TREND REPORT

CRM Solutions For The High-Tech Manufacturing Industry

Solutions To Support Key Customer-Facing Business Processes

December 30, 2010

By William Band with Paul Hamerman

Summary

Forrester reviewed 24 CRM suite solutions to understand their strengths and weaknesses to support five key high-tech manufacturing sector cross-functional processes: 1) quoting, agreement negotiation, and debit authorizations; 2) channel inventory management; 3) resale tracking; 4) debit claims management price protection; and 5) partner network management. We found that Oracle Siebel CRM and SAP CRM stand out with strong solutions and substantial experience with companies in the industry. Oracle E-Business Suite CRM and Oracle PeopleSoft Enterprise CRM also offer capabilities to support the high-tech manufacturing sector, either natively or through integrations with other Oracle solutions. Microsoft Dynamics CRM and Oracle CRM On Demand offer solid solutions in partner network management but do not support high-tech with specialty solutions across the board. NetSuite, RightNow Technologies, and salesforce.com can help high-tech manufacturers with niche strengths but provide limited support for most of the customer processes we evaluated. In addition to doing deep due diligence about the fit of CRM solutions to meet the unique high-tech industry requirements, business process professionals must take into account the increased popularity of the software-as-a service (SaaS) deployment approach, the rise of business process management (BPM) solutions, and the rapid adoption of mobile technologies.

CRM SOLUTIONS ADOPTION CONTINUES TO RISE

Despite a world economy plunged into a severe recession (from which it is now recovering), the fundamental business needs that drive the requirement for effective and efficient customer relationship management have not changed: acquiring new customers; building tighter bonds of loyalty; and reducing the costs of marketing, selling, and servicing. (see endnote 1) To support achievement of these important priorities, CRM technology solutions are widely used by organizations of all sizes. Fifty-six percent of the 455 large 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 17% have plans to adopt a CRM solution within the next 12 to 24 months. (see endnote 2) The same pattern is true for midsize organizations. Forty-four percent of 473 midsized organizations have already implemented a CRM solution, and an additional 23% plan to adopt a CRM solution within the next two years.

In response to an improved economy, information and communications technology (ICT) vendors are increasingly focusing their solutions design and go-to-market strategies on vertical industries. (see endnote 3) This trend will only accelerate with the advent of Smart Computing. To make savvy CRM technology investment decisions, business process professionals need to understand which CRM solutions are best tailored to support key critical cross-functional business processes in their industry.

Forrester surveyed and evaluated 24 CRM solutions to understand their capability to support key cross-functional customer-facing business processes in eight industries (see Figure 1). For the high-tech industry, we found that while a number of vendors do offer products tailored to support key industry business processes, there is wide variation in depth and breadth of capability across the solutions we evaluated.

Figure 1: Strength Of CRM Solutions For High-Tech Manufacturing

	Finance and insurance	Manufacturing, automotive	Manufacturing, general	Manufacturing, high-tech	Media, entertainment, and leisure	Public sector	Retail and wholesale trade	Utilities and telecom
Amdocs	○	○	○	○	○	○	○	●
Cegedim Dendrite*	○	○	◐	○	○	○	○	○
CDC Software	●	○	○	○	○	○	○	○
FrontRange Solutions	○	○	○	○	○	○	○	○
Maximizer Software	○	○	○	○	○	○	○	○
Microsoft	◐	◐	◐	◐	◐	◐	◐	◐
NetSuite	○	○	○	○	○	○	◐	○
NexJ	●	○	○	○	○	○	○	○
Oracle CRM On Demand	●	◐	○	◐	○	◐	○	◐
Oracle E-Business Suite CRM	○	◐	●	◐	●	◐	●	◐
Oracle PeopleSoft Enterprise CRM	●	○	◐	◐	◐	●	●	●
Oracle Siebel CRM	●	●	●	●	◐	◐	●	●
Pegasystems	●	○	○	○	○	◐	○	◐
RightNow Technologies	●	○	○	○	○	●	◐	◐
SageCRM	○	○	○	○	○	○	○	○
Sage SalesLogix	○	○	○	○	○	○	○	○
salesforce.com	●	○	◐	○	○	●	◐	○
SAP	●	●	●	●	●	●	●	●
StayinFront*	○	○	◐	○	○	○	○	○
SugarCRM	○	○	○	○	○	○	○	○
Sword Ciboodle	●	○	○	○	○	○	◐	◐
Upshot*	○	○	◐	○	○	○	○	○
Veeva*	○	○	◐	○	○	○	○	○

