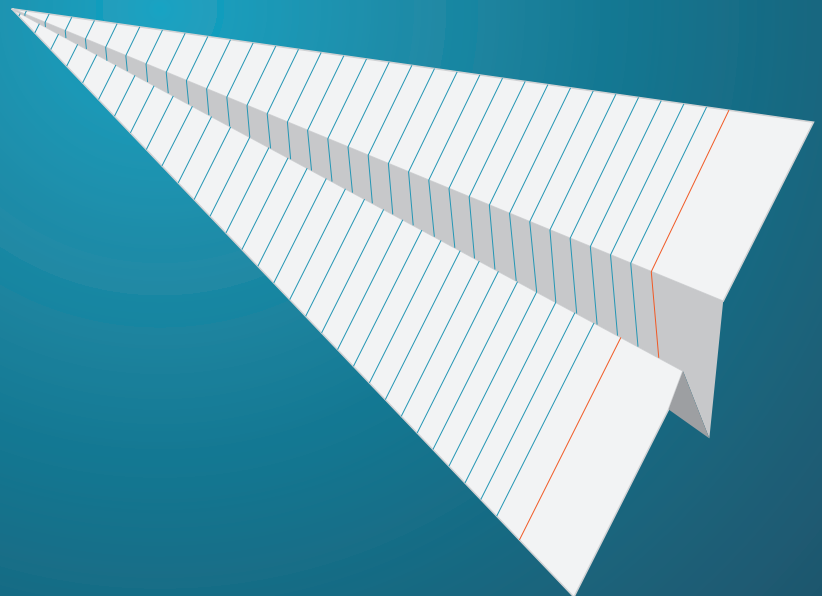




WHITE PAPER

CRM and the Extended Enterprise



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Today's Eco-systems require Complete Front Office Solutions

by the FactPoint group

Executive summary

A new generation of customer relationship management (CRM) software is emerging. It moves beyond bulky client-server applications, beyond proprietary CRM platforms, beyond "toy CRM" that doesn't scale to large numbers of users.

CRM's next generation, more accurately a Front Office Solution, aggregates massive amounts of customer data but also delivers a unified solution to all front-office activities. It ties together Web sites, content management, online catalogs, social networking and other channels of customer communication. It incorporates Enterprise 2.0 technologies for much richer, many-to-many interactions among companies, their customers and other communities of interest.

Next-generation CRM allows companies to run Web sites, including electronic catalogs, from their CRM application. It captures all customer data—Web statistics, CRM, Enterprise 2.0 and transactions—in a single database. It allows companies to deploy the application in radically flexible ways that suit companies' size, budget and IT capabilities. It delivers scalability and ease of use.

Concursive Corp. delivers such a complete Front Office Solution with its ConcourseSuite system 5.0 (formerly Centric CRM). It provides a platform to build new functionality, not just a complete CRM solution. It allows reuse of Java-based software components and integrates legacy systems with CRM. Beyond those features, ConcourseSuite provides a platform where companies can deliver the same capabilities to their various communities of interest, extending the benefits of the unified Front Office Solution to the Extended Enterprise.

A New Generation of CRM

"It's more than a CRM application. Every instance of the application features help desk, project management, leads management and communications management."

—Darnell Ghidotti, VP, Business Solutions, AlphaGraphics Inc.

In the beginning, there was Siebel. It popularized the category of customer relationship management (CRM) software and epitomized CRM's first generation. Pre-Siebel CRM systems ranged from index cards to homegrown spreadsheets to email programs. Siebel's enterprise application was the first to allow large companies to collect, track and manage data about their custom-

ers. Automating what had been largely paper-based processes, Siebel armed enterprises with massive databases of information about their customers.

Siebel CRM combined sales force automation (SFA), marketing automation, customer service and even call centers as components within a single application. Generation 1 of CRM software officially closed when Siebel was swallowed by Oracle. CRM became a mere module in Oracle's broad suite of enterprise applications.

The roots of CRM's Generation 2 were planted in Siebel's heyday. Salesforce.com made similar if more limited functionality available to smaller businesses with two democratizing innovations. First, Salesforce offered CRM as a hosted service, so even small businesses without IT departments could muster some of the CRM abilities that Gen 1 made available to large companies.

Second, Salesforce priced its offering not as a Gen 1 "pay big up front" enterprise license but instead charged monthly fees, spreading out payments into recurring, bite-sized expenses better suited for smaller companies.

Salesforce.com's success has forced giant competitors such as Microsoft, SAP and even Oracle/Siebel to respond with their own Software as a Service (SaaS) offerings and spawned a set of start-up copycats, SugarCRM among them. Despite its innovations in the business model of delivering CRM, however, Salesforce.com's offering remains a proprietary platform that supports a large number of partners and customers but leaves Salesforce firmly in charge.

