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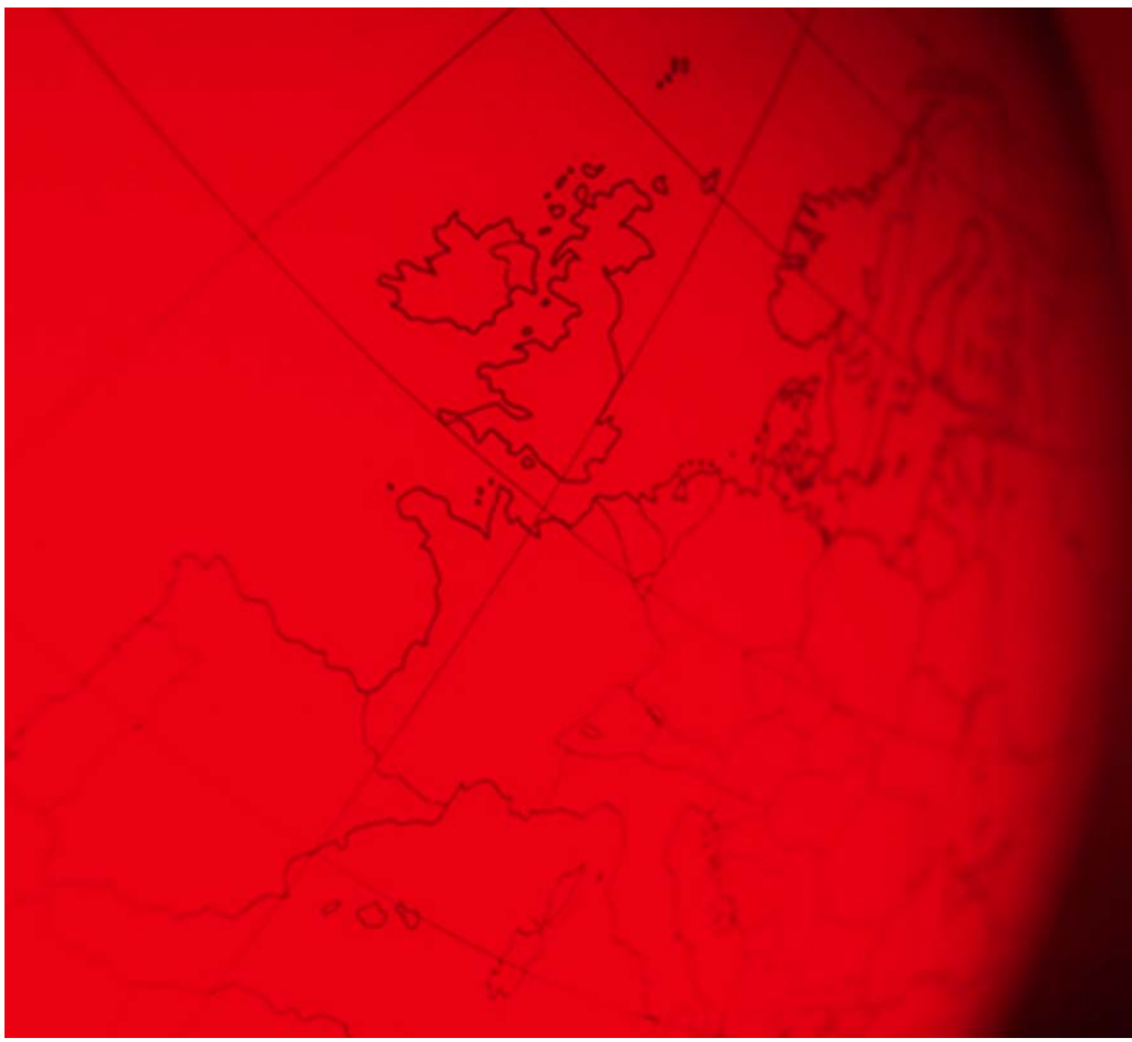
GUIDEBOOK
SAGE SALESLOGIX



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THE BOTTOM LINE

Sage SalesLogix CRM streamlines the sales process and integrates customer data into a single repository for sales, marketing, and customer service, enabling companies to better acquire, retain, and develop customer relationships. Best practices for achieving value from SalesLogix include leveraging integration and customization; moving beyond sales to support, service, and marketing; and thinking strategically about training.

