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The Forrester Wave™: Enterprise CRM Suites, Q3 2008

by William Band

for Business Process & Applications Professionals



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Buyers Face Difficult Choices In A Crowded Market

by **William Band**

with Sharyn C. Leaver, Pete Marston, Natalie L. Petouhoff, Ph.D., Elisse Gaynor, and Andrew Magarie

EXECUTIVE SUMMARY

Forrester evaluated leading enterprise CRM suite solutions against 516 criteria and found that with the latest releases of their solutions, Oracle's Siebel and SAP maintain their status as Leaders with comprehensive functionality and much improved usability. Microsoft, salesforce.com, RightNow, and Oracle CRM On Demand have improved their credibility as enterprise-class solutions and have graduated into the Leaders group. The latter vendors all get high marks for ease-of-use and quick time-to-value. The Leaders are challenged by Strong Performers offering a diverse range of benefits. Oracle's E-Business Suite CRM and PeopleSoft CRM are good options for their respective ERP customers looking for end-to-end integration. Chordiant, ciboodle, and Pegasystems offer business process management (BPM) strengths to help enterprises orchestrate complex customer-facing processes. Infor CRM Epiphany and Onyx CRM are working to regain market momentum through investments in product enhancements being made by their respective new corporate parents, Infor and Consona. Amdocs finds success with buyers as a Contender solution for service-intensive industries with custom needs, such as telecommunications.

TABLE OF CONTENTS

- 2 **The CRM Solution Landscape Is Increasingly Complex**
- 6 **Enterprise CRM Suites Evaluation Overview**
- 10 **The Results: Enterprise Buyers Have Many Choices To Sift Through**
- 12 **Vendor Profiles**
- 18 **Supplemental Material**

NOTES & RESOURCES

In Q2 2008, Forrester evaluated 35 CRM solutions. In the CRM enterprise suites category, Forrester surveyed 10 CRM vendors, comprising 14 products: Amdocs, Chordiant Software, ciboodle, Consona, Infor, Microsoft, Oracle (E-Business Suite CRM, PeopleSoft CRM, Siebel CRM, and Oracle CRM On Demand products), Pegasystems, RightNow Technologies, salesforce.com, and SAP. We also surveyed 165 vendor customers.

Related Research Documents

["Topic Overview: Customer Relationship Management"](#)

March 25, 2008

["Forrester's Best Practices Framework for CRM"](#)

August 27, 2007



THE CRM SOLUTION LANDSCAPE IS INCREASINGLY COMPLEX

Since our last iteration of the Forrester Wave™ evaluation of CRM enterprise suites, the vendor solution space has continued to change in ways that makes choosing the right solution for your organization an even more complicated decision.

The Cast Of CRM Characters Continues To Evolve

The CRM applications vendor space has gone through a period of considerable turmoil during the past 36 months. The dust is still settling as the vendors continue to jockey for position in a market expected to grow by more than 25% from \$8.6 billion in 2007 to \$10.9 billion by 2010.¹ What does this all mean for CRM business process and applications professionals? To make the right CRM solution investment and/or application upgrade decisions, you must navigate:

- **A revolving door of products and vendors.** In a virtual game of capture the flag, larger players have acquired smaller vendors to gain access to customers and fill in product gaps. For example, Oracle completed its acquisition of PeopleSoft in early 2005 and then swallowed Siebel in early 2006. SSA Global acquired Epiphany in August 2005 and was, in turn, acquired by Infor in mid-2006. M2M Holdings acquired Onyx in August 2006, renamed itself Consona, and then acquired KNOVA in March 2007. In April 2007, CDC Software acquired Saratoga Systems, and in April 2008, Graham Technology become part of the Sword Group and was rebranded as ciboodle.
- **More choices for enterprise-class organizations.** CRM vendors that have traditionally served midmarket organizations are using modern architectures and new deployment options to gain a stronger foothold with enterprise-class organizations. Examples include Consona's Onyx CRM — which offers a flexible, business process-centric architecture — and RightNow Technologies and salesforce.com, which are pioneering CRM SaaS deployment. Microsoft is trying to exploit its desktop applications hegemony advantage in large enterprises and promote its now more robust business applications to this sector.² Chordiant Software and Pegasystems are gaining traction with CRM capabilities that leverage underlying business process management (BPM) platforms and advanced customer-interaction rules and business intelligence.
- **Different approaches to improved usability.** This desire for more user-friendly applications is driving interest in CRM application upgrades as vendors make better UIs available in new releases. For example, the new UI for SAP CRM 2007 has been completely re-architected to support varying user roles and has “iGoogle”-like flexibility, with drag-and-drop personalization embedded across the entire solution. The Oracle Siebel 8.1 UI can also be highly personalized, uses embedded analytics, and is task-driven. And the Microsoft Dynamics CRM look-and-feel itself resembles a familiar tool: Microsoft Office Outlook.
- **SaaS and open source options and challenges.** As of late 2007, SaaS adoption by large enterprises is now is 16%, up sharply from the previous year's 12%, and CRM is one of the

categories of highest interest for SaaS buyers.³ Vendors like BLUEROADS, NetSuite, RightNow Technologies, and salesforce.com have pioneered as SaaS pure plays, and now traditional CRM vendors have responded with their own SaaS offerings like Siebel's — now Oracle's — CRM On Demand and SAP's CRM on-demand solution. Microsoft now offers a SaaS option, Microsoft Dynamics CRM Online. Sage Software offers SageCRM as both an on-premise and SaaS solution, and SugarCRM now offers a SaaS version of its open source solution development model.⁴ In fact, many CRM vendors now offer a variety of “on-demand” deployment models: multi-tenancy, private hosting, and hosting of traditional on-premise solutions. Some also offer “hybrid” deployment: a SaaS solution integrated with an on-premise version.

