Strategies to Optimize your Sales Methodologies

from the editors of CRM magazine

FEATURE

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Getting IT Together
Integration is a four-letter word in the world of CRM, but it doesn't have to be. What follows are the real issues behind integrating CRM solutions with an enterprise's existing systems, and how to simplify what could otherwise grind CRM initiatives to a halt.

by Martin Schneider
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With phrases like real-time enterprise, 360-degree view of the customer, and single instance of truth floating around the business world, there seems to be a lot more talk than actual substance to many of the claims that companies can access ERP, CRM, and other systems instantly from one interface. But integration can enable this to happen, says George Schussel, founder of DCI. "Integration is the backbone of where things are going, moving towards the real-time enterprise," he says. "How a company accomplishes this can take a number of directions," including looking at integration from the application layer, a business processes layer, or at the data layer.

Whatever the path to integration a company takes, it must first understand how open standards are affecting integration efforts, consider the dos and don'ts of integration, and learn from how other companies are successfully integrating CRM with back-end systems, and data sources with CRM.

Open Standards Are Shaping Integration
Integrating disparate application architectures and a multitude of data silos is what keeps IT folks muttering under their collective breath. The current solution to their woes is open standards like XML, Web services, and SOAP. The catch is that not all vendors support open standards. "There's a tendency for enterprise application vendors to attempt to drive out competition by using proprietary technology that in reality does not support true integration," says Robb Eklund, vice president of CRM marketing at Oracle Corp. "It is important for a CRM vendor to adopt the most open standards available in order to integrate not only on the data layer, but with other legacy applications in the enterprise."

It's also important that CRM vendors simplify the integration of their products if they want to grow sales in an era of open standards. "Companies are tired of proprietary-based platforms," says Bharath Kadaba, vice president of the Universal Application Network (UAN) division of Siebel Systems. "CRM will only become more accepted and used if it truly ties in with other systems."

StorageTek, a digital storage company, chose Siebel Sales in 2000 as its SFA solution. Later the company sought to integrate Siebel Sales and its SAP R/3 ERP platform, says Jim Hooton, director of sales systems at StorageTek. To accomplish this the company implemented Siebel's UAN, and now has improved data integrity through real-time synchronization between the two platforms. Hooten says that custom synchronization between Siebel and SAP would have cost twice as much and taken twice as long as using UAN to integrate the systems.

Fortunately for user companies, CRM vendors have begun to adopt open standards to promote a better integration atmosphere. For example, Darc Dencker-Rasmussen, vice president of SAP AG's global CRM initiative, says his company made its integration platforms more open after taking a closer look at enterprises today: "Companies may wish to have a single vendor solution for their e-business needs, but in reality, with all the changes, mergers, and acquisitions a company goes through the IT environment is very heterogeneous."

For small and midsize companies open standards are even more important as IT budgets cannot accommodate a lengthy, involved integration initiative, says Tim Fargo, general manager of Best Software's SalesLogix division. "It's critical to have an integration tool that's flexible. You want to make sure you don't need to have 100 programmers on staff to maintain your integrated solution."

The Dos
Now that many vendors are building their integration platforms on open standards technology, all a company has to do is sit back and relish having that 360-degree view of the customer as promised, right? Not necessarily. In the future it is expected that all solutions will support open architecture to facilitate simple integration with other systems. In the meantime there are ways to integrate proprietary systems.

One way is to choose the same vendor for both ERP and CRM. An example of this strategy is Hutton Communications, which was already using J.D. Edwards' ERP software and wanted to add a CRM solution that would need the least amount

of effort to implement and integrate into back-end systems, according to Brian Capone, director of marketing at the wireless equipment provider. "It was really all about integration, creating a closed loop with our ERP solution," Capone says of the decision to go with J.D. Edwards for both ERP and CRM. "And choosing just one vendor kept our IT staff lean."

