



TECHNOLOGY VALUE MATRIX 2H2015 - CRM

ANALYSTS

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THE BOTTOM LINE

Customer relationship management (CRM) vendors continue to accelerate the pace of innovation and sharpen their focus on user productivity. With embedded analytics, vertical-specific capabilities, and integration-driven faster time to value, leaders in the Matrix are driving competitive upgrades and greater ROI for existing users.

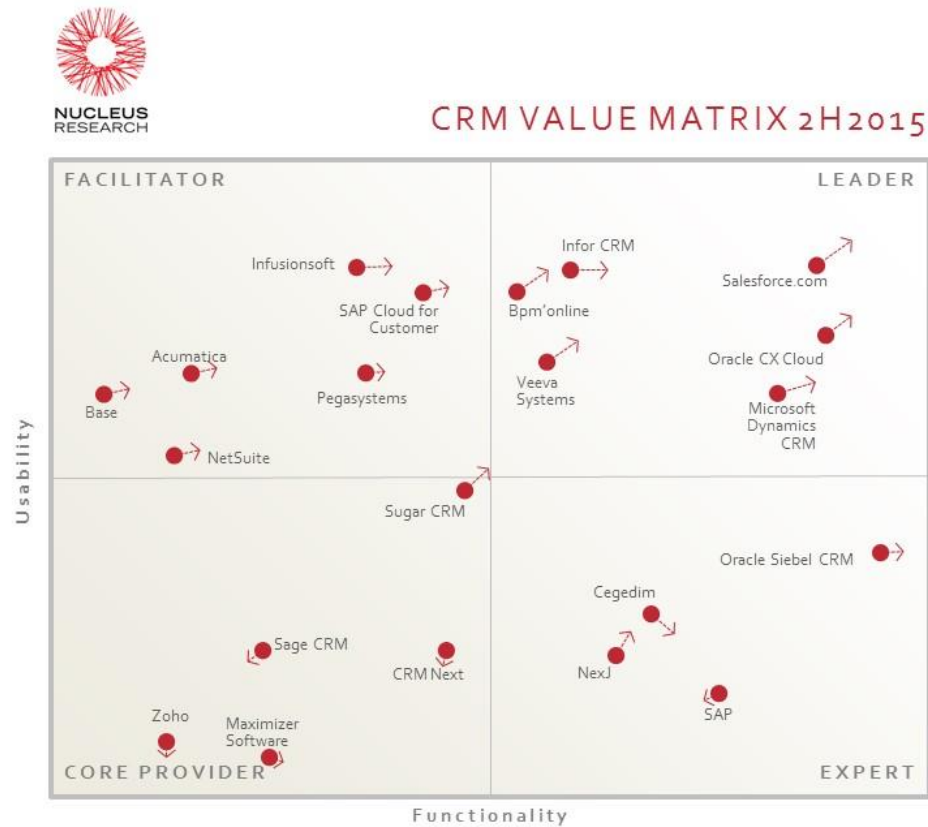
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Competition continues to heat up in the customer relationship management (CRM) marketplace, with both leading and challenging vendors seeking to build market share and take advantage of wavering customer satisfaction with aging CRM deployments. This Value Matrix includes vendors that provide capabilities across the three pillars of CRM – marketing, sales, and service – and reflects the investments vendors have made in the past six to 12 months that are impacting product capabilities today including:

- **Analytics.** From new product announcements to embedded predictive capabilities, bringing analytics into the CRM environment is a key functional step that enables users to be more effective and productive, and an area where leaders continue to invest in innovation.
- **Productivity.** Addressing the human factors in adopting and driving productivity-based benefits are critical to CRM success and the relative stickiness of CRM deployments. Vendor investments in mobile applications and platforms, new UI investments, and integration with other productivity tools such as e-mail and collaboration are driving ongoing advancements in usability in the Matrix.
- **Integration.** Although the overused “single view of the customer” is far from reality for many CRM deployments today, vendors continue to make necessary

investments in integration to drive faster time to value and reduce ongoing cost of supporting and maintaining disparate silos of customer data.