- **New approaches to upgrading customer data integration (CDI) and intelligence.** By combining operational data, streamlining customer data management processes, and presenting a single view of the customer, CDI allows CRM professionals to manage compliance, improve customer interaction efficiencies, and focus on customer experience management. For instance, retailers and financial services firms that rely on data from many source systems use CDI software from DWL and Oracle to consolidate and deliver customer information to and from call centers, branch offices, back-end administrative systems, and Web sites to support cross-sell and upsell activities.⁵ The importance being placed by vendors on enhancing their data integration and business intelligence capabilities is underscored by SAP's late 2007 acquisition of Business Objects and Oracle's early 2008 acquisition of Hyperion.
- **Various mobile CRM solutions — with different price tags.** In a recent survey, we found that nearly 50% of enterprises were piloting, rolling out, or currently using mobile applications for sales. Similarly, more than 40% of small and medium-size businesses (SMBs) were piloting, rolling out, or were using mobile applications to support their sales apps. Many CRM vendors offer mobile sales solutions as extensions of their CRM applications.⁶ Cross-market solution providers like Microsoft, Oracle, salesforce.com, and SAP offer apps that can be used on handhelds as part of their CRM solutions. Midmarket-centric vendors like FrontRange Solutions (with its GoldMine offering), Maximizer Software, and Sage Software also offer solutions that work on a variety of handheld devices. These handheld sales solutions are natural extensions of the CRM applications that the vendors provide. But sales and IT leaders still struggle to understand the complexities of the vastly different mobile sales options and architectures.
- **Emerging social consumer behavior.** CRM professionals must find innovative ways to engage with emerging “social consumers”, enrich the customer experience through community-based interactions, and architect solutions that are flexible and foster strong intra-organization and customer collaboration.⁷ This new trend has number of names: CRM 2.0, social CRM, and collaborative CRM. Vendors like Oracle's Siebel and Oracle CRM On Demand are just now starting to offer solution enhancements based on social technologies. SAP has plans to enhance its use of social technology solutions for CRM, and Chordiant offers “Chordiant Mesh”, a collaborative — social — environment for working closely with its own customers.

- **Niche solutions to fill gaps.** Notwithstanding the trend toward consolidation of CRM vendors into suite solutions, specialty players continue to innovate by offering new functionality for special requirements — for example, BLUEROADS offers partner channel management through the SaaS deployment model. Additionally, in the contact center/eService sector, eGain, KANA, KNOVA (acquired by Consona), and Talisma offer unique capabilities.

The Three Types Of CRM Vendors To Consider

As a buyer considering CRM solutions, you have three groups to choose from (see Figure 1):

- **Enterprise CRM suites.** This category comprises vendor solutions primarily targeted toward organizations with revenues of more than \$1 billion per year and/or more than 1,000 employees. 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-premise license model. However, many of the leading players now also offer hosted and SaaS deployment options.
- **Midmarket CRM suites.** This category comprises vendor solutions primarily targeted toward the SMB market — organizations with revenues of less than \$1 billion per year and/or less 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 vendors are less suitable for large-scale global deployments. Vendors in this group also offer a variety of deployment options, including on-premise 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 enterprise and midmarket organizations. Specialty CRM tools are available for marketing automation, sales force automation (SFA), customer service, partner channel management and collaboration, customer analytics, and customer data management.

Figure 1 Types Of CRM Solutions

Enterprise CRM suites

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

- Amdocs CES Customer Management
- Chordiant Software Cx Suite
- ciboodle
- Consona's Onyx CRM*
- Infor CRM Epiphany
- Microsoft Dynamics CRM*
- Oracle CRM On Demand*
- Oracle's E-Business Suite CRM
- Oracle's PeopleSoft CRM
- Oracle's Siebel
- Pegasystems' Customer Process Manager
- RightNow CRM*
- salesforce*
- SAP CRM

Midmarket CRM suites

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

- CDC Software's Pivotal CRM
- Consona's Onyx CRM*
- Entellium's eSalesforce, Rave, eCustomer Center
- FrontRange Solutions' GoldMine Enterprise Edition
- Maximizer CRM
- Microsoft Dynamics CRM*
- NetSuite
- Oracle CRM On Demand*
- Oracle's Siebel CRM Professional Edition
- RightNow CRM*
- Sage CRM
- Sage SalesLogix
- salesforce*
- Selligent X@
- Sugar Enterprise

CRM specialty tools

Analytics tools:

- SPSS Predictive Analytics

Customer data management tools:

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

Customer service tools:

- Consona's KNOVA Service Resolution Management Suite
- eGain Service
- Genesys Telecommunications Lab's CIM Platform
- InQuira's Customer Experience Platform
- KANA Suite
- LivePerson's Enterprise Platform
- Numara FootPrint's for eService
- Talisma CIM

Marketing automation tools:

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

Partner channel management and collaboration tools:

- BLUEROADS
- Click Commerce's eCommerce Suite

Sales force automation tools:

- CDC Software's Saratoga

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

Source: Forrester Research, Inc.