According to Capone, having one J.D. Edwards database eliminates duplicate entries, and there have been no problems having a bidirectional data flow between ERP and CRM; all data is instantly available and up-to-date, since it all starts from a single database. In addition, Capone says, user adoption was high, since the J.D. Edwards CRM interface was so similar to its ERP solution.

Whatever system a company chooses, before integration can work, IT managers need to decide what parts of the organization should be integrated first, Schussel says. "You can't integrate everything at once," he says. "You need to understand your business processes, find out what it takes to stay competitive, and integrate the data and systems that will help you do that first."

Not surprisingly, since quality data is often the cornerstone of a successful CRM initiative, data integration is the starting point for many organizations. Brad Wilson, vice president of PeopleSoft's CRM division, suggests following what he calls the 20/80 rule when beginning an integration initiative. "Often 20 percent of a company's data will provide 80 percent of its needs," he says. "The trick is to analyze your business processes and see what 20 percent you need to reach your goals, and then integrate the other 80 percent of your data in a series of steps."

One company that was able to consolidate its systems to see real ROI from its integration efforts was publishing firm Canada Post. According to Aaron Nichols, general manager of business transformation at Canada Post, the company consolidated 80 legacy systems into one database before integrating its existing enterprise applications with mySAP CRM. The result of this consolidation was a more seamless integration effort that accounted for an ROI of 26 percent, according to Nichols.

"Sometimes you can consolidate disparate applications and databases before beginning to do an actual integration initiative, which will make for a more scalable integrated architecture," says Bill Henry, vice president of marketing strategy for PeopleSoft Global Services. "You need to make sure you have a solid foundation for the future of the business."

Before beginning any integration efforts, Henry says, a company needs to seriously consider its resources and then decide how to move forward: "Some companies see that they can integrate and go real-time in one big step, pulling together billing, empowering the sales force, inventory information, customer self-service, etc., while others have the same goal, but lacking resources need to do this in three or four steps."

Companies should be wary of biting off more than they can chew when it comes to integration, Henry warns, since doing so will be wasted money if the proper infrastructure isn't in place to handle this newly integrated information flow. This is just one of the pitfalls organizations need to avoid, or they may end up as an integration "don't."

The Don'ts

Just as any CRM implementation can turn sour if the right prerequisites are not met, so can the simplest integration effort. According to Henry, it all starts with the data you plan to integrate. Integrating bad data is a mistake companies don't want to make. "If you don't have clean, quality data, you will see all types of problems in the future," he says. Unclean data can lead to data entry headaches due to duplicate entries and wasted dollars from trying to market to a database full of dead contact entries.

To avoid these problems, don't rush into data integration. Companies need to decide what they want to do with their data before integrating systems, says Bill Hobbib, executive director of industry and application marketing at Ascential Software. "You need to think about how you understand the data you are integrating so that it becomes intelligent, useful information once it is integrated into the CRM solution," he says.
"Otherwise you are never going to get the return on investment you expected."

Along with continuing data quality issues, Henry says companies must not view integration as a one-time project; integration efforts are an ongoing process. "Some think an integration project is over at the go-live stage, but that is really only the beginning," he says.

One company that has adopted an ongoing integration perspective is Trinity Industries, a diversified industrial manufacturing firm. Trinity's information and tech support director, Larry Harmeyer, says the company had one vision: to provide total customer information access in one place. "We wanted our sales force to have one interface and not have to deal with any other software systems in order to access customer information," Harmeyer says.

The company chose SalesLogix, and first integrated all the customer data it had mined from its legacy ACT! program for sales into back-end ERP systems like its AS400 accounting system. Then it brought all the back-office data into SalesLogix, which can pull data from a variety of sources, since all customers are given a unique ID number that in turn is added to every recorded interaction. This allows for real-time retrieval of relevant data in an organized manner, Harmeyer says. "Now sales representatives can click on an account and get the accounts receivables balance, any existing credits, customer history…all kinds of information they couldn't get from one location previously," he says.