THE SITUATION

Sage SalesLogix provides sales, marketing, and customer service and support automation for mid-market and enterprise customers. Key components of the application include:

- Sales force automation enables sales teams to streamline and automate sales functions to increase productivity and acquire more customers. Users can access detailed account and contact information, track opportunities from lead to close, forecast revenues, manage team calendars and activities, and have complete visibility into each prospect as they move through the sales cycle.
- Marketing automation and campaign management enables marketing managers to build, execute, and measure the success of marketing campaigns. Features including targeted customer segmentation, multichannel marketing, and real-time reporting enable marketing to target the most profitable customers and prospects and pinpoint opportunities to further develop relationships.
- Customer service and support provides ticket management, service contract management, and a knowledge base where customer service representatives can rapidly search information to provide answers to customers' questions. A Web customer portal also enables customer self service. The support module also provides escalation alerts via e-mail, phone, or pager, based on user-defined business rules, so users can rapidly resolve service and support issues via the channel they prefer, increasing customer satisfaction and retention.
- SalesLogix Visual Analyzer business analytics dashboard enables users to quickly analyze and measure key business metrics to make decisions. The dashboard includes 10 built-in components including key performance indicators (KPIs), maps, ranking, forecast, win/loss, opportunities, activities, marketing, and customer service, and has profile-based security so users can only see information they are authorized to view.

This guidebook is based on Nucleus Research's analysis of the experiences of a number of SalesLogix customers including Phonak AG in Switzerland; Bordner Installation Group in Kansas City, Missouri; Roland DG in the United Kingdom; Mortgage Lenders of America in Overland Park, Kansas; Argus Realty Group in Sarasota, Florida; Time Warner Retail Sales and Marketing in New York, New York; and Standford Marsh in the United Kingdom. It highlights the experiences of companies using SalesLogix and prescribes best practices, missteps to avoid, and tips for fine-tuning the application to maximize its impact across the customer life cycle.

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To ease user adoption, SalesLogix provides a number of different ways to access the application:

- Users can access the application on their desktop. SalesLogix can be used out of the box or customized to meet users' specific work practices and needs. Nucleus found most companies using SalesLogix did some customization, but that ease of use of the base application and ease of customization kept implementation time and cost fairly low.
- Using SalesLogix Mobile, users can view, edit, and update contact and account information directly from Pocket PC, BlackBerry, and smartphone devices.
- Using the SalesLogix Web client, users can access functionality using a Web browser.
- Using offline access, SalesLogix users can view, edit, and update information on their laptops in the field and then synchronize their laptop data with the office database via VPN or when they return to the office. Synchronization rules are based on account ownership and can be configured by the administrator to resolve conflicts based on a specific company's process.
- For users that are more comfortable with the Microsoft Outlook environment, seamless integration with Outlook enables users to send e-mails through Outlook that are automatically recorded in the SalesLogix database for complete tracking of communications with customers and prospects.

SalesLogix also provides integration capabilities, enabling companies to integrate SalesLogix with back-office accounting and other applications to provide users with invoice history, orders and quotes, payments and receipts, product information, pricing, and other information within the CRM application so they can quickly find what they need to serve a customer.

Nucleus found that integrating sales, marketing, customer service, and accounting for better cross-business visibility was a key ROI driver for many companies using SalesLogix.

To move from simply acquiring customers to retaining and developing customer relationships, collaboration and visibility across the organization is critical.

BEST PRACTICES

Nucleus found companies that were the most successful in their SalesLogix deployments followed a number of common best practices, both in terms of how they used the functionality of the application and how they tuned their business processes.

Evaluate best strategies for customization

Many companies selected SalesLogix because it would be easy to customize to fit their own business processes: the SalesLogix Application Architect is a Visual Basic-like development environment that administrators can use to build, edit, and manage plug-ins that customize standard functionality, add new functionality, and customize the appearance of screens in the application. Companies found they could do things such as create forms, build automated processes and workflows, customize menus and toolbars, customize mail merge templates for different types of documents, and create scripts.

Customizing the application over time as new opportunities are identified can help improve customer retention and build customer relationships. As one company said, "*Customization doesn't take long. It's a very flexible product and whenever we have a new idea of a process we would like to integrate we can easily add that functionality if it makes sense. For example, the back office accounts are touching customers all the time, so by making it visible to the appropriate people, we deliver better customer service because the sales and engineering teams better understand other problems customers may be having*."