ENTERPRISE CRM SUITES EVALUATION OVERVIEW

To assess the state of the CRM market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top CRM vendors — including enterprise suite and midmarket suite vendors — across 516 criteria. We then applied two sets of criteria weightings: one appropriate for large, enterprise-class deployments and another focused on midmarket priorities.⁸ The following assessment will help you see how the 14 enterprise CRM suite products that we evaluated stack up against each other.

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

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria (see Figure 2). 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 enterprise 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 enterprise CRM segment and evaluated the depth of human and financial resources available to enhance their products and serve customers.

Vendors Offer A Breadth Of Capabilities For Complex Enterprises

We included 14 solutions in our assessment of enterprise CRM suites: Amdocs CES Customer Manager, Chordiant Software Cx Suite, ciboodle, Infor CRM Epiphany, Microsoft Dynamics CRM, Onyx CRM, Oracle CRM On Demand, Oracle E-Business Suite CRM, Pegasystems Customer Process Manager, PeopleSoft CRM, RightNow CRM, salesforce, SAP CRM, and Siebel (see Figure 3). Each of these vendors:

- **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.

- **Targets large enterprises with complex requirements.** The vendors we included focus on, and have references with, enterprise-class organizations with complex requirements. These requirements include the ability to scale on a global basis, manage end-to-end business process, integrate into complex legacy environments, and manage large volumes of customer and related data.
- **Offers a product in now general release and use by customers.** The vendors 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 2 Evaluated Vendors: Product And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
Amdocs	Amdocs CES Customer Management	7.5	January 2008
Chordiant Software	Chordiant Software Cx Suite	Chordiant FDN 6.1, MD, CDM	December 2007
ciboodle	ciboodle	2.7	April 2008
Consona CRM	Onyx CRM	OEP 6.0	September 2006
Infor	Infor CRM Epiphany	7	May 2008
Microsoft	Microsoft Dynamics CRM	4.0	December 2007
Oracle	Oracle CRM On Demand	Release 15	March 2008
Oracle	E-Business Suite CRM	R12	2007
Oracle	PeopleSoft CRM	9.0	August 2006
Oracle	Siebel	8.1	2008
Pegasystems	Customer Process Manager	5.2.3	April 2008
RightNow Technologies	RightNow CRM	February '08	February 2008
salesforce.com	salesforce	Summer '08	May 2008
SAP	SAP CRM	SAP CRM 2007	March 2008

Vendor selection criteria

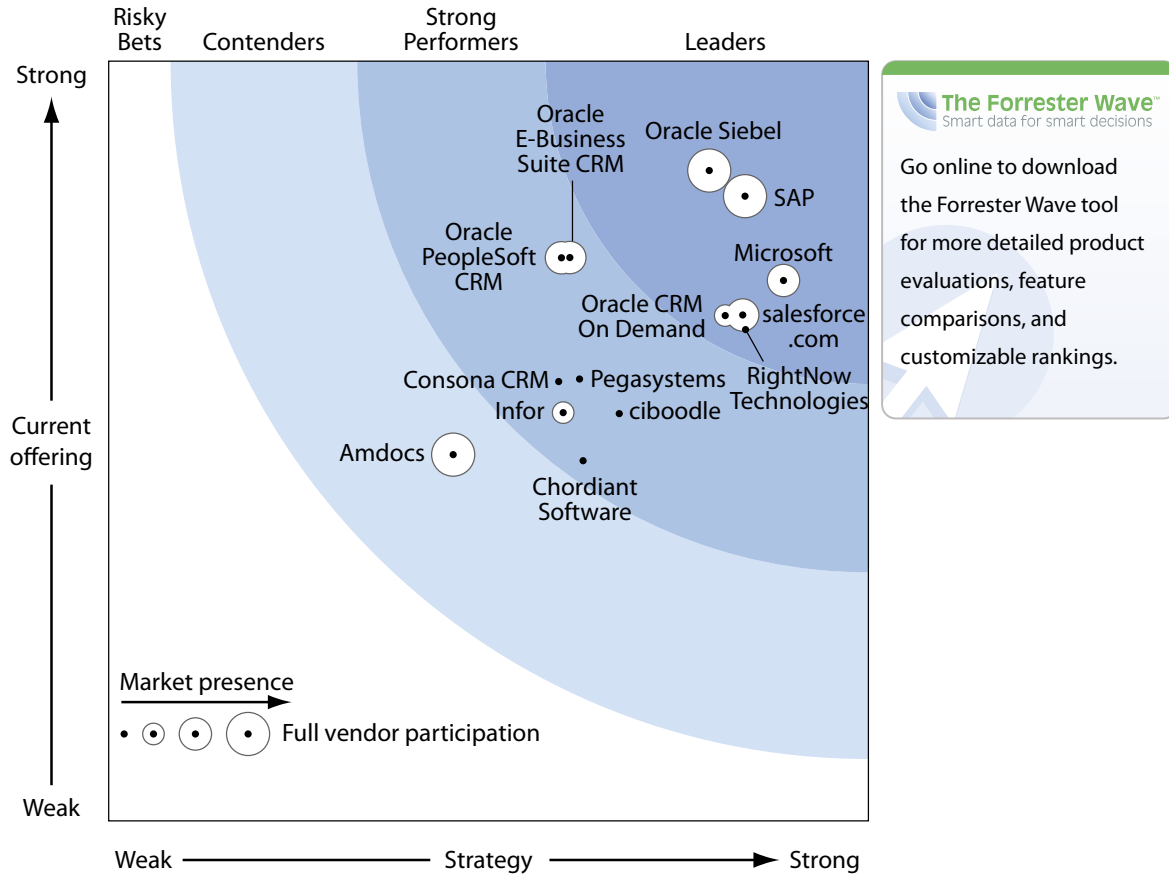
The vendor offers a multifunctional CRM applications suite, comprising three or more CRM subdisciplines.

