

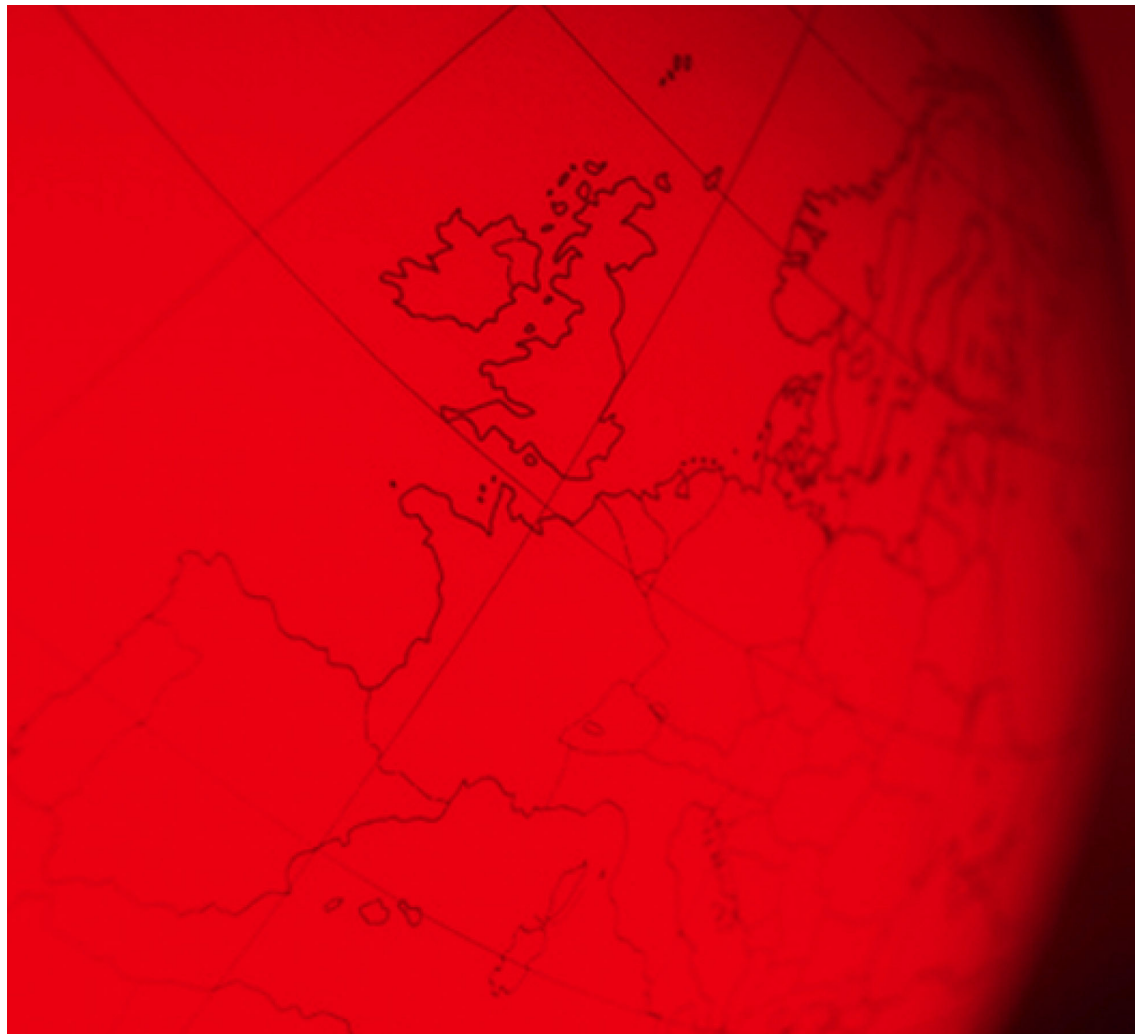
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GUIDEBOOK

ORACLE'S SIEBEL CRM ON DEMAND



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THE BOTTOM LINE

Oracle's Siebel CRM On Demand has leveraged its history and experience in CRM to provide customers with deeper functionality to drive competitive advantage. Nucleus found Siebel CRM On Demand customers took advantage of embedded best practices, integration, and analytics – among other features – to leverage greater long-term value from their CRM.

