose their evolution path and timing from Siebel CRM's current SOA-enabled environment to the SOA-native Fusion CRM applications. The product best suits buyers who value advanced functionality tailored for specific industries, customer insights through strong analytics and customer data management, and the ability to support global organizations.

- **Pegasystems Customer Process Manager offers a dynamic business process platform.** In the past, Pegasystems has been viewed by most buyers as a pure-play leader in the human-centric business process management suites (BPMS) market. However, the company also continues to expand its mission to help customer service organizations radically enhance and transform the customer service experience they deliver across all customer touchpoints while reducing the cost of service. To achieve this mission, Pegasystems helps enterprises: match customer intent with business intent at the point of customer interaction through its patented Intent-Led product offering; adopt a “process” approach to customer service leveraging its native BPM platform; and move the completion of customer service work as close to the initial customer interaction through its business rule automation functionality. Its greatest strengths include its comprehensive architecture and BPM platform, which orchestrates highly dynamic business procedures. Customer Process Manager offers strong solutions to support sales, customer service, and internationalization requirements. It also offers sound analytics capabilities. But its “packaged” CRM functionality is more limited in the areas of marketing, field service, and customer data management. Historically, it has provided very weak support for partner channel management.

The product is available in SaaS or on-premises options, as well as an option for customers to operate instances on their own internal cloud in a SaaS model. Customers can move from cloud to on-premises without modifying underlying software. Pegasystems generally does not offer industry-specific solutions, but the company targets solutions and sales efforts toward the financial services, insurance, healthcare, government, utilities, business process outsourcing (BPO), oil and gas, and telecommunications sectors. Pegasystems Customer Process Manager best suits buyers who want to strengthen their ability to support rules-based customer sales and service processes. In April 2010, Pegasystems acquired Chordiant Software.

- **SageCRM offers integration with Sage back-office products.** SageCRM belongs to the Sage family of CRM products, which also includes ACT! and Sage SalesLogix. SageCRM is targeted at midsized and small organizations. The solution's primary strengths include a low price tag,

strong usability, and quick time-to-value. The solution offers an intuitive admin UI, strong performance capabilities, and strong product help functionality. In addition, the product integrates well with other Sage back-office software products like Peachtree and Sage ERP. SageCRM is available as an on-premises solution and as a SaaS solution at SageCRM.com. Some customers also elect to have their business partners host the product for them.

Key drawbacks include limited capabilities for eCommerce, industry business process support, and field service. In addition, the product lacks robust support for partner channel management and analytics capabilities. SageCRM is a good fit for midmarket organizations that already use other Sage back-office products and that have limited technology budgets yet require a solution that offers multiple deployment options and sound sales functionality.

- **Sage SalesLogix offers a well-proven solution with multiple deployment options.** Considered Sage's premium CRM product offering, Sage SalesLogix targets midmarket organizations with 1,000 users or fewer. Sage SalesLogix provides users with a consistent experience whether they are connected, disconnected, or mobile, with multiple deployment options including on-premises, cloud, hosted, and mobile CRM interfaces. The product boasts a relatively large customer base, meaning that it is mature and tested. Its key strengths include sales force automation capabilities, usability, and the ability to support international organizations. In addition, the software and ongoing fees are relatively low, making it attractive from a financial standpoint.

The product lacks strong marketing, eCommerce, partner relationship management, field service, analytics, and customer data management capabilities. Sage SalesLogix best suits businesses that value solution usability, have several hundred users needing rich SFA functionality, and want a choice of deployment options at a reasonable price point.