The vendor targets enterprise-class organizations with complex business requirements.

The solution was generally available at the time of data collection for this evaluation with at least three references available for contact.

Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: Enterprise CRM Suites, Q3 '08



The Forrester Wave™
 Smart data for smart decisions

Go online to download the Forrester Wave tool for more detailed product evaluations, feature comparisons, and customizable rankings.

Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: Enterprise CRM Suites Q3 '08 (Cont.)

	Forrester's Weighting	Amdocs	Chordiant Software	ciboodle	Consona CRM	Infor	Microsoft	Oracle CRM On Demand	Oracle E-Business Suite CRM
CURRENT OFFERING	50%	2.40	2.37	2.68	2.89	2.69	3.56	3.33	3.71
Sales	5%	2.93	2.71	2.58	3.60	3.31	4.75	4.11	4.49
Marketing	5%	1.08	3.45	1.39	2.77	2.79	2.91	2.77	3.95
Customer service	5%	2.77	3.63	3.69	3.63	2.77	3.01	3.11	3.73
Field service	5%	2.69	0.00	1.49	1.09	0.07	2.32	0.83	4.52
eCommerce	5%	1.87	1.50	0.89	0.53	2.36	1.47	0.15	2.98
Partner channel management	5%	0.69	0.12	0.83	1.92	0.95	1.88	2.89	4.07
Analytics	10%	1.54	2.44	1.59	2.60	3.00	3.33	2.89	3.89
Customer data management	10%	1.94	1.58	2.38	2.61	1.67	3.31	2.81	3.37
Internationalization	5%	3.35	2.00	3.02	3.68	4.01	5.00	4.01	4.67
Industry business process support	5%	2.22	1.35	1.45	1.59	1.02	1.12	1.52	3.01
Architecture and platform	15%	3.31	3.71	4.29	3.56	3.39	4.16	4.41	3.68
Usability	20%	2.83	2.63	3.73	3.83	3.50	4.80	4.47	3.60
Cost	5%	2.25	2.85	2.45	2.60	3.00	3.80	4.60	2.80
STRATEGY	50%	2.27	3.12	3.36	2.96	2.99	4.44	4.05	3.04
Time-to-value	20%	1.00	3.00	5.00	3.00	3.00	5.00	5.00	1.00
Product strategy	30%	2.10	3.00	3.00	3.00	3.00	5.00	4.10	3.20
Application ownership experience	20%	4.05	2.40	3.46	3.31	3.34	4.60	4.15	4.30
Corporate strategy	30%	2.10	3.80	2.55	2.65	2.75	3.40	3.30	3.40
MARKET PRESENCE	0%	3.53	1.65	1.30	2.00	2.58	3.40	2.20	3.25
Customer base	80%	3.50	1.50	1.00	2.00	2.50	3.00	1.50	3.00
Employees	10%	4.75	1.50	1.50	1.50	3.25	5.00	5.00	5.00
Financial performance	10%	2.50	3.00	3.50	2.50	2.50	5.00	5.00	3.50

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

Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: Enterprise CRM Suites Q3 '08 (Cont.)

	Forrester's Weighting	Oracle PeopleSoft CRM	Oracle Siebel	Pegasystems	RightNow Technologies	salesforce.com	SAP
CURRENT OFFERING	50%	3.71	4.27	2.91	3.25	3.33	4.10
Sales	5%	4.03	4.65	3.72	3.85	4.57	4.92
Marketing	5%	3.45	4.41	1.88	3.13	2.19	3.48
Customer service	5%	3.90	4.32	4.15	4.35	3.26	3.59
Field service	5%	2.70	4.50	0.00	0.27	2.26	4.00
eCommerce	5%	2.53	3.71	0.27	1.00	0.44	4.18
Partner channel management	5%	3.46	4.91	1.25	2.80	3.95	4.66
Analytics	10%	4.02	4.66	3.48	3.49	1.86	3.96
Customer data management	10%	3.43	4.03	2.31	2.68	2.36	3.57
Internationalization	5%	4.67	4.67	4.01	4.34	3.68	5.00
Industry business process support	5%	3.34	4.14	1.30	2.34	1.71	4.52
Architecture and platform	15%	4.08	4.53	4.66	4.05	4.04	4.49
Usability	20%	4.16	4.27	3.27	3.57	4.87	4.17
Cost	5%	2.40	2.00	3.00	4.20	4.60	2.50
STRATEGY	50%	2.99	3.95	3.10	4.19	4.17	4.19
Time-to-value	20%	1.00	1.00	3.00	5.00	5.00	2.00
Product strategy	30%	3.00	5.00	3.00	4.10	4.10	4.80
Application ownership experience	20%	4.35	4.29	3.48	4.25	4.32	4.25
Corporate strategy	30%	3.40	4.65	3.00	3.70	3.60	5.00
MARKET PRESENCE	0%	3.25	4.90	1.90	1.80	4.00	4.10
Customer base	80%	3.00	5.00	1.50	1.50	4.00	4.00
Employees	10%	5.00	5.00	3.00	3.00	3.00	5.00
Financial performance	10%	3.50	4.00	4.00	3.00	5.00	4.00

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

Source: Forrester Research, Inc.