● Strong: Robust native capabilities
◐ Moderate: Basic, generic capabilities, or supported through integrations with other solutions
○ Limited/no capabilities: Not a native feature, requires customization and/or professional services

*Life sciences specialty vendors

58157

Source: Forrester Research, Inc.

HIGH-TECH PRODUCTS COMPANIES REQUIRE EXCELLENCE IN FIVE KEY PROCESSES

As the economy thaws, high-tech companies are increasing their investment in software and technology infrastructure support to support a renewed emphasis on growth. Overall ICT spending in the US declined by 5.1% from 2008 to 2009 and rebounded by 5.6% 2009 to 2010. It will further expand by 7.4% in 2011. The pattern is similar in the high-tech sector. ICT purchases declined by 7.5% in the 2008/2009 period but will increase 4.2% in 2010.

From a CRM perspective, high-tech product companies are investing to not only improve their capabilities in the functional area of sales, marketing, service, and customer intelligence, but also to improve the efficiency and effectiveness of five customer-facing business processes that transcend functional boundaries:

- **Quoting, agreement negotiation, and debit authorizations.** Enterprises in the semiconductor manufacturing sector, high-tech OEMs, and software vendors need comprehensive customer-facing capabilities across the breadth of marketing, sales, and service, including channel management, price management, quote, contract, order management, and customer service management. For example: 1) automatic approval (of quotes, credit, debit, etc.) to streamline the approval process; 2) quote generation, with the ability to calculate prices automatically for complex products, using customer-specific information; and 3) support to manage contracts and promotions.

- **Channel inventory management.** High-tech products companies commonly sell through channel partners and resellers. They need capabilities for channel inventory tracking that provide visibility into inventories held by channel partners — including quantity, product, price, sell date, partner location, and end customer.

- **Resale tracking.** High-tech companies need resale tracking functionality enabling users to capture and receive point-of-sale (POS) data from channel partners using electronic data interchange (EDI), XML, flat files, and Web portals. This allows planners to update channel inventory information while processing resale requests. Validated POS data can be used for automated channel revenue recognition.

- **Debit claims management price protection.** This capability refers to proactive price protection abilities and configurable rules for price protection eligibility. Upon pricing changes, brand owners need to be able to automatically create, validate, and pay out price protection claims. Additionally, brand owners need to handle ship and debit claims, and channel partners need to be able to submit claims data using EDI, XML, or Web-based communications.

- **Partner network management.** High-tech companies rely heavily on collaboration with partners to get to market faster and achieve higher margins while complying with stricter regulatory requirements. They need strong capabilities to manage their partner networks effectively. These include: marketing, sales, service, partner recruiting, certification, compensation, and performance management.

VENDORS OFFER CRM SOLUTIONS TUNED FOR THE HIGH-TECH INDUSTRY

We evaluated CRM vendor products in relation to the strength of their solution to support five important customer-facing business processes in the high-tech manufacturing industry: 1) quoting, agreement negotiation, and debit authorizations; 2) channel inventory management; 3) resale tracking 4) debit claims management price protection; and 5) partner network management.

