

# **Customer Relationship Management Solutions Guide**

Reviews by  
Jay Chang, Structured Chaos

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## Introduction

The CRM technology market is growing at 50% per year and evolving at Web speed into a multi-billion dollar melange of software and service tools. CRM solutions can improve processes throughout the relationship lifecycle from marketing to sales to customer service and support, and across all channels, from direct sales to indirect channels to the Internet.

Not surprisingly, it's getting ever more challenging to separate fact from hype, important trends from short-lived buzzwords, and the technology contenders from the pretenders.

CRMGuru.com does not endorse any CRM vendor, but we felt it was important to provide some guidance to our growing membership. This document is our first attempt to provide reviews of some leading CRM solution providers with analysis provided by one of our gurus, Jay Chang of Structured Chaos.

The twelve vendors reviewed here are just the beginning. If you feel this is valuable and would like to see this document expanded to include more vendors in the future, let us hear from you.

Sincerely,  
Bob Thompson  
CRMGuru.com  
bob@crm guru.com

## Overview

When looking at what the marketplace calls Customer Relationship Management, it becomes quickly obvious that there are a **lot** of solutions out there. In fact, the universe of solutions expands and contracts each day, as new entrants announce their wares and existing players reposition themselves through mergers, alliances, and product announcements. So in this incredibly confusing marketplace, how does one go about deciding what packages to evaluate?

Typically, CRM has been associated with so-called front-office functions, namely marketing, sales, and customer service. With the rise of the Internet, a new dimension has been added to this mix, namely large-scale data mining and analytics. This latest addition is due to the incredible volume and richness of the data being collected through even average web sites. While analytics and metrics have been a part of the front office function for many years, it is only recently that data collection techniques have advanced to the point where analytics can be considered a cornerstone of the CRM process.

## Categories

CRM products that offer marketing automation and management can be seen as providing two major functions – campaign management and demographics analysis. Campaign management revolves around marketing budget management, ad management and placement, targeting campaigns, response management, and the like. While these activities have traditionally involved a degree of statistical analysis, the amount of data being collected as part of web site traffic monitoring has created a new level of marketing capabilities. This has led to much richer demographic analysis capabilities, meaning that segmenting and targeting capabilities are much greater.

Sales force automation has been one of the longest-lived “CRM” efforts, having been popular before CRM became a buzzword. In fact, it is in this area that many of the major CRM vendors got their start. SFA efforts have been troubled due to the difficulties associated with automating a largely relationship-based process. Most SFA applications focus on lead distribution and tracking, pipeline management, contacts centralization and management, and group collaboration. Again, the Internet has changed the way traditional sales processes work. There are any number of sites that are attempting to remove the salesperson from the sales process, by providing RFP/RFI type capabilities through an automated interface. The relative success or failure of these sites will depend on the buyer’s willingness to make large scale purchases without the handshake and the physical contact that has always been an integral part of the sales process since commerce was first created.

The area of customer service is the one that has undergone the most radical changes due to the Internet. Typical customer service automation consisted of setting up a call center with access to a customer database. The concept of presenting a consolidated picture of the customer was considered almost radical. Today, the Internet has accelerated expectations and elevated technologies. Web sites, able to start from scratch in building their infrastructures, could present customers with a total picture of their activity at a site. In addition, the web brought about new contact mechanisms in the form of e-mail and interactive chat. Now, the standard is a totally integrated contact center, where trained agents answer e-mails, phone calls, and chat requests using a fully integrated customer database connected to the supply chain, financials, and ERP subsystems. It is in this arena that many innovative companies are making their mark.

The newest area of customer service revolves around data collection and analysis. Again, the web has been the primary driver for this new area, and it really represents an extension of existing product lines, rather than the creation of a totally new one. When one examines both the volume and specificity of the data being generated by the average web site, it is understandable as to why this subcategory has become popular. A small web site will generate simple log files in the megabytes per day range. Sites like Amazon and Yahoo! generate gigabytes per day. All this data must be collected, sorted, organized, and analyzed for trends, demographics, cross-selling opportunities, etc. This requires much more specialized tools than in the past.

The Internet has served to both accelerate the technology and bring these various specialties of customer management together into a single concept now called CRM. The data generated by the customer is fed into marketing, sales, and customer service applications to better sell, serve and retain. The relative success or failure of these efforts can now be measured and modified in real time, further elevating customer expectations. CRM has become a requirement, not a competitive advantage.

## **Selection**

So what options are available when looking for the “perfect” CRM package? Which vendors should be put on the short list? And what are the future trends of the marketplace?