Companies planning a SalesLogix deployment should consider how a relatively small investment in customization could help to automate and streamline sales, marketing, customer service, and other processes.

When considering potential customizations, companies should evaluate their impact on the business based on five key factors: The greater the breadth, repeatability, cost, knowledge, and collaboration components of a project, the greater the potential returns:

- Breadth – How many people will be helped or impacted by the application? The greater the number of people, the greater the potential ROI. For example, one company that automated a key step in the sales process — lead follow up — greatly increased lead conversion rates because the automation ensured every sales person would consistently contact all its leads, increasing the number of people contacted.
- Repeatability – How often will people use the application? The more often an application is used, the greater the ROI. For many companies using SalesLogix, providing field sales users with mobile access increases repeatability — they're using the application more often because they're not limited to using it when they're in the office — while improving customer acquisition and retention rates.

In evaluating potential customizations, the objective should be to maximize the benefit rather than minimize the cost.

- Cost – The more costly the task, the greater the benefit from automation or appropriate technology support. Many organizations moving from manual data entry and sharing spreadsheets found they could lower their cost of sales by using SalesLogix.
- Knowledge – The greater potential to re-use the information in the system, the greater the potential ROI. For example, one company achieved a positive ROI from using SalesLogix because it gave everyone a better view of customer interactions and experiences.
- Collaboration – Communication between employees is costly, so the greater the collaboration component, the greater the potential ROI.

Leverage integration and outside data sources

There are two key types of integration most companies will want to consider in planning their SalesLogix deployments: e-mail integration and integration with other applications and data sources.

E-mail integration is a standard feature of SalesLogix. When sending mail, users can access contacts from the SalesLogix database within Outlook, and choose to automatically associate it with an account or contact in SalesLogix. Integration with Outlook calendaring is also included, which enables users to schedule appointments within Outlook and automatically synchronize Outlook and SalesLogix calendars. Many companies found this to be extremely helpful in keeping one record of the customer and providing visibility over communications across the company:

- *"One of the biggest value of integration in Outlook is record keeping in SalesLogix. We can quickly track back when we've had an issue with a contract because all the communication is in SalesLogix. It saves a lot of time and finger pointing when we have a discrepancy — we can look in one place and get things resolved."*
- *"When you want to send an e-mail you just click on an address in SalesLogix and then an Outlook message window pops up. You compose your message, and when you send it, a copy goes to the SalesLogix record as well. This allows every user who has access to the account to see what the past history of each customers' communications with the sales teams has been."*

For application integration, the SalesLogix software development kit enables developers to use standard Active Directory Objects interface to retrieve and update SalesLogix information. Companies used SalesLogix's integration capabilities in a number of different ways. For example, one company that manages lead generation through a third-party organization was able to use SalesLogix to automatically filter the up to 200 daily leads it gets from the company and distribute them directly to the appropriate salesperson. This has eliminated the manual process once used at this company that often resulted in unmanaged leads that slipped through the cracks. Another company took time during the deployment to integrate its existing back end data warehouse to support its unique sales and distribution model — enabling it to identify each individual customers' buying cycles and provide field sales personnel with direct access through SalesLogix. Another company used SalesLogix to automate the delivery of materials lists to suppliers based on deals closed in the system, streamlining supplier communications and reducing opportunities for error.

Automate lead distribution and other tasks

Automating lead generation distribution and other tasks using SalesLogix can enable companies to accelerate the customer acquisition process, increase sales and marketing productivity, and build stronger relationships with customers because customer-facing employees can focus on building relationships instead of tactical activities:

- One company using SalesLogix developed an automated process to distribute leads to sales people. The system tracks sales activity based on the company's set milestones and, for example, if there has been no communication from the sales person to the prospect in 5 days an automatic message is sent to the prospect — and an alert is sent to the sales person.
- Another company used SalesLogix to automate its project bidding process, significantly reducing the time it needed for a salesperson to generate a bid for a project and increasing the number of bids completed by 20 percent.

The immediate benefit from automating lead management is increasing conversion rates to acquire more new customers.