CRM's next generation is now emerging with a focus on extending beyond the core, traditional CRM functionality. Rather than merely aggregating massive amounts of data about customers, the new Front Office Solution offers a platform to unify all customer-facing activities. It ties together Web sites, content management, social networking, and other channels of customer communication. It embraces the always-on, always-connected world by incorporating Web 2.0 technologies to enable much richer, many-to-many interactions among companies, their customers and other communities of interest.

Enter the Extended Enterprise

"We needed a platform, a broad suite of capabilities, not just CRM or project management or a Web site. We also needed a vendor flexible enough to help us build our company and apply our own technology to our clients in the same way."

—Chuck Richards, CEO, Chairman's View

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The new generation of customer relationship management (CRM) software is enabling a new kind of business entity—the Extended Enterprise. These enterprises hinge not only on strong relationships with customers, suppliers and investors but also on close collaboration with networks of resellers, distributors, franchisees and agents.

Next-generation CRM allows companies to deploy and manage their Web sites and e-commerce catalogs from their CRM application, capturing all customer data—Web statistics, CRM, Enterprise 2.0 data and transactions—in a single database. Extended Enterprises can deploy this massive scalable, radically flexible application, in ways that meet their particular size, budget and IT constraints.

The interconnected nature of Extended Enterprises results in software requirements that are more complex and a need to communicate seamlessly with their multiple audiences. ConcourseSuite, from Concursive Corporation, addresses the special requirements of Extended Enterprises, providing each affiliate with an independent, fully functional, on-demand system that delivers advanced CRM functionality as well as a host of additional features that support communication and collaboration.

ConcourseSuite also provides a platform to build new functionality, that extends well beyond the full-featured CRM solution. Extended Enterprises can integrate their legacy systems or repurpose Java-based software components from other applications to create and deliver customized Front Office Solutions throughout the organization.

AlphaGraphics reaches beyond franchisees to their customers

"We wanted to support our franchisees with a tool that they could sell to their clients as a service to improve their own clients' direct sales efforts."

—Darnell Ghidotti, VP of Business Solutions, AlphaGraphics Inc.

AlphaGraphics, a print and visual communications franchisor, has 260-plus independently owned and operated AlphaGraphics business centers located throughout the world. They focus primarily on helping small and medium-sized businesses plan, produce and manage their visual communications.

AlphaGraphics, Inc., based in Salt Lake City, is installing ConcourseSuite to manage its headquarters operations, including customer service and help desk support for its business centers in the U.S.

The story doesn't end there, however. To provide the same sophisticated sales and marketing tools to its network of locations, AlphaGraphics set up a complete multi-tenant system—what might be called "Private SaaS." In this Extended Enterprise deployment, each AlphaGraphics business center receives its own fully functional instance of ConcourseSuite, hosted by AlphaGraphics headquarters. Each center can authorize users, grant permis-

sions and enable portal access for its own clientele.

Indeed, each business center can operate a Web site with e-commerce capabilities from within its CRM system. Although every instance of the application is dedicated to a specific location, franchisees can communicate with each other and with AlphaGraphics headquarters, allowing collaboration across the franchise network.

Beyond that, AlphaGraphics franchisees will be able to offer ConcourseSuite to their business clients, adding a third tier to AlphaGraphics' Extended Enterprise.

"Our franchisee locations are focused on helping their clients with their direct marketing needs," said Darnell Ghidotti, VP of Business Solutions, for AlphaGraphics Inc.

Meanwhile, Pindar Fuse, an AlphaGraphics sister company, licensed ConcourseSuite as the technology platform for its start-up marketing and technology consulting business. Targeting SMB customers, Pindar Fuse will host and resell its own "Private SaaS" installation of ConcourseSuite.

"We knew from the beginning that we wanted not only to be a marketing services agency but also needed a technology platform," said Robert Stoerber, Pindar Fuse president. "Our customers wouldn't have a platform in place, so we needed to provide it."

Platform extends enterprises' reach

As another example of the Extended Enterprise paradigm, consider Brand Fuel Promotions. With offices in Norfolk, VA, and Raleigh, NC, Brand Fuel is a full-service promotional agency that markets items such as hats, t-shirts and higher-end gifts, all printed with a company's logo and marketing message. It operates its own Web site (www.brandfuel.com) but also powers the Web stores for a dozen e-commerce sites that sell branded merchandise for Red Hat, the University of North Carolina, SAS and other major organizations.

"Our own Web site was difficult, expensive and time-consuming to update," said Brand Fuel Co-Owner Robert Fiveash. Brand Fuel picked ConcourseSuite not only for CRM but also to run its own Web site and customers' branded storefronts. "It takes time, effort and expense to maintain that many different storefronts on different platforms."