Our evaluation focused on vendors with strong across-the-board capabilities for the high-tech manufacturing industry, and those who have some strengths in specific areas. These solutions include: Microsoft Dynamics CRM, NetSuite CRM, Oracle CRM On Demand, Oracle E-Business Suite CRM, Oracle PeopleSoft Enterprise CRM, Oracle Siebel CRM, RightNow CX, salesforce.com, and SAP CRM.

CDC Software, Chordiant Software (acquired by Pegasystems in April 2010), FrontRange Solutions, Maximizer Software, Pegasystems, SageCRM, Sage SalesLogix, SugarCRM, and Sword Ciboodle offer sound CRM capabilities, but they do not offer solutions specifically tailored for key cross-functional business processes in the high-tech manufacturing industry. (see endnote 4)

Amdocs specializes in the utilities and telecommunications industry. NexJ specializes in the finance and insurance industry. Cegedim Dendrite, StayinFront, Upshot, and Veeva Systems specialize in the life sciences industry.

Oracle Siebel CRM And SAP CRM Have The Strongest High-Tech Industry Offerings

Two vendors provide strong solutions:

- **Oracle Siebel CRM.** Oracle Siebel CRM is well suited for the high-tech manufacturing vertical, providing strong solutions for quoting, agreement negotiation, and debit authorizations; channel inventory management; resale tracking; debit claims management price protection; and partner network management. Siebel 8.1 includes a Deal Management module to support the negotiation process from opportunity to order, as well as the ability to perform market price analysis, profitability analysis, customer history analysis, and to enforce price/discount policies in addition to price recommendations (see Figure 2). Example customers are HP, IBM, and LG Electronics.

- **SAP CRM.** SAP CRM is a leader in our evaluation of high-tech manufacturing CRM solutions, with strong product offerings across the entire high-tech manufacturing spectrum. SAP CRM includes the SAP high-technology channel management solution, built from scratch to deliver end-to-end channel management capabilities for the high-tech vertical. SAP CRM provides strong native capabilities for quoting, agreement negotiation, and debit authorizations; channel inventory management; resale tracking; debit claims management price protection; and partner network management. The solution features capabilities like automatic approval, which simplifies the approval and quote generation process for complex orders involving products and services, and proactive price protection capabilities that allow for what-if analysis to predict the impact of future pricing changes (see Figure 3). Example customers are Sony, FMC Technologies, Oki Data Americas, and Synopsys.

Figure 2: Business Process Capabilities For High-Tech Manufacturers: Oracle Siebel CRM

Oracle Siebel CRM

Quoting, agreement negotiation, and debit authorizations	Strong	Oracle Siebel 8.1 introduces a Deal Management module that supports the negotiation process as it begins with an opportunity, moves to a quote, and ultimately transitions to an order. Deal Management provides the ability to perform market price analysis, profitability analysis, customer history analysis, and to enforce price/discount policies in addition to making price recommendations.
Channel inventory management	Strong	Field Service and Logistics Manager solutions allow brand owners to manage and track inventory by the partner channel. Solutions provide configurable fulfillment, replenishment, and cycle counting engines that leverage inventory information to automate the field service business.
Resale tracking	Strong	As part of the resale tracking functionality, users can capture and receive POS data from channel partners. The information captured is very specific to the high-tech industry. The architecture is open for companies to leverage the Application Integration Architecture (AIA) to extend this functionality with other non-Siebel products.
Debit claims management price protection	Strong	Siebel Pricer allows the calculation of pricing for price protection and facilitates settlement through Siebel Deductions Management. Siebel Trade Promotions Management functionality can also handle debit claims management and price protection processes.
Partner network management	Strong	Oracle offers Siebel PRM.

Strong: Robust native capabilities
Moderate: Basic, generic capabilities, or supported through integrations with other solutions
Limited/no capabilities: Not a native feature, requires customization and/or professional services

58154

Source: Forrester Research, Inc.