Currently, no CRM package offers all of the major functions associated with the various categories described previously. Some come closer than others, but even the most functional packages will still require extensive customization and/or integration to provide a complete CRM feature set. Furthermore, the ability of a company to implement various CRM solutions will depend on the size of the company in question. The larger the company, the greater its ability to find feature-rich software. This is counterbalanced by the fact that larger companies will typically have a much greater integration and implementation effort.

Most CRM packages are targeted at three types of companies – enterprise, or those with more than 500 employees; mid-market, with between 100 and 500 employees; and small business, with less than 100 employees. These size guidelines are becoming more and more arbitrary because more and more CRM vendors are offering their products in a hosted setting.

The major players have been targeting the enterprise and are slowly moving into the mid-market arena due to that market’s greater growth potential. These include companies such as Siebel, Vantive, Clarify, Oracle, and Peoplesoft. Other companies, such as Servicesoft, Onyx, Pivotal, Remedy, and Applix, are typically associated with the mid-market and are attempting to capture some of the enterprise market. Finally, companies such as Goldmine, Multiactive, and SalesLogix are targeting small businesses by offering integrated packages that do not have the same depth of functionality as the larger packages, but provide almost one-stop shopping.

The following section is not intended to be an exhaustive review of the entire universe of CRM vendors. Rather, this list is intended to provide a brief overview of the players who (for better or worse) have managed to garner mind-share in the press and traction in the marketplace. There are undoubtedly companies that will object to their classification and description, just as there are companies that will object to not being included in this list. It is intended to be a starting point and overview of a very rich and turbulent environment. The vendors included target mid-market companies up through the enterprise.

## Reviews

- Applix –** (Analysis & Customer Support) Applix first made their name in the area of analytics. Their TM1 OLAP engine is still considered a top tool for data manipulation and mining. Thus, they are approaching CRM from the analytics arena. Applix's *iEnterprise* product suite is intended to allow the management and analysis of customer data, as well as provide tools that extend this information throughout the enterprise.
- Broadvision -** (Personalization/Marketing) BroadVision systemized the concept of One-To-One marketing, first made popular in the works of Peppers & Rogers. The idea is that with sufficient data and technology, each customer can be made to feel that a web site has been created just for them. By engendering closeness via customized interaction with a customer, companies could create relationships between themselves and the customer, making them more inclined to remain a customer. BroadVision took that basic idea and created an entire ecosystem around it. Starting from their core personalization technology, they have created an e-commerce product line that allows a company to basically implement all the components necessary to create, manage, transact, and analyze an e-commerce web site. Broadvision offers integrated content management, presentation, personalization, and analysis/feedback mechanisms throughout their product line. Their core product, One-To-One Enterprise, has been modified and adapted to serve a number of different target markets, including billing, B2B marketplaces, B2C marketplaces, and financial services. BroadVision is a highly complex, large product suite that can help companies get a web presence operational with relatively little integration. However, it is highly expensive – average sites start at around \$1M, plus hardware, customization and implementation costs. In addition, many developers have complained that it is difficult to customize and manage. Its core functions are based on C++ and utilize a CORBA-based architecture. While they are in the midst of transitioning to a Java-based product line, this transition will take them some time.
- Cisco -** (Customer Support) Cisco is interesting because they consider themselves the arms dealers for the Internet. They don't want to make a proprietary product to sell as a CRM; they want to sell core functionality that enhances and extends a web site's capabilities. Thus, unlike Nortel, Cisco would probably not purchase a CRM. Their preference is to purchase technologies that will allow them to expand their market and sell across a number of different platforms. Their purchase of Webline and Geotel have given them an excellent base on which to develop the concept of Interaction Management. Interaction management is (at its simplest) call management for the web. Whereas call centers have ACDs and PBXs to prioritize, route, monitor, and manage incoming telephone calls, interaction centers have digital equivalents to perform similar functions. Cisco firmly believes that TCP/IP will be the protocol for all future traffic. To enable that belief, they have released the Internet Contact Manager, or ICM. The ICM is a series of modules that are intended to plug into an existing call center's architecture to provide e-mail, web chat, and co-browsing capabilities (in addition to phone calls) to customer service agents. All these additional types of interactions are managed through a centralized point of control, allowing for centralized administration. This technology is intended to support the front line of the CRM front, namely those of the service reps who are the point of contact for all customers. Their technology has been used to great effect at a number of sites (try Land's End's live shopping assistance for a sample). Cisco recently announced an alliance with Oracle where they will work together to integrate the ICM with Oracle's CRM product, making for an interesting offering. Their product line is expensive and suitable for primarily large call center shops, but very worthwhile taking a look at if the goal is to provide enhanced customer contact capabilities.
- Clarify -** (Sales/Marketing/Customer Service) Clarify is another of the large enterprise CRM vendors. Their purchase by Nortel has given them a parent company with deep pockets