Go beyond sales to retention and relationship building

Although most companies buy SalesLogix primarily for sales, non-sales departments can also get benefits from the system. Integrating SalesLogix with non-CRM applications can allow end users to have a more complete view of how their organization interacts with customers. This helps improve customer retention and drives greater revenues beyond the initial sale:

- "*Interaction with different departments has significantly improved. Because customer interactions are recorded across the organization, anyone interacting with the customer has the knowledge and information about that customer that each person can use to strengthen customer relationships and drive greater revenues*."
- "*Although SalesLogix was meant to be a sales tool, it has really helped us differentiate ourselves in the market as a customer-focused company. We have seen a clear increase in the amount of deals that close given our sales teams' understanding of the customer and the ability to find customer information*."
- "*Today everyone is touching the same screen and has the same way of doing things*."
- "*A key part of our customer retention strategy is looking at support calls to proactively identify customer problems that may be solved by training sales people. For any damage or questions we report back on a monthly basis as to which product and which salesperson were involved. With SalesLogix we can capture and categorize problems and proactively solve them*."
- "*The field service force uses handhelds. They can do repairs but at the same time they can record anything they see including potential sales opportunities. This is really important, because many companies are hesitant about letting in sales guys but an engineer can get through and then report back on additional sales opportunities*."

Rely on partner expertise

Companies were most successful with SalesLogix when they chose a Sage SalesLogix business partner with experience and references in their line of business or region — and then integrated the advice of that expert into the customization, deployment, and change management plan. Business partners can be a valuable resource in helping to assess and address user adoption and training issues, process changes, and other more technical aspects of the deployment such as server capacity.

MISSTEPS TO AVOID

Nucleus also identified some common missteps to avoid — both initially and in ongoing management of a CRM project. It is important to note that many of these missteps are common CRM challenges and not necessarily applicable only to SalesLogix.

Don't assume it's just for sales

Although most companies start with the sales component, those who maximize value use a common, centralized database to support greater visibility and productivity for marketing, support, service, back office, and other customer-facing employees. Beyond the initial deployment, Nucleus found companies used SalesLogix to:

- Automate processing of payments through a third-party order management system
- Gather and analyze product service data to provide input into product development and produce products that delivered greater customer satisfaction
- Automate communications with suppliers to increase visibility and provide customers with more rapid access to information
- Link products and contracts to accounts so employees can spend less time finding information and more time building relationships

All of these types of activities can help companies move beyond the initial sales cycle to build ongoing relationships. When they better understand how products, support, billing, service, and other areas impact customers, they can better understand the needs of customers, deliver on those needs, and increase customer satisfaction and retention.

Moving beyond sales force automation can help to increase customer retention and identify opportunities for revenue growth.

Don't just change your operations to fit the software

The biggest challenge to the success of a CRM project is user adoption. Well-managed CRM can help streamline time-consuming processes and increase productivity; however, if it is a significant departure from the way employees work today there may be significant barriers to adoption. Nucleus found that many companies selected SalesLogix because it struck the right balance between usable functionality out of the box and flexibility for customization.

Many companies selected SalesLogix because it could be customized to meet their goals and needs.

As one company said, "*The best strategy is not to change operations, but to find a software that can fit your operations*." However, if changes in operations are needed, companies found implementing software that supports those changes can help smooth change management efforts. Some companies, in fact, took advantage of the deployment to implement or reinforce more sophisticated sales and marketing methodologies, using the structure of the application to ensure consistency across different groups and users. In these cases, clear communication to users about how process changes would benefit them and training that focused on process and goals, not just functionality, eased user adoption.

Don't underestimate the value of training

Training is critical to adoption, and thus, ROI from CRM. The most successful SalesLogix deployments included training for users, either by in-house trainers or a SalesLogix partner. The most successful strategies included:

- A combination of demonstrations, presentations, and one-on-one training for end users. One company included a 2-day training session in groups of 10 or fewer people so users could try the application and ask questions, and then brought the groups back after a month of use to address any additional questions or challenges.
- A careful assessment of users' differing level of technical skill and training targeted to different comfort levels.
- Picking the right environment. One company, for example, discovered holding training sessions at the home office was inefficient. Users were distracted, responding to their e-mails and answering phones and not paying close enough attention to the instructor. As a result, the company needed to do a bit more direct hand holding to make sure its users "got it."

Don't roll out features without a test drive

Although SalesLogix has great capabilities for automated alerts, reminders, and other proactive features, phasing them in over time after careful user testing is the best strategy to ensure that they enhance — rather than impede — effective adoption.

For example, one company initially tested SalesLogix with some automated scheduling features for users. It found that sales people preferred to schedule some tasks themselves rather than be confined by more rigid business rules, so the company decided to turn off some automated scheduling to smooth user adoption.