Figure 3: Business Process Capabilities For High-Tech Manufacturers: SAP CRM

SAP CRM

Quoting, agreement negotiation, and debit authorizations	Strong	The SAP high-technology channel management solution has been built from the ground up for the high-tech manufacturing industry. Key capabilities include automatic approval (of quotes, credit, debit, etc.) to streamline the approval process and quote generation for complex products and services with the ability to calculate prices automatically, using customer-specific information as well as contracts and promotions. Additionally, the agreement negotiation capabilities within SAP CRM enable companies to engage in contract negotiations using the Web.
Channel inventory management	Strong	The SAP high-technology channel management solution delivers a channel inventory management solution that delivers perpetual channel inventory tracking, which provides visibility into inventories held by channel partners. The solution tracks inventory sold into the channel, including quantity, product, price, sell date, partner location, and end customer. The data can be grouped by the price that each channel partner paid. Resale POS data can be used to update the overall inventory information. Partners can also send inventory reports as well as reconcile calculated versus actual partner-reported inventories.
Resale tracking	Strong	The SAP high-technology channel management solution delivers a resale tracking solution that enables organizations to capture and receive POS data from channel partners using electronic data interchange (EDI), XML, flat files, Web portal, and so forth. Incoming POS data can be validated based on configurable rules. Planners can update channel inventory information while processing resale requests. The validated POS data can be used for automated channel revenue recognition when integrated with financials application. Through a custom implementation, end customers can be given aliases within the system, allowing organizations to track them accurately. The software recognizes the various identifiers assigned by distributors and consolidates them into one end customer ID within the system.
Debit claims management price protection	Strong	The SAP high-technology channel management solution includes debit claims management for both price protection and ship and debit. The solution supports proactive price protection capabilities and configurable rules for price protection eligibility. Organizations can perform "what-if" analyses to predict the impact of pricing changes. In addition, they can execute price protection adjustments retroactively, determining inventory levels for past dates. Upon pricing changes, brand owners can automatically create, validate, and pay out price protection claims. Additionally, brand owners can handle ship and debit claims. Channel partners can submit claims data using EDI, XML, or Web-based communications. The software uses configurable validation rules for claims processing and links POS data to the received claim. Organizations can also accept or reject claims and send corresponding responses to partners.
Partner network management	Strong	The SAP high-technology channel management solution offers high-tech manufacturers with end-to-end channel management capabilities that help maximize return on investment in partner channels by increasing revenue, motivating and rewarding sales representatives and partners, and minimizing management costs. The solution spans all key channel business processes for high-tech manufacturers, including marketing, sales, service, and partner management. High-tech companies can collaborate effectively with channel partners and customers, get to market faster, and achieve higher margins while complying with stricter regulatory requirements. Additionally, the information gathered by the solution can be leveraged for sales compensation programs.

Strong: Robust native capabilities
Moderate: Basic, generic capabilities, or supported through integrations with other solutions
Limited/no capabilities: Not a native feature, requires customization and/or professional services

58154 Source: Forrester Research, Inc.

Oracle EBS And PeopleSoft CRM Offer Strength And Capabilities Through Oracle Integrations

Two other solutions also offer customer management capabilities for high-tech companies:

- **Oracle E-Business Suite CRM.** Oracle E-Business Suite CRM provides strong native capabilities for partner network management and capabilities for quoting, agreement negotiation, and debit authorizations; channel inventory management; resale tracking; and debit claims management price protection through integration with Oracle's Channel Revenue Management products. New additions to Oracle's Channel Revenue Management applications include a point-of-sale management product for resale tracking and a Price Protection module that creates and manages claims for both distributor and customer inventory (see Figure 4). Example customers are Arrow Electronics, LG Electronics, and Marvell..

- **Oracle PeopleSoft CRM.** Oracle PeopleSoft Enterprise CRM provides several modules for use in the high-tech manufacturing vertical, providing strong support for partner network management through PeopleSoft Partner Management. The product also provides moderate capabilities for quoting, agreement negotiation, and debit authorizations and channel inventory management, resale tracking, and debit claims management price protection through integrations to PeopleSoft Order Capture and PeopleSoft Supply Chain (see Figure 5). Example customers are IBM and Unisys.