THE TECHNOLOGY

Since Oracle's acquisition of Siebel, Oracle has continued to develop the functionality and capabilities of both Siebel Enterprise and Siebel CRM On Demand. Siebel CRM On Demand was developed specifically as an on-demand application; however, the Siebel CRM On Demand developers work closely with the developers of Siebel Enterprise to leverage features that can be redesigned for the on-demand solution. Although Siebel CRM On Demand contains the core components – sales, marketing, and service – that most on-demand CRM vendors provide today, Siebel has leveraged its call center and CRM experience to provide key additional features for Siebel CRM On Demand customers such as:

- A contact center embedded in the Siebel CRM On Demand environment provides on-demand voice, voicemail, e-mail, and Web communication that can be accessed from anywhere in the application.
- Embedded and standalone analytics enable users not to just track and analyze sales and marketing performance but predict the actions to take to optimize outcomes.
- Features such as intelligent service request assignment in Service, autoforecasting and embedded best practices in Sales, and automated lead qualification and lead assignment in Marketing guide users on how to best interact with customers.
- Standards-based Web services interfaces support rapid integration of other applications and data sources.

Siebel CRM On Demand is priced on a per-user monthly basis and includes complete access to sales, marketing, service, and analytics functionality; contact center functionality is available for an additional fee. Siebel also provides industry-specific versions of Siebel CRM On Demand for the life sciences, high tech, insurance, automotive, and wealth management industries. The application is delivered on demand from Oracle's Grid-based hosting center in Austin, Texas, part of Oracle's continuing investment in providing on-demand CRM with high performance and reliability.

As Nucleus interviewed Siebel On Demand customers to develop this report, it found that the most successful ones saw CRM not as an application to be deployed but as a framework for how their organizations interacted with customers – and they looked to Siebel's experience, guidance, and blueprints to help them drive greater competitive advantage through better customer relationships.

This Guidebook explores the experiences of both recent and long-time customers of Oracle Siebel CRM On Demand to prescribe best practices for deployment, fine tuning, and missteps to avoid in maximizing value from Siebel CRM On Demand.

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THE SITUATION

Most companies have recognized that the key to successful CRM is not just in tracking pipelines or campaigns but in integrating customer data with other applications, leveraging analytics to better understand individual customer behavior, and institutionalizing best practices so management can focus on growth and competitive advantage. As one Siebel CRM On Demand customer said, *“SFA doesn’t create revenue, it gives you the opportunity to do more things and manage your business better because you have a good handle on your pipeline, where you’re spending your time, and where you should move on.”*

Nucleus found many Siebel CRM On Demand customers interviewed were leveraging both the depth and flexibility of Siebel to support specific business strategies:

- Standardizing CRM across multiple geographies and offices. Organizations can have a consistent sales and marketing methodology across multiple sites without the need for IT resources at each site.
- Providing on-demand CRM as needed for departments or workgroups that don’t need access to Siebel Enterprise functionality to support complex business processes. Some organizations, for example, deploy Siebel CRM On Demand for field sales or other teams, to maximize adoption and a common database while avoiding the expense of a full Siebel Enterprise deployment.
- Quickly delivering CRM tools to new teams or initiatives. Rapid deployment times enable companies to provide new teams or departments with CRM functionality within weeks instead of months.
- Accelerating application delivery. Companies can rapidly deploy Siebel CRM On Demand while they evaluate, customize, and deploy Siebel Enterprise — and then migrate to Siebel Enterprise when it’s most appropriate.

BEST PRACTICES

Nucleus has identified a number of best practices for purchasing and deploying Siebel CRM On Demand. Most sound like common sense. However, when addressed from the beginning they can be key to moving beyond “basic” CRM to leveraging the technology to support strategic goals and even competitive advantage.