THE RESULTS: ENTERPRISE BUYERS HAVE MANY CHOICES TO SIFT THROUGH

The evaluation uncovered a market in which:

- **Oracle's Siebel and SAP CRM still offer the most complete solutions with better usability.** During the past three 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 has promoted the Siebel product and brand as its most fully featured solution, with a breadth and depth of functionality for many industry verticals. In their most current releases, both vendors have moved to address a primary complaint of buyers: poor usability. Siebel 8.1 features the Siebel User Interface, which can be highly personalized, uses embedded analytics, and is task-driven. SAP CRM 2007's UI is flexible to support varying roles. The product offers drag-and-drop personalization embedded across the entire solution, which allows any section of any page to be rearranged by the end user.

- **Microsoft, salesforce, RightNow, and Oracle CRM On Demand prove enterprise credibility.** The top two vendors are being chased by a pack of strong players, who have now proven their ability to serve enterprise-class organizations. RightNow and salesforce.com, which are SaaS solutions, are much faster to deploy, and easier to change, than traditional on-premise offerings; Microsoft recently launched its own SaaS solution, Microsoft Dynamics CRM Online; and Oracle CRM On Demand is gaining traction in the market as a SaaS companion to Oracle's Siebel. Although these players are not fully featured across the board, they are gaining acceptance from enterprise buyers looking for fast time-to-value solutions.
- **Oracle E-Business Suite and Oracle PeopleSoft CRM are good options for ERP customers.** Oracle continues to support two other important CRM customer franchises. Oracle E-Business Suite (EBS) customers are attracted to the benefits of EBS CRM's ease of integration into the rest of the Oracle EBS suite. Similarly, companies currently using PeopleSoft products are attracted to PeopleSoft CRM for its integration benefits. 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 are less robust for customer data management and eCommerce.
- **Amdocs, Chordiant, ciboodle, and Pegasystems fill 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 are turning to solutions with native BPM capabilities that can support highly unique — and flexible — process flows. Pegasystems offers robust BPM capabilities. Upstart ciboodle (formerly Graham Technology) has pushed into the CRM market with focus on the intersection of business process modeling, customer service, and customer interaction management. Chordiant offers a process-centric platform combined with advanced decisioning tools to orchestrate multichannel interactions. Amdocs has achieved success in the telecommunications sector by integrating customer service management processes with customer billing, using its deep professional services capabilities to achieve process integration.
- **Infor CRM Epiphany and Consona's Onyx CRM work to regain market momentum.** Both Epiphany and Onyx have languished in recent years due in part to buyer concerns about the long-term viability of these two products. Epiphany was acquired by Infor and is now being repromoted to the market as Infor CRM Epiphany. Infor, a \$2 billion global company, has made

investments in the product to make it easier to integrate with Infor's ERP solutions and has added marketing resource management (MRM) capabilities. Similarly, the acquisition of Onyx by Consona, a \$100 million company, means that buyers can have more confidence in vendor viability when considering the benefits of Onyx's modern process-centric and Microsoft-oriented architecture. And Consona anticipates announcing a major product revamp in early 2009.

This evaluation of the enterprise CRM suites market 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.

VENDOR PROFILES

Leaders: A Range Of Solutions To Fit Different Needs

- **SAP CRM continues to improve functionality and usability for the SAP user community.**

SAP views customer relationship management as a mission-critical business strategy in order to gain persistent competitive advantage, ultimately leading to sustainable, profitable growth. To meet this need, SAP has steadily built out comprehensive functionality focused on improving usability and deepening support for strategic business processes as part of the SAP Business Suite. With the release of SAP CRM 2007, the vendor offers a product that is strong across the board for sales, marketing, partner channel management, customer service, and analytics. But it offers less robust support for customer data management requirements. SAP CRM 2007 now features 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-premise version. These include core sales, service, and marketing functionality, supporting end-to-end business processes with integration to SAP ERP. The on-premise product can scale to support global deployments and offers many industry-specific process solutions. Cost, complexity, and lengthy implementation schedules have been drawbacks in the past, however the new SAP CRM 2007 is making progress on this front. SAP has seen initial results with quick deployments of SAP CRM 2007. SAP CRM is best suited for global buyers committed to SAP and its ERP platform who need to support end-to-end industry processes.

- **Oracle's Siebel maintains a lead in across-the-board best-in-class CRM functionality.**

Oracle is intent on sustaining Siebel's leadership position in the CRM market. In addition to Oracle's Siebel for enterprise customers, the product family also includes Oracle's Siebel CRM Professional Edition for the midmarket and Oracle CRM On Demand. Oracle's Siebel vision is to provide robust capabilities that empower users to better address customer needs, enable businesses to be more responsive to growth, and create a superior ownership experience for the

enterprise. The Siebel product for enterprise-class customers has achieved best-of-breed status for most CRM functionalities, with the exception of eCommerce. Usability has been improved through Siebel Task UI, a wizard-style interface where the user is driven 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, with whom it shares a common code base. Oracle Siebel 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 features application integration architecture (AIA) process integration packs (PIPs) that enable the integration of business processes between Siebel CRM and other Oracle applications. Application complexity, high cost, and lengthy implementation schedules are drawbacks. However, Oracle Siebel is working to address this concern and has introduced enhancements to improve time-to-value in its latest release. The product is best suited for buyers who value advanced functionality tailored for specific industries, customer insight through strong analytics and customer data management, and the ability to support global organizations.