Figure 4: Business Process Capabilities For High-Tech Manufacturers: Oracle E-Business Suite CRM

Oracle E-Business Suite CRM

Quoting, agreement negotiation, and debit authorizations	Moderate	Full support of these processes for quoting, agreement, and debit authorizations is supported by Oracle Channel Revenue Management, Proposals, Sales, and Oracle Quoting.
Channel inventory management	Moderate	Oracle's Channel Revenue Management group of products tracks channel inventories for both inbound and outbound activities, and customers know what their channel inventories are and where they are. Oracle's Channel Revenue Management group of products, in conjunction with Oracle Advanced Supply Chain Planning, Oracle Inventory, and Oracle Global Order Promising, allows for a synchronized view of demand across the various channels.
Resale tracking	Moderate	With the Point-Of-Sale Management product (now part of the Channel Revenue Management group of products), users have a record of to whom the products have been resold and where.
Debit claims management price protection	Moderate	Channel Revenue Management's AR Deductions and Settlement module has a robust, comprehensive debit claims management system. Claims received are automatically validated based on agreements and processed and settled based on the trade profiles of the partners or customers. Deductions can be systematically associated to existing credits or accruals for promotional, price protection, or any other reason. Oracle's new Price Protection module is also part of the Channel Revenue Management suite. Oracle Price Protection systematically creates and manages claims for the distributor's own inventory as well as customer inventory that gets reported.
Partner network management	Strong	Through Partner Management, activities, leads, and opportunities can be routed to the right partner based on location, abilities, etc.

Strong: Robust, native capabilities
Moderate: Basic, generic capabilities, or supported through integrations with other solutions
Limited/no capabilities: Not a native feature, requires customization and/or professional services

58154 Source: Forrester Research, Inc.

Figure 5: Business Process Capabilities For High-Tech Manufacturers: Oracle PeopleSoft CRM

Oracle PeopleSoft Enterprise CRM

Quoting, agreement negotiation, and debit authorizations	Moderate	Oracle PeopleSoft CRM supports this with PeopleSoft Order Capture.
Channel inventory management	Moderate	Oracle PeopleSoft CRM supports this with PeopleSoft Supply Chain.
Resale tracking	Moderate	Oracle PeopleSoft CRM supports this with PeopleSoft Supply Chain.
Debit claims management price protection	Moderate	Oracle PeopleSoft CRM supports this with PeopleSoft Supply Chain.
Partner network management	Strong	Oracle PeopleSoft CRM supports this with PeopleSoft Partner Management.

Strong: Robust native capabilities
Moderate: Basic, generic capabilities, or supported through integrations with other solutions
Limited/no capabilities: Not a native feature, requires customization and/or professional services

58154 Source: Forrester Research, Inc.

Microsoft And Oracle CRM On Demand Offer Core Solutions Boosted By Integrations

Two other solutions to consider are:

- **Microsoft Dynamics CRM.** Microsoft Dynamics CRM provides strong partner network management support for high-tech manufacturing companies through its improved Partner Relationship Management (PRM) module, released in 2009. Microsoft also supports quoting, agreement, negotiation, and debit authorizations through product configuration and third-party integrations, and it supports channel inventory management through Web service integrations. However, Microsoft Dynamics CRM does not provide support for the entire high-tech manufacturing vertical, lacking capabilities for resale tracking and debit claims management and price protection (see Figure 6). Example customers are Absolute Software, HP, and LG.

- **Oracle CRM On Demand.** Oracle CRM On Demand features strong native partner network management capabilities, allowing high-tech manufacturers to support multi-tier distribution channels for multiple tiers of partners. The product can also support quoting, agreement, negotiation, and debit authorizations, and it supports channel inventory management through either product configuration or pre-integration to Oracle E-Business Suite, JD Edwards Enterprise One, and JD

Edwards World. However, Oracle CRM On Demand has neither capabilities for resale tracking nor debit claims management price protection (see Figure 7). Example customers are Ndevr, Pillar Data Systems, and Verigy.