Build a business case

The most successful Siebel CRM On Demand customers build a business case before investing in the technology. Although it might seem that a ROI assessment isn’t necessary given the relative low cost and time to deploy Siebel CRM On Demand, the business case is a critical first step in driving your project to success.

As you develop the business case, you identify the areas of greatest potential benefit, plan how you’ll manage your deployment to maximize returns and minimize risk, and have a roadmap for deployment that helps keep you on track.

On the cost side, the most-often underestimated costs tend to be training and data cleaning. On the benefit side, don’t overlook the value of indirect benefits, which can make up a large portion of the ROI from a CRM project. You’ll also want to consider human factors as you evaluate indirect benefits (for more details, please

review *E19 – Assessing indirect benefits* and *A4 – The Human factors that impact application value*, available for free download in the Nucleus Research knowledge library).

Best practice: build an initial business case based on quick wins such as productivity, and revisit the business case on a quarterly basis to identify new opportunities for improvement.

Because many changes and enhancements can be made by a trained business user, the best strategy is to quickly deploy based on the initial business case and then make adjustments over time as opportunities present themselves. As one customer noted, *“Our biggest win beyond initial productivity has been fluidity of the program. We can make changes very quickly. In the enterprise world you’re talking months to possible years; we can make fairly big changes in days. Right now I’m making a new hierarchy for our accounts. In the beginning we didn’t feel we needed it.”*

Educate executives first

Once you’ve developed your business case, use it to educate your executives on what CRM can do for them. A key advantage of CRM for executives is that it gives them an easy path to understanding customer behavior and sales performance.

A key advantage of CRM is consistent ongoing contact with customers.

Once the executives are on board, they’ll drive user adoption. As one customer who initially had user adoption issues said, *“We went back to the managers and said, look, how much easier your job will be if you get your people to use it. Then the managers went back to their people and said, ‘if it’s an opportunity and it’s not in Siebel, don’t come talk to me about it.’ When a manager is involved in closing most sales, that’s a strong motivation.”*

Executive support doesn’t always have to be overt; some simple policy changes can be just as effective. For example, one company required that potential deals over a certain amount had to be qualified through Siebel before a price could be quoted.

Fit on demand into your overall IT strategy

To deliver competitive advantage, CRM has to be more than a standalone application — it has to be linked with other applications to make your processes and interactions with customers smooth and streamlined. For some customers, that means integrating external marketing databases with Siebel CRM On Demand to automatically drive qualified leads from marketing into Siebel, for others, it means broader leverage of Web services and common data models.

The common data model between Siebel Enterprise and Siebel CRM On Demand means some customers are looking to complement their Siebel Enterprise deployment with Siebel CRM On Demand for specific groups of users. One financial services customer said, *“We were also looking for an enterprise solution for CRM. Because the data models are the same we can have a mix of on-demand and on-*

premise installs of Siebel. It gave us much more options from an enterprise solutions standpoint but we could move quickly with the critical needs."

Future developments in Oracle Fusion middleware and additional integration capabilities delivered in the Siebel CRM On Demand platform promise to deliver even greater integration possibilities.

Review your processes

Traditional CRM required a lot of customization to fit internal processes, and many on-demand CRM customers are still in that mindset. The advantage of Siebel CRM On Demand is that you can rapidly deploy and then make changes as needed. Nucleus found that as Siebel CRM On Demand customers deployed their solution, they took one of three paths:

- They spent a lot of time and effort on customization to ease user adoption and later found they would have been better off deploying and then evaluating changes.
- They made relatively few customizations to fit their current processes and have made incremental changes over time to deliver more value. One customer, for example, that has been using Siebel CRM On Demand for many years has integrated its team selling methodology step-by-step to move from a small sales force to nearly 90 employees that uses Siebel On Demand CRM to institute improvement in sales behaviors. Its sales manager said, *"Because we have a common verbiage and standards for stages, everyone understands what the stages are and everyone is working on the right opportunities in the right way at the right time. We're in a very traditional industry, and it's a huge differentiation point. We're years ahead of the competition."*
- They redesigned processes that had become cumbersome for users and instituted new practices with the new application. For example, one sales manager said, *"We've used Siebel to remodel ourselves to be an opportunities-driven support system. We can apply projected total sales ability so at any time I can show the stages and what opportunities there are. Sales loves it because we've increased our win ratios – and there's a good deal of confidence that we're not using it to track movement but to identify opportunities to help."*