- **Microsoft Dynamics CRM shines by offering flexibility to enterprise buyers.** Microsoft is trying to exploit its desktop applications strength in large enterprises and promote its now-more-robust business applications to this sector. Its strategy for growth is to offer buyers a choice of both on-premise and SaaS service deployment, a flexible user interface, a choice of payment options, and a strong partner community. Buyer interest in Microsoft solutions is high in the SMB market and is growing in the enterprise segment. The product provides sound, but not industry-leading, capabilities in sales, marketing, and customer service, but it is weaker in eCommerce, partner channel management, and field service.

Buyers have a full range of deployment options: on-premise, SaaS, on-premise hosted, or hybrid. The solution's code is the same regardless of deployment choice, so migration from one deployment type to another is relatively easy. There are no industry-specific solution sets, although Microsoft is working with its extensive network of ISVs to develop industry solutions on the Microsoft Dynamics platform. Enterprise 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.

- **Salesforce proves the credibility of SaaS for enterprise-class organizations.** Salesforce.com is growing quickly by making CRM solutions available through the SaaS deployment model. The company's strategy for growth in the CRM solutions sector is to focus on helping companies that want to roll out business solutions quickly while minimizing their overall IT risks and implementation costs. The San Francisco-based company claims to have grown its customer base to more than 45,000 and is gaining ground in attracting enterprise-class organizations to

its solution, in addition to its strength in the SMB sector. The salesforce application is an easy-to-use tool with deep SFA capabilities. The product also boasts strong functionality in partner relationship management and sound support for customer service. Where the solution is weaker, however, is in support for marketing, field service, customer analytics, 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 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 sales management and customer service CRM application, and who are committed to the SaaS as deployment approach.

- **RightNow CRM remains focused on improving the customer experience for B2C enterprises.** RightNow Technologies is gaining success by offering a CRM suite solution available through the SaaS deployment model. The company's mission is to help companies grow their businesses by delivering improved customer experiences while lowering operating costs. This core concept of enabling customers to compete on customer experience has been RightNow's guiding principle since inception. RightNow CRM's key strengths are customer service and internationalization. Its low upfront application costs are attractive to businesses that are hesitant to commit large amounts of capital to a CRM solution. Drawbacks to the solution, however, are weak support for field service and eCommerce.

Although the vast majority of customers select RightNow CRM in SaaS deployment, the product is also available in on-premise deployment and the code base is the same — allowing buyers the flexibility to migrate from one deployment method to another. RightNow provides very strong support for the CRM processes in the public sector and sound support for the retail sector, but it lacks support for industry-specific CRM processes for most other sectors. Customer references report high levels of satisfaction with the company and the solution. It is best suited for B2C organizations in need of a customer-service-centric CRM suite solution with a rapid time-to-value.

- **Oracle CRM On Demand offers expanded functionality and CRM 2.0 capabilities.** This product has achieved success in the market by offering the same benefits as other CRM SaaS solutions: quick time-to-value, usability, and low upfront costs. This value proposition is attractive to SMB buyers and is finding increasing acceptance in units of enterprise-class organizations. Product functionality has been enhanced during the last 18 months. It has very strong SFA capabilities and provides sound support for marketing, partner channel management, customer service, and analytics. But it lacks field service and eCommerce capabilities. Oracle CRM is innovating with new capabilities such as social CRM (Fusion Edge applications) to increase collaboration, innovation, and adoption of CRM within organizations.

In combination with its sister products, Oracle's Siebel and Siebel CRM Professional Edition, Oracle CRM On Demand lets customers choose among enterprise-grade SaaS, hosted, packaged, and SOA-based component applications. The product generally does not offer industry-specific solutions. However, the vendor has plans to add more vertical industry capabilities in the future. 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.

Strong Performers: Business Process Integration

- **Oracle's E-Business Suite CRM delivers integration benefits.** Oracle's E-Business Suite, a comprehensive enterprise application suite, includes a broad range of CRM capabilities. Its vision for growing in the CRM sector is to offer incremental improvements to features and functions and emphasize its fit for companies that desire the simplicity and lower total cost of ownership of a suite of front- and back-office applications. The EBS CRM solution provides capabilities across all major CRM functionalities. It is strong in sales, field service, and partner channel management, and it has the ability to scale for global deployments. Areas of relative weakness include eCommerce and customer data management. Oracle is investing heavily in a next-generation product strategy, Fusion Applications, to fully modernize its technology architecture.

The solution offers on-premise, or on-premise hosted, deployment options; however, it does not offer a SaaS deployment alternative. The solution provides sound support for industry-specific CRM business processes. For example, it provides very strong support for the manufacturing, high-tech, and retail sectors. On the other hand, it provides weak support for the finance and insurance sector business processes. E-Business Suite CRM is best suited for buyers committed to Oracle for platform and applications that need comprehensive multinational capabilities.