Figure 6: Business Process Capabilities For High-Tech Manufacturers: Microsoft Dynamics CRM

Microsoft Dynamics CRM

Quoting, agreement negotiation, and debit authorizations	Moderate	Microsoft Dynamics CRM includes an opportunity-to-quote solution, which can be extended through configuration and further extended through the installation of third-party solutions for agreement management, order configuration rules and workflows, and debit authorizations.
Channel inventory management	Moderate	This is not a native feature of the product. However, Microsoft Dynamics CRM supports channel inventory management through Web service integration. The product pre-integrates with Axonom for inventory management.
Resale tracking	Limited/no capabilities	This is not a native feature of Microsoft Dynamics CRM.
Debit claims management price protection	Limited/no capabilities	This is not a native feature of Microsoft Dynamics CRM.
Partner network management	Strong	In 2009, Microsoft released a partner relationship management module for Microsoft Dynamics CRM to enhance and optimize resale and valued-added partner networks.

Strong: Robust native capabilities
Moderate: Basic, generic capabilities, or supported through integrations with other solutions
Limited/no capabilities: Not a native feature, requires customization and/or professional services

58154 Source: Forrester Research, Inc.

Figure 7: Business Process Capabilities For High-Tech Manufacturers: Oracle CRM On Demand

Oracle CRM On Demand

Quoting, agreement negotiation, and debit authorizations	Moderate	CRM On Demand can be configured to meet the requirements of high-tech manufacturing industry as well as integrate to back-office systems through prebuilt integrations to Oracle E-Business Suite, JD Edwards EnterpriseOne, and JD Edwards World.
Channel inventory management	Moderate	CRM On Demand can be configured to meet the requirements of the high-tech manufacturing industry as well as integrate to back-office systems through prebuilt integrations to Oracle E-Business Suite, JD Edwards EnterpriseOne, and JD Edwards World.
Resale tracking	Limited/no capabilities	This is not a native feature of the product.
Debit claims management price protection	Limited/no capabilities	This is not a native feature of the product.
Partner network management	Strong	Partner networks can be managed by the routing of leads or using lead pools to analyze coverage, deal registration to avoid channel conflict, programs to identify partner benefits and engender loyalty, MDF and analytics to optimize channel marketing spend, and opportunity management and special pricing to enable efficient transaction processing. Release 17 adds the ability to support multi-tier distribution channels for opportunities to optimize channels consisting of more than one tier of partner. Brand owners can model the distributor/VAR/sub-VAR relationships present in their channel, and CRM On Demand opportunity management will enforce these relationships when the user chooses each partner tier for an opportunity that will be fulfilled through multiple tiers.

Strong: Robust native capabilities
Moderate: Basic, generic capabilities, or supported through integrations with other solutions
Limited/no capabilities: Not a native feature, requires customization and/or professional services

58154 Source: Forrester Research, Inc.

Other Vendors Fill Gaps With Niche Strengths

A number of CRM suites solutions have unique strengths for some parts of industry cross-functional processes for the high-tech manufacturing industry. (see endnote 5) NetSuite CRM provides strong real-time channel inventory management and availability visibility. Salesforce Partners features strong capabilities for partner network management. RightNow CX suite provides a native solution for quoting, agreement negotiation, and debit authorization with many high-tech customer deployments.