Make people use it

If you have executive buy in and a clear business plan with appropriate training, you should have 100 percent user adoption. If you don't, there are a number of strategies Siebel CRM On Demand customers that Nucleus interviewed used to drive user adoption:

- One company invested in using Siebel CRM On Demand Analytics to develop reports designed specifically for sales people so they would get personal benefit from the system.
- Another company mandated that commission would only be paid on deals that had been in the system and gone through the stages of the pipeline process.
- Another company's vice president of sales told salespeople that pipeline and forecast entries would be used weekly for forecasting and smart sales people who wanted better territories would use them – and found it had 100 percent adoption of pipeline and forecasting.

GET MORE FROM YOUR EXISTING DEPLOYMENT

Once Siebel CRM On Demand is deployed and users are using it, most customers look to how they can leverage the data in the system to better understand their customers and use the technology to be more effective against their competitors.

Take advantage of built-in best practices

Because the Siebel CRM On Demand sales process coach can be configured to guide sales people through the sales process, companies can use Siebel CRM On Demand Sales to not just track the sales process but to direct it:

- A financial services customer said, *"Because the sales process is built into the tool, the tool enforces our stages. If one country wanted to do it manually and they wanted to make a lead ready to go at 80 percent, they can't. The advantage is that the president for that business unit can pull the pipeline report and know exactly where it is."*
- A manufacturing customer said, *"We have a sales cycle process built into the tool and our salespeople are constantly inputting where they are in the sales cycle; then everyone can review it and say, 'are there other things we should or could be doing to move this along to satisfy the prospect enough to become a customer?'"*

ROI opportunity: Using embedded best practices can shorten the sales cycle, drive higher close rates, and shorten the learning curve for new salespeople.

Use analytics not just for reporting, but for predicting

A number of customers selected Siebel CRM On Demand because of the embedded analytics and reporting capabilities in the product. Nucleus found that as customers' knowledge of and experience with the analytics functionality grew, they continued to identify new ways to get value from it. Customers Nucleus interviewed tended to be at three stages of analytics adoption:

- Stage one: we are developing custom reports to make specific teams more effective. As one customer noted, *"We're looking to make it much easier to create different kinds of reports so the sales people aren't creating reports, they can just reach in and grab what they need."*
- Stage two: we know what's there but are just scratching the surface. One customer said, *"If you look at the future of Oracle BI, it's really Siebel analytics. They have a mini version in on demand that blows away the reporting you get in other on-demand solutions. It's just better reporting power, so it's easy to do real drill-downs quickly."*
- Stage three: we are leveraging analytics to predict how we should run our business. For example, one customer said, *"I learned things about our customers and internal business flows that I never knew before. It's the biggest win we've had in terms of being able to understand the data; for example, the correlation between customer training and churn, and how to address it. These are things that simple reporting couldn't do."*

The real power of Siebel CRM On Demand analytics comes not in showing the past, but in predicting the future — and in acting on that insight to improve customer relationships and sustain competitive advantage.

Integrate with other data

Integrating Siebel CRM On Demand data with other back office applications and databases is a key strategy for increasing ROI from the application, and many Siebel customers today are using it provide greater visibility across their business so they can more effectively integrate customer feedback into product development, provide customers with better support, and differentiate their services compared to their competitors. As one customer said, *"We've gotten value from making it a one-stop shop. Siebel covers every piece of our business including marketing, sales, support, and everyone can see the same data. We can apply that information to other parts of the company and get them to buy in to what we're seeing from our customers."*

Siebel CRM On Demand has a Web Services interface that supports UDDI, WSDL, and SOAP to streamline the integration process, and many customers are using integration to support team-based selling and greater visibility across the entire customer relationship chain.