- **Oracle's PeopleSoft CRM keys on integration advantages.** Oracle's PeopleSoft CRM product line has a significant base of loyal customers who value the integration benefits and usability of PeopleSoft's HR and ERP suite. Through delivered integration to Oracle applications and technologies, Oracle's vision for PeopleSoft products to continue to help customers join together business processes. Oracle's PeopleSoft CRM solution offers a broad range of functionality across all the major components of CRM, with particular strengths in sales, customer service, and analytics. It has less robust, but sound, capability for marketing, field service, eCommerce, and customer data management.

The solution does not offer a SaaS deployment option. It provides very strong support for the public sector, particularly education, and strong support for the utilities and telecommunications sectors. PeopleSoft CRM is well suited for existing PeopleSoft customers who need a broad-based CRM platform to build on.

- **Consona's Onyx CRM builds UI and product feature enhancements.** Onyx was one of the first enterprise CRM solutions to adopt a flexible, three-tier architecture with tight alignment to

Microsoft technologies and to include native BPM capabilities. The company was taken private by Consona Corporation (formerly M2M) in August 2006, which has helped to allay buyer concerns about the long-term viability of the product and company. The corporate strategy for Consona CRM is to focus on remaining a financially stable and profitable vendor for its customers, and on increasing the service and value it provides to its current customer base. The product's key strengths center on usability, internationalization, customer service, SFA, and architecture. Conversely, the product's primary weaknesses are in eCommerce and field service. Consona is pursuing ongoing research and design activities to develop Onyx CRM's next-generation UI, and acquired KNOVA, a suite of self-service, contact center, forums, and help desk applications, in early 2007. The next release of Onyx CRM, planned for Q1 2009, is expected to be the most feature-rich release in the product's history.

The solution is available through both on-premise and hosted on-premise deployment models; however, there is no SaaS deployment option. It provides sound support for selected CRM processes in the finance and insurance, utility, and public sectors, but the solution generally does not offer industry-specific capabilities. Onyx CRM is best suited for buyers who want a flexible CRM solution — with BPM capabilities — that leverages Microsoft infrastructure technologies.

- **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.⁹ Now, through its CRM offering, Pegasystems offers specific support for customer-facing processes. Pegasystems' strategy for growth is to lead the process-centric CRM market with solutions and methodologies that enable business agility. Its greatest strengths are its comprehensive architecture and BPM platform, which orchestrates highly dynamic business procedures. Customer Process Manager offers sound solutions sales, customer service, and analytics, but its packaged CRM functionality is limited in the areas of marketing, field service, and customer data management.

The solution is offered through both an on-premise and hosted on-premise deployment methods, but there is no SaaS option. Pegasystems generally does not offer industry-specific solutions; however, it provides strong support for selected processes in the finance and insurance industry, healthcare, and the public sector. Customer Process Manager is best suited for buyers — especially in financial services and healthcare organizations — who want to strengthen their ability to support rules-based customer sales and service processes.

- **ciboodle offers BPM strengths for orchestrating customer interactions.** Formerly Graham Technology, ciboodle was acquired by the Sword Group in April 2008. Under its former name, the company had achieved a growing reputation as a leader in the field of customer interaction management, with focus on contact centers.¹⁰ The company continues to focus on the intersection of business process modeling with customer service, but ciboodle is now expanding its functional footprint to compete in the CRM enterprise suites arena. Its goal is to become the

preferred provider of customer interaction management software for specific consumer-centric markets: financial services, telco, utilities and retail. The solution's value proposition rests on the ciboodle Process Platform to support enterprise-scale organizational agility. The product provides strong support for customer service but generally weaker 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. It's a good fit for buyers who are looking for a vendor that can bring business process acumen to solving customer-service centric CRM challenges.

- **Infor CRM Epiphany offers marketing strengths and integration with Infor ERP solutions.**

The Infor CRM solution is based primarily on the functionality of Epiphany, a product Infor acquired through its acquisition of SSA in mid-2006 (SSA had acquired Epiphany in August 2005). The Infor CRM Epiphany strategy for growth focuses primarily on enhancing marketing applications for use by nontechnical people in the financial services, insurance, telecommunications, retail, hospitality, travel, leisure, and manufacturing industries, and on building pre-integrations with Infor ERP solutions. Infor CRM Epiphany's primary strengths are its marketing applications that support users who want to launch customized and highly targeted campaigns quickly and easily. In May 2008, Infor CRM Epiphany launched an MRM solution. The product offers sound capabilities across other functional areas of CRM, including sales, customer service, and analytics, but provides minimal support for partner channel management, eCommerce, and customer data management.

Infor CRM Epiphany does not offer a SaaS deployment option or industry-specific solutions. The solution is best suited for buyers who need strength in marketing campaign management and inbound marketing, including interaction management and analytics.

- **Chordiant Software Cx Suite excels as an evangelist for customer experience management.**

Chordiant has built upon a BPM-oriented platform to focus on the needs of companies in three core verticals — telco, insurance/healthcare, and financial services — that 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 Software Cx Suite provides strong support for marketing and customer service. Support for sales functionality is sound, but it lacks capabilities in other CRM functional areas such as field service, analytics, and customer data management. Future product enhancements for Cx Suite will focus on building upon centralized decisioning capabilities, primarily for outbound communications and inbound marketing.