to fund development of additional capabilities and functions. Clarify is often mentioned in the same tier as Siebel; one could argue that in the enterprise space, these are the only major players with a full range of product offerings. Clarify's eFrontOffice product suite is similar to Siebel's in functionality and is sold in a similar manner. They offer the generic suite of products, as well as customized versions intended for specific verticals (eleven at last count). The primary problem with solutions such as Clarify is the high costs associated with an implementation, even a straightforward one. These are not for the weak of budget! Like Siebel, Clarify's one area of weakness is around data analytics. Their tools provide insight into specific aspects of CRM, but an overarching analysis capability is not yet available in the product line.

**e.Gain -** (Customer Support) e.Gain specializes in online customer service and support. Their core product line focused on e-mail management, interactive web and voice collaboration, intelligent self-service, and online marketing. Their recent purchase of Inference has expanded their ability to provide targeted marketing and personalized service functions but has not dramatically increased the scope of their product line. e.Gain's product line has been architected for the web, and is fairly robust. Their e-mail component does not yet have an artificial intelligence module, but is otherwise capable of competing with the top tier e-mail management vendors. Both inbound and outbound e-mail management capabilities are available. e.Gain also offers a blended contact center management product that allows both voice and chat traffic to be routed and managed through a call center's existing phone system. e.Gain integrates the contact center with the rest of the enterprise via their Commerce Bridge and Knowledge Gateway products, which are interfaces between e.Gain and a number of industry standard applications.

**e.Piphany -** (Analysis/Customer Support) e.Piphany started in the area of data analytics, with a highly regarded and capable product line focused around web traffic data collection and mining. However, their recent purchase of privately held Octane Software has moved them immediately to the forefront of customer service CRM products. Octane gives them an n-tier architecture for managing customer interactions and capturing clickstream/behavioral data for their site visitors. Complemented by e.Piphany's robust data analysis capabilities, companies now have a powerful tool for monitoring, analyzing, and modifying sites based on actual customer data. Octane's focus was in the customer self-service and management arena, so the combined companies still have some work to do in the CRM areas of sales and marketing automation. However, e.Piphany's product line makes marketing campaign management a natural fit, and sales automation is not a core competency so they may not see fit to develop it. The new E5 release is the first release to combine the capabilities of both companies, and should be seriously considered in companies/situations where customer interaction and data analysis are paramount.

**Kana -** (Customer Support/Marketing/Sales) Kana began life as an e-mail management system and began expanding their product line to include the various other aspects of interaction management (namely voice and web). Their mail product was widely regarded as very capable, if proprietary and they are one of the few e-mail management companies to offer an artificial intelligence component for their e-mail product. However, they were much like e.Gain in that they focused only on a small segment of the overall CRM picture. All that changed, however, with their purchase of Silknet. By buying Silknet, Kana obtained an Internet-architected, XML-based, highly scalable n-tier architecture that utilizes open standards and protocols. By enhancing Silknet's core functionality with the Kana product line, they have managed to create a compelling offering in the area of customer self-service and interaction management, while providing a broad foundation on which to build additional capabilities. Their biggest missing component is a robust analytics engine that would help gather, aggregate, and mine the data being captured during the customer interaction process (ala e.Piphany). But otherwise, Kana should be on the short list when considering customer service-specific aspects of CRM.