One early adopter that has made significant integration efforts said, *"We have a lot of products and all of the products include education, programming, delivery, support, and other divisions of our business. Because we've interfaced Siebel with all the key areas, we can look at the pipeline deal by deal and see very quickly what needs to happen – and it all can dovetail perfectly so the client has a seamless experience."*

ROI opportunity: providing everyone who touches customers with access to CRM data – and integrating their activities and plans into CRM – delivers a better customer experience and greater cross-sell and upsell opportunities.

Use Siebel CRM On Demand to drive marketing initiatives

Siebel CRM On Demand is priced on a per-user basis that includes the sales, marketing, and service components. After initial efforts to clean up data in the sales component, users have found they can leverage that data and the links between sales and marketing to drive greater lead generation and pipeline visibility. But first, the data have to be relatively clean. As one manager said, *"It took us a long time to get everyone to understand that we needed good data, but once we did, we can do marketing to prospects using our existing database that our competitors just can't do."*

Using the same database for sales, marketing, and service can help identify cross-selling and upselling opportunities as well as improve collaboration between sales and marketing staff. One user said, *"With integrated e-mail marketing on demand, we looked at another vendor that would cost us more than \$20,000 just for implementation. E-mail marketing on demand added \$150 a month to our contract, and it paid for itself with the first campaign."*

MISSTEPS TO AVOID

As Nucleus evaluated the deployments of a number of Siebel CRM On Demand customers, we asked them what they would do differently knowing what they know today. Identifying and avoiding these pitfalls can help maximize short-term returns and long-term value.

Keeping the old CRM mindset

The traditional CRM mindset meant long deployment times, largely because huge customizations had to be mapped, tested, and then coded — and then often re-coded when they were implemented because they turned out not to be as critical as the team initially thought.

One of the big advantages of on-demand CRM is the flexibility to make changes and refine processes without the need for coding or costly consulting charges. Most Siebel CRM On Demand customers started with phased deployments and then added integration, embedded best practices, and additional training to extract additional advantages from the application.

As one customer said, "We're not even scraping the surface of what we could be doing with Siebel. As much as we've gotten, we could have much more sophisticated sales flows. We're not going any CTI — yet — but we're already ahead because our competitors don't have support or integrated CRM. Even though we're a small company we operate with the efficiency of a much bigger company."

Letting mid-level mavericks meddle

A number of Siebel CRM On Demand customers, particularly those with geographically-distributed deployments, faced challenges when certain mid-level managers weren't on board or felt the solution didn't meet their needs. In its review of global CRM deployments, Nucleus has found acquiescing causes both short-term and long-term problems in lack of visibility, integration, and global performance — and Nucleus has seldom found the mid-level managers' case to be valid.

With your business case and your executive support, quickly identify any potential challengers you have — and define their marching orders:

- One customer that was rolling out Siebel On Demand to seven different divisions in different countries used this strategy with a maverick: *"We had to take him aside and say he has to have the mindset that it's going to work. Work your doubts out at a senior level but then lead your users to adopt."*
- Other companies planned their phased adoption based on manager buy-in, planning the deployment schedule based on manager support — so the most motivating managers got the results first.
- One company deploying Siebel CRM On Demand across 24 countries found that reviewing the data model and process blueprint with individual country project managers gave them a good view of where to invest the most effort: when project managers were ambivalent their teams were less likely to adopt effectively; those that reviewed and provided input and suggested changes were more involved and the adoption process went much more smoothly.

Assuming everyone needs equal training

Customers found that learning to use the functionality of Siebel CRM On Demand was similar to learning to use any other on-demand application. However, for organizations that were making significant changes in business processes as part of their deployment, more training was needed to ensure effective adoption.