RECOMMENDATIONS

ReDouble Your Due DILIGENCE to Find the Right CRM SOLUTIONS FOR HIgh-Tech

The fundamental business needs that drive the requirement for effective and efficient customer management processes remain unchanging: acquiring new customers, building tighter bonds of loyalty, and reducing the costs of marketing, selling, and servicing. But defining an effective CRM strategy and choosing and implementing the best solution for the high-tech industry remains a challenge. To leap this hurdle, follow these guidelines:

- **Understand the vendor landscape to support your unique industry processes.** Make sure to dive deep to understand how vendor CRM solutions fit your specific industry requirements. Read the Forrester Wave™ report that compares and evaluates 18 CRM suite solutions against more than 500 criteria, which includes a review of solutions by industry sector. (see endnote 6)

- **Consider software-as-service (SaaS) solutions.** Although the integrations necessary to support cross-functional business processes favor traditional on-premises solutions, SaaS solutions are evolving rapidly and developing higher levels of integration capabilities. (see endnote 7) The growing popularity of this deployment approach means that you should give it serious consideration.

- **Take a look at business process management solutions.** Orchestrating cross-functional business processes can be challenging using traditional packaged business applications. Take a look at the offerings from business process management suite (BPMS) vendors (such as Appian, IBM's Lombardi, Pegasystems, Savvion, and Software AG) as an alternative way to solve the problem. (see endnote 8)

- **Understand the impact of mobile computing on your requirements.** Mobile phones, smartphones, and tablets are seeing massive worldwide adoption for an increasing variety of uses. Your plan should incorporate the requirement to support mobile sales and field-based customer service agents. (see endnote 9)

- **Define the right CRM strategy.** Use Forrester's self-diagnostic tools to assess your CRM capabilities against nearly 175 best practices compared with more than 260 other B2B and B2C organizations. (see endnote 10)

SUPPLEMENTAL MATERIAL

Methodology

Forrester used a combination of two data sources to assess the strengths and weaknesses of CRM solutions for specific industries:

- **Vendor surveys.** While conducting our research in support of "The Forrester Wave: CRM Suites For Large Organizations, Q2 2010," and "The Forrester Wave: CRM Suites For Midsized Organizations, Q2 2010," Forrester surveyed vendors about their capabilities to support key cross-functional customer-facing processes in eight industries: general manufacturing; high-tech manufacturing; automotive manufacturing and distribution; retail and wholesale trade; media, entertainment, and leisure; utilities and telecommunications; finance and insurance; and the nonprofit and public sector. (see endnote 11) Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications. For vendors not included in the Forrester Wave evaluations of CRM suites, we conducted telephone interviews and reviewed publically available information about the vendors' offerings.

- **Vendor strategy briefings.** Forrester conducted briefings with each vendor to learn about its 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.

Related Research Documents

- The Forrester Wave™: Business Process Management Suites, Q3 2010

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

Endnotes

1. US economic growth is falling short of our already modest expectations and will expand at a snail's pace of less than 2.5% for real GDP in 2010, avoiding a double-dip recession. As a result, we have trimmed our forecasts for the year to a still-robust 8.1% IT market growth for the US (down from our 9.9% forecast in July), with 7.4% growth in 2011. See the October 15, 2010, "**US And Global IT Market**

Outlook: Q3 2010" report.

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

3. Information and communications technology (ICT) vendors are increasingly focusing their solutions design and go-to-market strategies on vertical industries. This trend will only accelerate with the advent of Smart Computing, which will drive even greater demand for vertically specialized systems. But which industries are the best ones for a vendor strategist to target? See the September 22, 2010, "**Which Verticals Are Most Attractive For ICT Vendors?**" report.

4. For more detailed information about these vendors, please see the June 16, 2010, "**The Forrester Wave™: CRM Suites For Large Organizations, Q2 2010**" report and see the June 16, 2010, "**The Forrester Wave™: CRM Suites For Midsized Organizations, Q2 2010**" report.

5. For more detailed information about these vendors, please see the June 16, 2010, "**The Forrester Wave™: CRM Suites For Large Organizations, Q2 2010**" report and see the June 16, 2010, "**The Forrester Wave™: CRM Suites For Midsized Organizations, Q2 2010**" report.