- Industry capabilities. All the leaders in this Matrix have some industry-specific capabilities in place today or are making investments to bring them to production in the near future. Nucleus has found prebuilt industry capabilities accelerate time to value while reducing the overall cost of maintenance for both on-premise and cloud deployments.



LEADERS

Leaders in the Value Matrix include Bpm'online, Infor, Microsoft Dynamics CRM, Oracle CX Cloud, Salesforce, and Veeva Systems.

BPM'ONLINE

Bpm'online moves from facilitator to a leader because of continued investments in both usability and functionality, largely delivered in the 7.6 release. With bpm'online 7.6, the vendor released several new integrated CRM features for online marketing, field sales, and service that include pre-built options and flexible customizability. Combined with bpm'online's business process automation foundation, the new features could potentially increase sales and marketing productivity by four to eight percent while reducing administrative overhead. (Nucleus Research *p116 – Bpm'online releases new capabilities with version 7.6*, July 2015).

Automated process capabilities are a focus of Bpm'online's releases and we expect that further investments in automation and in the integration of data sharing and collaboration will yield even more productivity for Bpm'online users. Continued investments in vertical industry capabilities will likely improve Bpm'online's functionality position in future editions of the Matrix.

INFOR

Infor maintains its position as a leader on the Value Matrix. The company's cloud deployment, on-premise, and hybrid solutions continue to give customers expanded flexibility and usability updates. Particularly worth noting is Infor's mobile access features.

In keeping with Infor's commitment to putting more mobile features in the hands of users, on August 5, 2015, the company released Infor Citizen Relationship Management for 311. The new government-focused release includes mobile connectivity features for users, automation features for workflow, customer tracking metrics, and customizable dashboards.

The breadth of Infor's vertical industry-specific offerings has also continued to expand since the last Matrix. We expect Infor will continue to invest in these vertical solutions and drive higher value for its industry-specific users.

MICROSOFT DYNAMICS CRM

Microsoft Dynamics CRM maintains a leader position in the Value Matrix by integrating new knowledge management capabilities and increasing its Office 365 integration. Additionally, Dynamics CRM continues to improve collaboration and productivity features through several partnerships.

As part of a partnership with Adobe, for example, Microsoft provides its customers with options for high-volume business to consumer (B2C) marketing to facilitate end to end processes and data sharing between marketing, sales, and service. With the introduction of Microsoft Social Engagement, Dynamics CRM enables users to monitor social activity and sentiment, as well as interact with customers either within Dynamics CRM or within the Social Engagement service. All of these enhancements and integrations serve as ways to close the gap between marketing,

sales, and service users as they share customer data and reduce errors by acting on customer information updates as soon as they are available.

As highlighted in the most recent Value Matrix, Dynamics CRM has been placing a key focus on productivity and continues to do so (Nucleus Research *p40 – Technology Value Matrix 1H2015 – CRM*, March 2015). Particularly, with improved visual display and interactive capabilities for the Power BI embedded in CRM, sales users can now aggregate graphs using drag and drop. Users also have immersive Office 365 experiences in CRM with embedded OneNote and Excel for enhanced collaboration and productivity. The latest Dynamics CRM release which also allows representatives to utilize social media to interact with customers while still in the Dynamics CRM application is a productivity advancement (Nucleus Research *p58 – Microsoft unveils expanding vision for Dynamics customers at Convergence*, April 2015).

Microsoft's fall releases signal its continuing trend as a leader in the Matrix with offline mobile CRM capabilities, Azure-based search relevance matching, and intelligent contextual assistance. Nucleus expects the features as part of this release will further strengthen its position in future versions of the Matrix.