The most successful deployments provided initial general training and then followed up, tiering training for different users and offering different training options such as in-class seminars, Webinars, and troubleshooting conference calls. This was particularly true as companies continued to improve best practices and drove users to use deeper application functionality.

Training tip: if you are making process changes that users will need to learn, budget for at least half a day of one-time training, and negotiate for ongoing training. Average total training time for Siebel CRM On Demand is two days, but they need not be contiguous.

As one customer noted, *"Training is ongoing, because there are so many things you can do with it. At one point, we had a lot of information on an FTP site that they had to go to; then we integrated that into Siebel — so we had to explain to them how to use it. Each time we take another step deeper, we can eliminate a step for them."*

Separating sales from service

Although many Siebel CRM On Demand customers started with the sales component, those who have achieved the most value have closely linked sales, service, and even marketing to improve the quality and breadth of data.

Remember: what sales may touch once, service touches many times. Sales knowing what service is doing will maximize value of interaction with customers.

Particularly in organizations where growth comes from identifying new opportunities with existing customers, leveraging service data can be a powerful lead generation tool.

Failing to take advantage of new capabilities

Nucleus has found the most successful Siebel CRM On Demand customers continue to refine their processes to help improve their customer and employee satisfaction. As customer expectations continue to evolve, the more proactive you can be in meeting their expectations the more effective your customer retention, growth opportunities, and competitive advantage will be.

For example, one Siebel CRM On Demand customer has been growing by acquisition, bringing on three new companies (and sales teams) in the past 18 months. While the company's strategy has been to rapidly integrate acquired data and bring new sales people onto Siebel with minimal disruption, now their focus is on leveraging greater value out of its acquisitions: *"A lot of our focus has been on consolidating databases; now we can build on the capabilities of the system, integrating other pieces like presales and project management so we can exploit more things, learn more about our clients, and build competitive advantage. We know our competitors aren't using things like this to the extent we will."*

One sales manager at a manufacturing company said, *"We do ongoing training as we add things – there are so many things you can do with it. Each time we take another step deeper, we can eliminate a step for our users."*

However, it is important to remember that reaping greater value from Siebel CRM On Demand does take a business case and both leadership to drive projects and administrative staff to execute changes in the application. As one customer said, *"To really leverage it properly, we need to groom someone as an administrator who can drive custom reports, integration, new fields, everything else."*

Tip: devote at least half of an employee's time to managing ongoing support and changes to the application, and ensure they're talking to both their peers and Oracle for insights.

LOOKING AHEAD

Oracle continues to invest heavily in developing the depth of functionality in Siebel CRM On Demand as well as external technologies that will support the overall Siebel CRM On Demand value proposition. Nucleus expects in the future innovation from Siebel CRM On Demand will focus in a number of areas that customers can potentially leverage for greater value:

- **Integration.** As Oracle's Fusion Middleware strategy becomes clearer and more integration functionality is available to Siebel CRM On Demand customers, integration will be less costly and time consuming and more repeatable.
- **Verticalization.** Siebel CRM On Demand will continue to invest in industry-specific functionality for key industries including financial services, high tech, automotive, and life sciences to drive more rapid deployment and more sophisticated best practices and analytics.
- **Usability.** As with all on-demand CRM vendors, Siebel CRM On Demand will continue to invest in integrating Web 2.0 technology and better usability into its user interface.
- **Leverage of the Oracle grid.** With customers being deployed on the Oracle grid and taking advantage of the economies of scale in Oracle's data center, Siebel CRM On Demand should be able to deliver greater performance and potentially lower cost as well.

CONCLUSION

Continuing to build on its experience with customers, Siebel has taken advantage of additional investment from Oracle to build not an on-demand CRM platform with additional widgets or features, but a CRM environment that can be leveraged as a framework for better competitive advantage. Nucleus found the most successful Oracle Siebel CRM On Demand customers continue to evolve their use of the solution and take advantage of embedded best practices, integration, analytics, and other developments in Siebel CRM On Demand to leverage greater long-term value from their CRM efforts.

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