- **SAP CRM improves usability while reducing cost and implementation time for users.** SAP espouses the view that by truly putting the customer at the center of its business, an organization can deliver higher value to its customers and receive higher value in return. SAP's strategy focuses on providing technology to enable companies to achieve operational excellence across all customer-related activities. SAP has steadily built out comprehensive CRM functionality, and the company focused on improving usability and deepening support for strategic business processes as part of the SAP Business Suite. With the release of SAP CRM 7.0, the vendor offers a product that is very strong across the board for sales, marketing, partner channel management, field service, and analytics. It offers somewhat less robust, but still strong, support for customer service and customer data management requirements. SAP CRM 7.0 has a very strong user interface. Particular strengths include ease of use, icons and cues that are consistent with standards, and a UI that supports multiple user roles and channels. SAP CRM offers some deployment flexibility through its SaaS CRM solution. However, the SaaS product supports only a limited subset of capabilities compared with the on-premises version. The product can scale to support global deployments and offers many industry-specific process solutions.

However, cost, complexity, and lengthy implementation schedules have been drawbacks of the on-premises product in the past. The vendor is attempting to address this issue through SAP CRM 7.0 usability enhancements, which significantly decreases the complexity of user training and testing. It has worked to ensure overall complexity, and length of implementation will be significantly lower for current SAP ERP customers. The vendor is also addressing this through a new combined package of software and services (called “Rapid Deployment of SAP CRM”) that provides core sales, service, and marketing capabilities in six to eight weeks for a fixed price. For customers upgrading from earlier versions: The architectural changes of CRM 7.0 have not affected the core data definition or the core business logic, so upgrade from earlier versions will not require data conversion and will only have minimal impact on data interfaces. SAP CRM best suits global buyers who are committed to SAP and its ERP platform and who need to support end-to-end industry processes.

- **Sword Ciboodle offers BPM strengths for orchestrating customer interactions.** Sword Ciboodle, formerly Graham Technology, was acquired by the Sword Group in April 2008. Under its former name, the company had achieved a reputation as a leader in the field of customer interaction management, with a focus on contact centers. Its current ambition encompasses both innovation in and domination of the converging market of multichannel B2C customer sales and service and eService, with a focus on the insurance sector. Sword Ciboodle continues to focus on the intersection of business process modeling with customer service, but it is now expanding its functional footprint to compete in the CRM enterprise suites arena. The solution’s value proposition rests upon the Sword Ciboodle Process Platform to support enterprise-scale organizational agility. The product provides strong support for customer service but generally less robust support for other functional areas of CRM such as sales, marketing field service, analytics, and customer data management.

The solution does not offer a SaaS deployment option or industry-vertical solutions. Sword Ciboodle is a good fit for buyers who are looking for a vendor that can bring business process acumen to solve customer-service-centric CRM challenges.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 5 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Vendor strategy briefings.** Forrester conducted briefings with each vendor to learn about the vendor's strategy for participating in the market, its espoused key differentiators, and its product development road map for the future. During some briefings, Forrester also received demonstrations of the vendor's product functionality to validate details of product capabilities.
- **Customer reference survey.** To validate product and vendor qualifications, Forrester also conducted a survey of three to eight of each vendor's current customers. The total number of customers surveyed was 99.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of mid-sized user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

- ¹ In Forrester's Q3 2008 517-criteria evaluation of midmarket customer relationship management (CRM) solutions, we found that Oracle's Siebel CRM Professional Edition and CRM On Demand products, Microsoft Dynamics CRM, RightNow CRM, and salesforce.com's salesforce led the pack. They distanced themselves from the competition with strong sales force automation and usability capabilities. See the August 26, 2008, "[The Forrester Wave™: Midmarket CRM Suites, Q3 2008](#)" report.