ORACLE CX CLOUD

Oracle CX Cloud maintains its position as a leader in the Value Matrix with incremental enhancements across the suite. The company has also extended integrations between marketing, Web, and commerce solutions to allow marketers to access customer data from other departments as it becomes available.

Incremental enhancements include:

- Integrated industry solutions including data, process, UI, integration, analytics, and industry cloud operations support. Examples of industries include high tech, manufacturing, communications, consumer goods, and banking.
- Commerce Cloud including search and navigation, recommendations, promotions, reporting, payments, design templates, and search engine optimization (SEO). Additionally, Commerce Cloud includes catalog, content, as well as design and merchandising management in a unified experience management console.
- Continued substantial changes to CX Cloud solutions including CPQ, sales performance management, Service Cloud and Marketing Cloud.
- Platform as a Service including Data as a Service, Java, and the mobile application framework.

It should be noted that although some vendors in the Matrix have commerce offerings, their functionality ratings for this report are focused on the capabilities for the three pillars of CRM: sales, marketing, and service.

Oracle released enhancements for Oracle Sales Cloud in July 2015. The enhancements include updates for the Sales Cloud dashboard and Mobile App Designer. The release is key in terms of unifying the solution's features under one

user interface. Functionality updates since the last Value Matrix include Partner Relationship Management and industry-specific purpose-built functionality. These enhancements will likely accelerate time to value for both sales representatives and their partners (Nucleus Research *p135 – Oracle releases Sales Cloud enhancements*, July 2015).

Oracle released enhancements to Oracle Service Cloud in both May and August 2015. The May release added new features and capabilities in knowledge management, cross-channel contact center, policy automation, field service management and platform. In particular, Oracle Service Cloud Knowledge Advanced was introduced which added advanced authoring and intelligent search capabilities including HTML creation, answer templates, versioning, audit history, language management enhancements, federated and faceted search and advanced natural language processing. The August release includes Community Self-Service, a new approach to Web self service that brings community functionality directly into the core cross-channel Web experience, thereby leveraging customer knowledge to improve service operations. Oracle also introduced new workflow and automation capabilities between Oracle Social Cloud and Oracle Service Cloud. This improved connectivity includes extending social listening and analytics to enterprise private data sources such as the new Community Self-Service capability, survey data, chat and call logs.

Since the last Matrix, Oracle also released new capabilities within Oracle Marketing Cloud's Data Management Platform to enable marketers to maximize data from marketing automation and Web analytics platforms. In April, the Oracle Marketing Cloud announced the integration of Oracle Marketing Cloud's Cross-Channel Marketing platform with Oracle Commerce and Oracle WebCenter Sites to help marketers deliver more personalized and engaging customer experiences across digital channels – ultimately enhancing the customer experience. Additionally, multivariate testing capability was released, which dramatically expands upon the traditional A/B test, allowing marketers to test up to 8 variations simultaneously.

SALESFORCE

Salesforce maintains its position in the Value Matrix as a result of its continued multiple key functionality CRM updates for its sales, marketing, and service solutions. Salesforce also released its Lightning user interface in August 2015 (Nucleus Research, *p152 – Salesforce announces Lightning*, August 2015), which is a significant step forward in usability for Sales Cloud. Beyond just a new UI, it comprises Lightning App Builder and Components, released in July to streamline the delivery of new applications. The release marks a usability gain that will likely yield increased productivity by enabling users to build project-specific component applications with relatively little training. For example, the Community Cloud announced on August 13 that e-Commerce partners have built Lightning Component "Buy Buttons" that can be easily added to Community pages. Additionally, Nucleus expects developers will see the time they would spend designing and composing applications reduced by 80 percent, and, in most cases,

eliminate the need for developer skills entirely (Nucleus Research *p132 – Salesforce Lightning released*, July 2015).