But Harmeyer says Trinity then looked deeper into integration possibilities, and now has integrated customer service processes and the company's Web site into the SalesLogix database. Now changes to the database are instantly accessible

via the Web, and the customers can access real-time inventory and order history via the Web. "We'll just keep integrating whatever we can when new ideas pop up," he says, adding that integration is an ongoing priority at Trinity.

PeopleSoft's Wilson agrees that companies need to see integration as a journey and not a destination, but they should also be careful not to get overly enthusiastic in their implementations. "If you limit the number of applications and data sources you are trying to integrate, you will see a faster implementation and thus a higher success rate," he says. "Any delays will always increase the risk of project failure. It is best to go live fast, get people using the integrated systems quickly, then see where you can improve."

Oracle's Eklund makes one final warning: Don't fall into the proprietary pitfalls when integrating. Just as packaged applications caused the scattered data silos and disparate operating systems, using proprietary software to integrate will open another Pandora's box, he says. "Look for open industry standards like J2EE/Java, Web services, SOAP, LDAP, etc., that leverage broadly available skill sets, adoption, and understanding," Eklund says. "Proprietary approaches like .NET, WebSphere, and WebLogic are company-specific platforms that can limit integration flexibility over time.

"What companies need to do is peel back the layers of the integration onion and see if the solution is really an open standards--based solution, or in actuality another proprietary technology that extends a vendor's tech agenda."

Tools of the Trade

Though open standards like Web services, XML, and SOAP are driving the integration solutions, some vendors' own products have taken the spotlight in terms of integration. Here, a sample of the platforms on the market today.

Product Vendor
UAN Siebel Systems

Oracle 9i AS Oracle

SalesLogix SalesLogix
Dynalink

SAP Exchange SAP
Infrastructure

AppConnect PeopleSoft

eXtended Process J.D. Edwards
Integration (XPI)

ClarifyCRM Amdocs
Process Manager

Description

The Universal Application Network integrates Siebel's suite of products with hundreds of legacy applications and data mines, making for a customer view that ties into all levels of the enterprise, according to Siebel.

The 9i Application Server from Oracle links legacy applications to Oracle's CRM suite to enable "one instance of truth," or real-time access to integral customer data, according to Robb Eklund, vice president of CRM at Oracle.

The Dynalink aids in the seamless data flow from back-end systems into SalesLogix, and vice versa, says Tim Fargo, general manager of the SalesLogix division of Best Software.

The Exchange Infrastructure provides open integration technologies that support process-centric collaboration among SAP and non-SAP components, both within and beyond enterprise boundaries.

PeopleSoft AppConnect, an integrated suite of products that includes Enterprise Portal, Integration Broker, and Enterprise Warehouse, enables customers to leverage a common technology platform to unify user access, connect business processes and consolidate data across multivendor application environments.

XPI is the integration backbone for J.D. Edwards, and works to link disparate systems within an organization on the application level.

The tool provides a unified system for defining, executing, and monitoring customer-centric processes that span CRM and other company-wide systems to streamline operations, improve application flexibility and reduce costs of integration.

Don't Dive In
According to Robb Eklund, vice president of CRM at Oracle, there are three questions customers should ask their vendors before jumping into any CRM integration effort:

1) What technical standards do you employ?
Look for open industry standards like J2EE/Java, Web services, SOAP, and LDAP that leverage broadly available skill sets, adoption, and understanding. Proprietary approaches like .NET, WebSphere, and WebLogic are company-specific platforms that can limit integration flexibility over time.

2) Is your integration methodology a process of configuration or customization?
Integration investments should be reusable across application upgrade cycles. Applications that are engineered for integration through standards-based, configurable APIs are the most cost-effective strategy.

3) Are your applications designed with complete business processes in mind,
meaning that they "understand" which information to expect from other systems and which information they will need to provide to other systems?
Applications that are built with a horizontal business process as a design priority are more easily integrated.

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