Don't assume you know your data

Moving to a centralized CRM application often means migrating data from a number of sources such as spreadsheets, contact databases, and legacy applications. Making sure you know where your data is coming from, how it needs to be cleaned or prepared, and how its use may change will ensure a smoother rollout. For example, one company deploying SalesLogix had originally planned to migrate existing database information into the system, but a closer look determined that the database wasn't as "clean" as it expected. Three weeks of manual cleaning and rekeying data, the company said, "*gave us a clean slate to start from that we were confident in and that our sales people could be confident in, as well*."

Key to CRM success: confidence in the data.

FINE TUNING TIPS

Most companies using SalesLogix continue to make enhancements and adjustments after their initial deployment. This enables them to learn from their initial deployment, and to take advantage of more advanced capabilities and features — such as integration and mobile access — over time. Nucleus identified a number of fine tuning strategies companies used to increase their ability to attract and retain customers.

Use mobile features to acquire more customers and develop relationships

Providing sales people with mobile access enables them to be more responsive to customers and prospects, use out-of-office time more productively, and quickly access the information they need to answer customers' questions.

One SalesLogix customer, for example, found that remote access enabled salespeople to close more deals because they could not just accelerate quote delivery but deliver a quote in person during a sales meeting: "*Our sales people are using laptops and remote databases and connecting across a virtual private network. Mobility is a big aspect of our ability to acquire customers, because they can do their estimates on site. They think they sell more because they can hand someone a contract and answer their questions instead of taking their information and sending a quote three or four days later in the mail. We have sales people that have increased their sales more than 50 percent since we deployed SalesLogix — it's not all due to SalesLogix, but a lot of it is*."

Look for opportunities to extend CRM across the supply chain

Some companies have moved beyond simply entering and tracking customer orders in SalesLogix to automating delivery of equipment and other requests to their partners based on orders closed within the system. This can accelerate delivery to the customer (improving customer satisfaction) while increasing visibility into the supply chain. One company found, for example, that it not only reduced paperwork but also reduced the need for double-checking on orders and was able to negotiate better terms with suppliers.

Add and enhance reporting capabilities

Once data has been consistently entered into a CRM system such as SalesLogix, leveraging the data to provide both end users and managers with better insights into successful sales strategies, marketing campaign outcomes, and ongoing client relationships can help companies identify new opportunities to acquire customers, ways to retain and expand customer relationships, and opportunities to grow customer revenues through cross selling and up selling.

One company found, for example, that 300 of its 5000 clients drove 80 percent of its business. Being able to track and predict the buying cycles of those key clients and ensure that everyone has visibility into the sales cycle and purchasing patterns has helped it to build custom plans that integrate marketing and sales to maximize revenues from those clients.

Continue to evaluate and evolve

Many companies selected SalesLogix because of its flexibility to add fields, components, and workflows as needed, and the most successful have continued to expand the deployment to support automation in other areas beyond the initial deployment. Providing Web access to selected customers and suppliers, automating trouble tickets and other areas, linking accounts with invoices, and integrating additional data sources or analytical tools are all potential strategies to deliver more ROI from an existing SalesLogix investment.

CRM is an ongoing effort; the flexibility of SalesLogix enables companies to refine their CRM processes as their business objectives evolve.

One company, for example, went beyond sales to develop a ticketing system for its engineering team to track and manage service level agreements. Automating the process reduced the time needed to manually track service levels and has raised service level agreement compliance from 60 to 90 percent.

Nucleus also found many companies currently using SalesLogix are considering providing users with mobile access, to enable them to more quickly respond to customer requests and reduce customer acquisition time.

CONCLUSION

Key to maximizing CRM value over time is the ability to change it as needed as business needs change. The relatively low cost and rapid deployment time SalesLogix users experience enabled companies to rapidly take advantage of automation and integration to improve sales force productivity and customer acquisition; the flexibility and ease of customization and integration of the application enabled them to continue to extend and grow the application to support better ongoing relationships with customers.

As companies move from acquiring to retaining to developing customer relationships, they can leverage the tools in SalesLogix to address new business challenges and identify more opportunities to deliver value. Key benefits customers achieved included better visibility into customer activities and interactions, a more empowered sales force, better corporate level forecasting and campaigning, greater interdepartmental collaboration and interaction, increased individual productivity, and ultimately, increased profits.