The trend of putting more capabilities in the hands of users is one of the main reasons Salesforce has moved up in its standing since the previous Value Matrix. Salesforce's cross-channel collaboration capability updates are also particularly worth recognizing as they reduce clutter and put real-time data in front of users from sales, marketing, and service. Since the last Matrix, Salesforce continues its multi-annual update cadence with significant enhancements including:

- Release of the next generation of Community Cloud on May 21, 2015. Branded communities developed with this release will likely facilitate greater visibility and customer engagement while increasing productivity and driving revenue growth for customers leveraging communities for customer engagement (Nucleus Research *p96 – Salesforce releases the next generation of community cloud*, June 2015).
- Release of the updated Marketing Cloud on June 17, 2015. The new Marketing Cloud includes Journey Builder and Active Audiences, which Nucleus expects will drive greater visibility, increased ability to capture customer engagement for marketing analytics customers, greater customer retention, and increased productivity (Nucleus Research *p104 – Salesforce releases next generation of Marketing Cloud*, June 2015).
- Release of Service for Apps on June 25, 2015. The expanded service functionalities within Salesforce applications themselves improve customer service quality by placing agents in the context of the issue needing resolution. This release will likely drive productivity growth and increased customer retention (Nucleus Research *p110 – Salesforce releases Service for Apps*, June 2015).

VEEVA SYSTEMS

Veeva Systems continues to maintain its position as a leader in the Matrix with its life science-focused application. Veeva recently released the latest version of Veeva CRM Mobile that was developed as part of its partnership with Microsoft that supports Windows 8 and Windows 10 in addition to the iPad. These and other ongoing enhancements and innovation facilitate Veeva's foothold in the leader quadrant.

Veeva also partnered with ZS Associates and utilizes ZS's Orchestrator Rep data science to power its recently announced Veeva CRM Suggestions. Available in November, 2015, Veeva CRM Suggestions provides the next best action and channel for field users to best engage customers for increased sales effectiveness and better customer experience. Additionally, the vendor released Veeva Align and Veeva CRM Events Management as part of its CRM portfolio.

EXPERTS

Experts in the Value Matrix include Cegedim, NexJ, Oracle Siebel CRM, and SAP.

CEGEDIM

Cegedim continues to fall in its position since the last Matrix as its investments in usability and functionality have lagged the market. IMS Health completed its acquisition of Cegedim in April 2015. Since then, Nucleus has continued to see existing Cegedim customers moving from the maturing application to other vendors and Cegedim, when it does make the short list, increasingly being beaten out by competitors such as Oracle and Veeva.

NEXJ

NexJ specializes in industry-specific vertical CRM solutions. The company maintains its position since the last Matrix; that said, Nucleus is continuing to evaluate its position for future matrices as it has been fairly quiet and Nucleus hasn't seen momentum in customer wins because of its usability and functionality.

ORACLE SIEBEL CRM

Oracle Siebel CRM maintains its position as an expert in the Matrix based on the extensive capabilities of its cross-channel functionality. The vendor's vertical-specific functionality, which includes extended data models and tailored solutions for several industries, also factors into its position. Open UI is contributing to usability and is increasing use by customers.

As we noted in the last Matrix, Oracle's areas of focus for its Siebel investment continues to fall into two primary areas:

- Customer experience, increasing the usability of Siebel through significant enhancements including its Open UI.
- Business agility, reducing the total cost of maintenance and support, and enabling customers to integrate new product innovations as well as competitive market solutions into their CRM footprint. Siebel also provides prebuilt integrations to CX Cloud.

SAP CRM

SAP CRM, SAP's on-premise offering, has shifted in position in this Matrix both in usability and functionality. SAP's CRM is usually implemented in conjunction with the company's ERP package and includes core capabilities for sales, marketing, service, partner channel management, case management, social service loyalty management, real-time offer management, and trade promotion management. Although this product is maturing and the lion's share of SAP's CRM investment is going toward its Cloud for Customer offering, SAP's investment in the Fiori user interface has translated into a bundle of role-based transactional applications for SAP CRM users. Although a SAP HANA investment is a requirement to take advantage of some of the new applications, users adopting Fiore applications for CRM are likely to see productivity improvements driven by an increase in usability. Nucleus has also adjusted SAP's functionality position based on further review of the

industry capability investments SAP has made to make it attractive to large organizations seeking an on-premise CRM solution that is tightly integrated with SAP ERP.