6. We found that heavyweight Leaders Oracle Siebel and SAP still offer the most complete solutions, with better usability and improved total cost of ownership (TCO) to persuade customers to upgrade. Other vendors in the Leader category, such as CDC Software, Microsoft, Oracle CRM On Demand, RightNow Technologies, and salesforce.com are gaining ground with flexible, quick-to-implement solutions. The Leaders are challenged by a pack of Strong Performers. Oracle E-Business Suite (EBS) CRM and Oracle PeopleSoft Enterprise CRM remain good options for enterprise resource planning (ERP) customers. Chordiant Software, Pegasystems, and Sword Ciboodle offer business process management (BPM) strengths to orchestrate complex customer-facing processes. Maximizer Software, NetSuite, SageCRM, Sage SalesLogix, and SugarCRM offer sound solutions but are best suited for midsized organizations. FrontRange Solutions, a Contender vendor, offers a solution to meet basic needs. See the June 16, 2010, "**The Forrester Wave™: CRM Suites For Large Organizations, Q2 2010**" report.

7. Forrester recently interviewed more than 1,000 enterprise software decision-makers to find out their investment strategy for 2010. The growing maturity of software-as-a-service (SaaS) combined with buyers' desire for solutions that allow

them to conserve cash, deploy quickly, and avoid long-term lock-in, means that SaaS continues to gain popularity. While SaaS and cloud offer many benefits and have made significant progress from earlier days where customization and integration options were minimal, they also create new risks and challenges — in areas such as security, integration, and governance. See the May 19, 2010, "**SaaS Adoption 2010: Buyers See More Options But Must Balance TCO, Security, And Integration**" report.

8. Forrester evaluated 11 leading business process management (BPM) suite vendors against 148 criteria reflecting the requirements of business process professionals running large-scale BPM programs. See the August 24, 2010, "**The Forrester Wave™: Business Process Management Suites, Q3 2010**" report.

9. Mobile applications for business use are receiving a great deal of attention from package application software vendors and considerable interest from business process professionals. See the September 30, 2010, "**Mobile Applications Will Empower Enterprise Business Processes**" report.

10. To help understand how your organization stacks up against these best practices and to identify where you can best achieve quick wins, we created the Forrester FastForward self-assessment for CRM. Use the framework and self-assessment to improve your current CRM initiative or to jump-start new projects. See the November 5, 2010, "**Update 2010: Forrester's Best Practices Framework For CRM**" report.

11. 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 midsize 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. See the June 16, 2010, "**The Forrester Wave™: CRM Suites For Large Organizations, Q2 2010**" report and see the June 16, 2010, "**The Forrester Wave™: CRM Suites For Midsized Organizations, Q2 2010**" report.

FORRESTER

We help business and technology leaders use customer obsession to accelerate growth.

FORRESTER.COM

Obsessed With Customer Obsession

At Forrester, customer obsession is at the core of everything we do. We're on your side and by your side to help you become more customer obsessed.

Research

Accelerate your impact on the market with a proven path to growth.

- Customer and market dynamics
- Curated tools and frameworks
- Objective advice
- Hands-on guidance

Learn more.

Consulting

Implement modern strategies that align and empower teams.

- In-depth strategic projects
- Webinars, speeches, and workshops
- Custom content

Learn more.

Events

Develop fresh perspectives, draw inspiration from leaders, and network with peers.

- Thought leadership, frameworks, and models
- One-on-ones with peers and analysts
- In-person and virtual experiences

Learn more.

FOLLOW FORRESTER

Contact Us

Contact Forrester at www.forrester.com/contactus. For information on hard-copy or electronic reprints, please contact your Account Team or reprints@forrester.com. We offer quantity discounts and special pricing for academic and nonprofit institutions.

Forrester Research, Inc., 60 Acorn Park Drive, Cambridge, MA 02140 USA
Tel: +1 617-613-6000 | Fax: +1 617-613-5000 | forrester.com