Brand Fuel believes the ConcourseSuite platform is flexible enough for it to evolve its business model, perhaps by franchising its concept to like-minded companies in other regions.

Another Extended Enterprise making use of the ConcourseSuite platform is Chairman's View, a Vermont-based management consultancy that works with owners of privately held companies to help them derive more financial value from their businesses. Chairman's View licensed ConcourseSuite for its own operations and as a communications channel to its customers.

"All our clients have their own hosted instances of ConcourseSuite that we operate for them," says Chuck Richards, Chairman's View CEO. "We initially used it internally as a platform for CRM, project management, dashboards

and communications management. Now we can communicate with our clients on that same communications platform, which also allows us to deal with other external advisers."

Extended Enterprises need next-generation CRM as a platform

In these examples, Extended Enterprise deployments share several common characteristics. First, like AlphaGraphics, an Extended Enterprise typically deploys a hosted software system ("Private SaaS") to benefit its subsidiaries. Each affiliate gets a fully functioning, independent suite of CRM, content management and Enterprise 2.0 capabilities, not a watered-down application with crippled functionality.

Second, Extended Enterprises enable their clients to connect to additional parties—their clients' customers for AlphaGraphics and Brand Fuel, and outside advisors in the case of Chairman's View.

Third, each subsidiary can connect to and collaborate with any other subsidiary within the Extended Enterprise. Further, two distinct Extended Enterprises can connect to each other—as will the AlphaGraphics and Pindar Fuse systems—if the operators of the Extended Enterprises desire.

These deployments illustrate that Extended Enterprises don't want simply CRM functionality but a true platform to extend to their ecosystem of partners and clients. An additional key benefit of the ConcourseSuite platform is flexibility. Chairman's View, for example, has built a series of proprietary dashboards that let its customers—the CEOs of private companies—monitor key performance metrics easily. Going a step further, ConcourseSuite also enables Extended Enterprises and their partners to build entirely new applications by taking advantage of ConcourseSuite's support for standard Java Portlets. Based on an open standard, Portlets allow 3rd party Java developers to create sophisticated applications that integrate legacy data and execute business logic.

ConcourseSuite sets the standard next-generation CRM

Concursive has designed ConcourseSuite as the next-generation CRM solution—beginning with the capabilities of a full-featured CRM package, then building on those capabilities to create a true Front Office Solution platform. ConcourseSuite is flexible enough to match individual customer requirements yet scalable enough to meet the demands of a true Extended Enterprise with features such as:

- › **Integrated Web Sites, Product Catalogs and Contact Forms:** Today a compelling Web site often serves as the first step in the sales process, but it must integrate fully into the CRM solution, where customer data resides. ConcourseSuite lets companies create and manage public web sites

from their CRM application. With its built-in shopping cart and product catalog, ConcourseSuite allows companies to manage their entire front office operation from a single application. Customers submitting a "Contact Us" form are entered directly into the CRM system as a lead rather than triggering an email that might slip through the cracks.

"Tight integration with Web sites is a really important piece for any and all marketing communications in this day and age."

—Robert Stoerber, President, Pindar Fuse

- › **Reuse and Open Standards:** Any business-critical system should rely on open industry standards, not proprietary protocols that lock customers in. Customers want to reuse existing software components instead of being forced to throw them out because they won't work with a proprietary CRM vendor's platform.
By supporting the industry standard JSR 168 specification throughout, ConcourseSuite allows companies to create and reuse standards-based Java Portlets. Any existing Portlet can be deployed into ConcourseSuite, even if it was developed for another application. Likewise, Portlets created for ConcourseSuite can be reused in other JSR 168-compliant portal applications. In contrast, other CRM vendors push proprietary protocols that don't allow customers to move their own code to another platform.
- › **Integration with Legacy Systems:** The next-gen CRM system must work with legacy software that customers have deployed.
For Brand Fuel, its legacy accounting software had to work with Concourse Suite. ConcourseSuite can work with legacy software that customers have deployed—even other CRM systems.
- › **Web-based Technology:** For flexibility and ubiquitous access, next-generation CRM must be lightweight Web-based systems, not heavy client-server applications.
ConcourseSuite allows users to create custom dashboards and mash-ups by aggregating their existing Java Portlets or tapping widely available Web content such as Google Maps.
- › **Control of Proprietary Client Data:** Companies want to control their own client data if they so choose, instead of entrusting that data to their hosted CRM vendor.
ConcourseSuite lets users store customer data on their own premises, not the hosting vendor's servers. It works with virtually any database—PostgreSQL, MySQL, Microsoft SQL Server, Oracle, IBM DB2.
- › **Robust Security:** Apply rock-solid but flexible safeguards. Any system that includes sensitive customer data and Web e-commerce transaction forms requires top-notch security.
With Concourse Suite, security starts with building in Java, a proven enterprise foundation, not a scripting language. Atop that Java base, the elements of ConcourseSuite comprise a single application, strengthening security. No data is transferred from one application to another—it's

all integrated. ConcourseSuite's role-based security is flexible enough to adapt to different usage models.