- Onyx -** (Customer Support/Marketing/Sales) Onyx was one of the first companies to embrace the concept of portals around which to focus their various CRM components. They offer specific views to internal users, external customers, and external partners, with each set of views being optimized for each group. The portals act as information aggregators and toolboxes in an effort to maximize the efficiency of the target audience. All the portals use a common engine that serves to provide data, workflow, and integration capabilities. The engine basically pulls information from external sources, cleanses and aggregates them as needed, and makes the information available to the other components. One of the benefits of this architecture is its relative flexibility. Onyx offers components for handheld, WAP, browser, and Office specific views into its central repository. There is some dispute as to whether Onyx is considered "enterprise" class or not. This primarily revolves around Onyx's total dependence on Microsoft technologies. This may or may not be an issue, especially since the release of Windows2000, but it is something to keep in mind. This is typically why analyst groups rate Onyx at the mid-market level, not enterprise. It should also be noted that most of Onyx's customer support features focus around customer self-service, rather than interactive capabilities.
- Oracle -** (Customer Support/Sales/Marketing/Analytics) Oracle is attempting to be all things to all people. Their CRM efforts have intensified in the past year or so and they have managed to develop/acquire a fairly robust offering in a relatively short amount of time. Their toolset is fairly complete, with components for customer service and interaction management, sales automation and management, and targeted marketing campaigning. Added to that their business intelligence capabilities for data analysis, along with their world-class database engine, and it's easy to see why they have leaped to the top tier of CRM vendors. Their focus on the Internet has made their applications web-enabled and accessible through browser-based interfaces, making deployment costs less onerous. In addition, their recent partnership with Cisco enhances their interaction management capabilities by providing a direct interface to Cisco's Interaction Management product line. Again, cost becomes the major concern in any such implementation, but in the market for enterprise class CRM software, Oracle should definitely be on the short list.
- PeopleSoft -** (Customer Support/Sales/Analytics) Peoplesoft entered into the CRM space by purchasing Vantive over a year ago. Unfortunately, they then hit an incredibly rough financial period where they struggled just to stay above water. The sudden demise of the ERP market caused their integration efforts to fall behind by about a year. Peoplesoft 8 represents the first integrated version of their ERP capabilities with Vantive's CRM capabilities. Vantive focused on customer service and field support, and Peoplesoft 8 is no different. Peoplesoft has moved to a completely Internet-based architecture, and uses a web client as the front end. Also, P8 has a data warehouse component available as an add-on. Given that Peoplesoft basically lost a year in the integration efforts, the concern has been that the industry has moved on while Peoplesoft/Vantive has stayed in place. From the information available on the web site, it seems that this concern is not necessarily true, and that companies that already have Peoplesoft implementations should seriously consider upgrading to P8. Companies that do not yet have a Peoplesoft application in place may be better served by looking at Clarify/Siebel.
- Pivotal -** (Customer Support/Sales) Like Onyx, Pivotal is also completely based on Microsoft technology. This has relegated them to the mid-tier market in the eyes of the analysts; however, with the release of Windows 2000 and SQL\*Server 2000, Pivotal may be ready to join the enterprise players. Having been based on MS technology, Pivotal solutions tend to be less expensive than true enterprise CRMs, but this is hearsay only – evaluate carefully! Like Onyx, Pivotal uses a portal metaphor to link partners, customers, and employees into a common set of data. There are also some components that provide partnership relationship management capabilities, a branch of CRM that focuses on

channel and VAR management. Pivotal's capabilities are not as well rounded as Onyx, but the development trends are definitely there.

**Siebel –** (Customer Support/Sales/Marketing) Siebel has yet to meet a market segment it didn't like. At last count, they offered dozens of different products across at least six lines of business, focusing on everything from marketing to sales to customer service to product configuration and targeting mid-size companies all the way up through the enterprise. Arguably the best-known CRM vendor in the marketplace, they hold a commanding share of the market, both in terms of software and mind share. Yet even Siebel has (according to various analyst groups) less than 15% of the overall CRM market, giving an idea as to the enormous size of the space called CRM. Siebel's forte is in sales force automation and management, but they have branched out into almost all of the major areas of CRM, with the exception of data analytics. With so many different products, there is a high probability that any company will find something that they can use, even if it's a poor fit. Tom Siebel is notorious for being obsessed with customer service, tying a significant percentage of sales commissions to the satisfaction of the customer. Be warned, however, that Siebel is definitely top tier in pricing and integration costs. Siebel targets the following broad areas of CRM: call centers; field sales and service; marketing; channel management; dot-coms; and niche verticals such as finance, energy, and telecommunications. Siebel has evolved itself from a proprietary client-server architecture to one that more closely resembles n-tier Internet architectures, but they still have a ways to go before they will be considered truly open. Due to their size and position, they should be on the short list of just about any CRM effort, but keep in mind that biggest does not necessarily mean the best.

### ***About The Author***

Jay Chang is an independent consultant with over 10 years experience in various aspects of information technology. He has worked in both large consulting shops as well as in the private sector, in industries ranging from utilities to pharmaceuticals. Jay's primary focus involves the development of technical architectures, with a special interest in CRM and the Internet. As a CRM Guru, Jay helps answer questions about general software development practices, as well as providing some insight into the overall state of the CRM market and its many products. He is currently Director of Engineering for a dot-com startup that will revolutionize the manner in which business-to-business marketplaces bring buyers and sellers together. He can be reached at [jaychang@structuredchaos.com](mailto:jaychang@structuredchaos.com)