The product does not offer a SaaS deployment option, nor does it offer industry-vertical solutions. But a unique feature of the solution is the Chordiant Mesh collaborative development environment offered to customers to foster co-development of solutions that are highly tuned

to specific industry requirements. Chordiant Cx Suite is 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.

Contenders: Industry Expertise

- **Amdocs is a stand-out with integrated customer-centric processes for telecom companies.** Amdocs primary customers are large telecommunications services providers, to which it offers applications to support billing, CRM, self-service, order management, mediation, and content revenue management. Amdocs' vision is to enable customers to realize their integrated customer management strategies through becoming agile, aligned, and customer-centric. As the telecommunications service provider market experiences more consolidation, greater competition from new entrants, and the increasing complexity of quadruple-play offerings, Amdocs continues to grow its offering of modular integrated software and services across BSS and OSS. The key strengths of Amdocs CES Customer Management are in customer service and field service. The company lags behind other vendors in marketing, partner channel management, analytics, and eCommerce, but it partners with SAS to fill these gaps.

Amdocs does not offer a SaaS deployment option. The company has a large professional services organization to customize the solution for complex customer environments. Amdocs is best suited for high-transaction, consumer-intensive industries with complex customer service requirements — specifically, telecommunications service providers.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 3 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 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 five of each vendor's current customers. The total number of customers surveyed was 165.

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 large 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 As a consequence of the forces that propel enterprise investments in CRM solutions offset by the factors that create cautious buying attitudes, growth in expenditures for CRM technologies will match the pace for overall spending on business software applications. See the October 20, 2006, "[CRM Market Size And Forecast, 2006 To 2010](#)" report.
- ² Forrester evaluated leading enterprise CRM suites vendors across 493 criteria and found that Oracle's Siebel CRM and SAP's mySAP CRM are the clear Leaders. They offer broad and deep functional capabilities, industry specialization, and the scalability to support global organizations. Nevertheless, these Leaders are challenged by a diverse set of Strong Performers. RightNow Technologies and salesforce.com offer software-as-a-service (SaaS) deployment with excellent usability, low upfront costs, and quick time-to-value, albeit with some functionality limitations. Meanwhile, Microsoft Dynamics CRM provides a growing breadth of functionality and the opportunity to leverage the Microsoft platform to lower total cost of ownership (TCO). See the February 5, 2007, "[The Forrester Wave™: Enterprise CRM Suites, Q1 2007](#)" report.
- ³ For more information about SaaS solutions adoption patterns, see Forrester's Enterprise and SMB Software Survey, North America and Europe, Q3 2007.

- ⁴ CRM software-as-a service (SaaS) solutions have moved beyond their previous status as a specialized deployment option and into the mainstream. See the May 7, 2008, [“Best Practices: The Smart Way To Implement CRM SaaS Solutions”](#) report.
- ⁵ The process of developing deep customer insight doesn’t happen overnight. Marketers should start by investing in technologies that collect and aggregate behavioral and transactional data from disparate channels and source systems. These technologies allow firms to create a complete profile of customers and their preferences. See the June 5, 2007, [“Eight Marketing Technologies That Enable Customer Centricity”](#) report.
- ⁶ In a recent survey, Forrester polled 538 enterprise-class firms and 571 SMBs to understand their willingness to adopt mobile applications within their organizations. The result? Exactly 47% of enterprises and 43% of SMBs were piloting, deploying, or using or upgrading mobile applications in 2007. See the May 9, 2008, [“Mobilizing Sales To Handheld Devices”](#) report.
- ⁷ Customer relationship management (CRM) is evolving from its traditional focus on optimizing customer-facing transactional processes to include the strategies and technologies to develop collaborative connections with customers, suppliers, and even competitors. In this new world, traditional CRM solutions will continue to aggregate customer data, analyze that data, and automate workflows to optimize business processes. But CRM professionals must find innovative ways to engage with emerging “social consumers,” enrich the customer experience through community-based interactions, and architect solutions that are flexible and foster strong intra-organization and customer collaboration. See the March 10, 2008, [“The CRM 2.0 Imperative”](#) report.
- ⁸ In Q2 2008, Forrester evaluated 15 midmarket customer relationship management (CRM) suites solutions across 516 criteria. See the August 26, 2008, [“The Forrester Wave™: Midmarket CRM Suites, Q3 2008”](#) report.
- ⁹ Many enterprises are now turning to business process management suites (BPMS) as a way to realize their strategic focus on business processes. To see how human-centric BPMS vendors stack up, Forrester evaluated 12 vendors across 215 criteria. See the February 24, 2006, [“The Forrester Wave™: Human-Centric Business Process Management Suites, Q1 2006”](#) report.
- ¹⁰ A relatively recent entrant to the market, Graham Technology provides a flexible, process-oriented solution that couples a full customer service application with a robust workflow engine. The company has demonstrated particular strength in the utility, telecom, finance, and retail markets. Its professional services organization, with deep experience in best practices for process automation and industry requirements, is a key element in its overall solution. See the May 24, 2007, [“Graham Technology Leads In Process-Centric Customer Service”](#) report.

FORRESTER®

Making Leaders Successful Every Day

Headquarters

Forrester Research, Inc.
400 Technology Square
Cambridge, MA 02139 USA
Tel: +1 617.613.6000
Fax: +1 617.613.5000
Email: forrester@forrester.com
Nasdaq symbol: FORR
www.forrester.com

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