"If you can manage social networking in the CRM application, it's easier for people to key in information. With a familiar look and feel, users are more likely to do it regularly as opposed to logging into existing CRM software, then going somewhere else for blogging. With Concursive, it's integrated into CRM."

– Dawson Roark, VP, Sales Technology, Brand Fuel

- › **Social Networking Tools:** Today's wired customers want to interact with their favorite companies in a variety of ways. Blogs, wikis, end-user reviews, tagging and other Enterprise 2.0 tools must be part of the CRM system. Rather than just giving vendors a "360-degree view" of their customers, next-generation CRM must also give those customers a 360-degree view of their vendor.

Enterprise 2.0 technologies (blogs, wikis, forums) in ConcourseSuite make CRM a tool for engaging customers, soliciting their input and allowing customers to tap vendor information anywhere, anytime and by any means. Companies want Enterprise 2.0 capabilities but not delivered as new applications. ConcourseSuite folds them into its CRM platform.

"There's no good two-way communication between end users and Brand Fuel. We need these big whiz-bang things to help customers communicate within themselves and with us. It can cement a relationship when otherwise customers see you as simply a distributor or middleman."

–Robert Fiveash, Co-Owner, Brand Fuel

- › **Collaboration and Project Management:** Next-generation CRM systems must allow users to collaborate in flexible workspaces, easily find and retrieve all corporate content to which they have access, and select which content to publish on a website.

With ConcourseSuite project management tools, companies can coordinate internal projects or projects with outside parties.

"Our system had to be robust enough to support very large companies. Even though we are targeting small and mid-sized businesses with 10 to 200 employees, they will grow. We didn't want inherent limits in the platform."

–Robert Stoeber, President, Pindar Fuse

- › **Scalability and Ease of Use:** Next-generation CRM systems must scale to support any number of users required by an Extended Enterprise while maintaining high performance and delivering a great user experience. ConcourseSuite is architected for massive scalability to avoid per-

formance issues. For an e-commerce storefront, downtime means lost sales, not just inconvenience. For an Extended Enterprise, scalability to hundreds or thousands of partners, each with large numbers of users, is paramount. On usability, ConcourseSuite's intuitive, simple, elegant interface delivers immediate value to new or unskilled users.

- › **Open source:** Open-source development methods and open-standard business models have transformed the software industry, particularly for operating systems, web servers and databases. The open source approach is now poised to transform CRM and Front Office Solutions as well. Customers insist on it.

The open-source license of ConcourseSuite makes the application's source code available to end users to modify and use within their enterprise.

- › **Flexible Deployment:** Next-generation CRM software should allow companies to deploy and access their systems however they see fit.

Customers can deploy ConcourseSuite on their own servers, using a hosted or managed appliance, having Concursive host it, by running the software in their own data center but managed by Concursive or as "Private SaaS," where the Extended Enterprises hosts ConcourseSuite for its partners. It also lets customers change their minds: Chairman's View started with the hosted offering and then migrated to running ConcourseSuite on its own servers.

Conclusion

As business models evolve, a new class of business organization, Extended Enterprises, is emerging. With their success so closely linked to networks of partners, they have more complex requirements than traditional organizations. With ConcourseSuite, Extended Enterprises can control all their customer-facing activities and help their partners do the same. ConcourseSuite represents a robust platform capable of meeting the unique demands of the Extended Enterprise and the changing face of business in an online world. Its flexible and scalable architecture give Extended Enterprises true choices and room to grow, while its robust security and ease of use make ConcourseSuite the face of Next Generation CRM and the clear choice for businesses of all sizes. 

About The FactPoint Group

The FactPoint Group (www.factpoint.com) is a Silicon Valley-based market research, publishing and consulting firm specializing in the early adoption of new technologies. The FactPoint Group has been producing world-class research, analysis, and consulting since 1993 and continues to help its clients sell and use new technology solutions. FactPoint's current practice spans Software as a Service, open source, Internet security, data center automation and virtualization.



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About Concursive Corporation

Concursive Corporation is the developer of ConcourseSuite, the first front office application suite to integrate CRM, content management and Enterprise 2.0 capabilities. A Java-based application with a standards-based plug-in architecture, ConcourseSuite 5.0 allows third-party developers to integrate applications and share data with key company applications including HR, financial, inventory/delivery, and logistics systems. It's used today by Fortune 500 companies in large configurations and by thousands of smaller enterprises. ConcourseSuite includes all common CRM modules and adds significant capabilities such as collaborative Project Management, Website Authoring, Content & Document Management, Customer Surveys, and sophisticated Help Desk functions.

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