- ² The tech recovery has started in the US and around the world. Q4 2009 IT market indicators showed an end to declines, setting the stage for stronger growth in 2010. The US IT market is set to grow by 8.4%; the global IT market in US dollars will grow by 7.7%. Computer equipment and software will be the strongest product categories, with PCs, peripherals, and storage equipment leading the computer category and operating system software and applications setting the pace for software. See the April 8, 2010, "[US And Global IT Market Outlook: Q1 2010](#)" report.
- ³ Navigating the multifaceted customer relationship management (CRM) technology landscape is challenging. To help CRM professionals make smart decisions, Forrester surveyed 286 companies to understand the adoption patterns for 19 types of customer management technologies. Adoption patterns vary depending on whether a company primarily serves consumers or other businesses — and whether it aggressively invests in technology or is an IT follower. To win in today's difficult economic climate, you must choose the best opportunities for quick wins, spend wisely on the right CRM solutions, and implement them correctly. See the August 12, 2009, "[Craft Your CRM Investment Plans In Light Of Technology Adoption Patterns](#)" report.
- ⁴ Source: Enterprise And SMB Software Survey, North America And Europe, Q4 2009
- ⁵ Business and IT professionals who support customer-facing business processes must take into account 11 key trends: 1) companies return to investing in their most important asset — customers; 2) CRM evolves to become the extended CRM application ecosystem; 3) SaaS CRM solutions become the default choice; 4) social CRM hype reaches a crescendo, but projects remain in pilot mode; 5) customer service embraces real-time methods; 6) next-generation customer intelligence solutions emerge; 7) the struggle to integrate customer data continues; 8) mobile CRM becomes a must-have capability; 9) price/value trumps functionality in purchase decisions; 10) scrutiny of business cases remains intense; 11) best practices continue to separate the winners from losers. See the February 9, 2010, "[Trends 2010: Customer Relationship Management](#)" report.
- ⁶ As our TechRadar™ evaluation of the extended CRM applications ecosystem shows, community platforms, customer forums, and enterprise feedback management solutions — all of which enable new ways to connect more closely with customers — have entered the CRM stage. However, selling, order-taking, and customer service remain the engines that power the income locomotive at most companies. Customer data management and business intelligence solutions are becoming much more robust, supporting deeper customer insights and better decision-making. See the July 9, 2009, "[TechRadar™ For BP&A Professionals: The Extended CRM Application Ecosystem, Q3 2009](#)" report.
- ⁷ The holy grail for CRM professionals has long been to achieve a 360-degree view of customers. As a consequence, 62% of those surveyed report that they have implemented and/or are expanding a CBI solution. See the August 12, 2009, "[Craft Your CRM Investment Plans In Light Of Technology Adoption Patterns](#)" report.
- ⁸ Source: Enterprise And SMB Software Survey, North America And Europe, Q4 2008
- ⁹ Three years ago, we defined six overlapping classifications of online social behaviors, from the Creators (those who create content) to the Spectators (those who consume it). While adoption has spread rapidly —

Spectators have grown from 48% of online consumers to 70% now — the types of social activities people were doing remained remarkably consistent. See the January 15, 2010, “[Introducing The New Social Technographics®](#)” report.

- ¹⁰ A hot topic of debate among customer management and business process thought leaders right now is ascertaining the business value of “social CRM.” Social technologies are proliferating rapidly. More than four in five US online adults now participate socially. Forrester’s recent survey of 286 companies shows that while only 21% have established, for example, customer community interaction sites, an astonishing additional 42% are piloting or are interested in implementing customer communities. Our research also spotlights that the ROI for social media applied to specific use cases, like customer service, can be attractive. See the January 5, 2010, “[Topic Overview: Social CRM Goes Mainstream](#)” report.
- ¹¹ Forrester evaluated 18 leading customer relationship management (CRM) suite solutions against 516 criteria reflecting the requirements of large organizations. See the June 16, 2010, “[The Forrester Wave™: CRM Suites For Large Organizations, Q2 2010](#)” report.
- ¹² For quite some time, Pegasystems (Pega) has pursued customer experience and customer service business through its strong rules-based business process management (BPM) offering and customer process management framework application. Now Pega has thrown down the gauntlet to other CRM vendors by acquiring Chordiant, a CRM vendor that could provide key pieces that Pega lacks. Pega isn’t abandoning the mainstream BPM market in favor of CRM — it’s just strengthening its hand by more forcefully connecting business process and the delivery of great customer experiences. The most important takeaway? Packaged suites are slowly giving ground to BPM-enabled processes. See the April 7, 2010, “[Pegasystems Acquires Building Blocks For Next-Generation CRM](#)” report.

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