FACILITATORS

Facilitators in the Value Matrix include Acumatica, Base CRM, Infusionsoft, NetSuite, Pegasystems, and SAP Cloud for Customer.

ACUMATICA

As an enterprise resource planning (ERP) vendor that provides solutions which many customers have said provide all of the CRM capabilities they need, Acumatica maintains its position in the Matrix. In July 2015, Acumatica released a key content pack for Power BI as part of its partnership with Microsoft. This release provides users with access to a streamlined data visualization tool and allows decision makers to follow key real-time metrics and data updates. We expect the Power BI content pack will drive productivity growth for decision makers by seven to ten percent by consolidating multiple data sources within one cohesive user interface (Nucleus Research p128 – *Acumatica releases Power BI content pack*, July 2015).

BASE

Base CRM maintains its position based on several key releases since the last Matrix. The company's solutions provide automation, mobile geolocation functionality for leads and contracts, and a streamlined user interface (UI) that yield productivity gains for sales representatives (Nucleus Research, p17 – *A closer look at Base CRM, January 2015*). Since the previous Matrix, Base has released:

- Sales Sentiment for e-mail which is an e-mail intelligence feature that allows sales representatives to be alerted when deals are in jeopardy. The company also made this feature available on mobile devices.
- Time Capsule reporter which allows users to export snapshots of their accounts at any point in time to track content without needing IT involvement.

Today, Base is a facilitator because of its capabilities for SFA. Additional investments in the other pillars of marketing and service would strengthen its functionality position in the Matrix. The company also stands to improve its position if it invests in further analytics capabilities.

INFUSIONSOFT

Infusionsoft maintains its position in the Matrix. The company, which focuses on providing CRM and marketing automation solutions to smaller firms, has only released incremental enhancements for its CRM application. However, these enhancements continue to focus on usability and support for sales and marketing in smaller businesses.

NETSUITE

NetSuite, the cloud-based ERP provider, maintains its position in the Matrix having acquired Bronto Software in April, 2015. Although NetSuite is primarily an ERP vendor, Nucleus continues to include it in the CRM Matrix evaluations because many customers find it provides all the CRM capabilities they need with a single view across CRM, ERP, and other operational data. NetSuite will be able to leverage Bronto's cloud-based commerce marketing automation platform for organizations to drive revenue through their e-mail, mobile and social campaigns.

The company also partnered with Microsoft in May 2015 to provide users with seamless integration with Microsoft solutions such as Excel and Power BI through Office 365 within a single interface. NetSuite's plans to adopt Azure as its cloud infrastructure platform include leveraging the capabilities of Azure for testing, as well as for independent software vendors (ISVs) and customers to build new software applications and integrations that utilize NetSuite's cloud business management suite. We expect this partnership signals NetSuite's increased foothold as an enterprise ERP provider that extends beyond the midmarket (Nucleus Research *p75 – NetSuite and Microsoft team up, May 2015*).

PEGASYSTEMS

Pegasystems remains in the Facilitator quadrant. The company's solutions are available as part of its business process management (BPM) platform. In June 2015, Pegasystems released enhancements for Pega 7 including real-time mobile customer data accessibility and integration capabilities to supplement customers' existing apps.

Pegasystems also released enhancements for Pega Sales Automation in April 2015 that include real-time mobile customer insights as well as increased training and collaboration capabilities for sales reps via secure cross-channel co-browsing. Particularly, this update includes intelligent guided selling enhancements comprised of pre-built sales models and a recommendation engine. Given these changes, the company continues a forward trend but could still benefit from more investments in vertical capabilities to drive functionality improvements.

SAP CLOUD FOR CUSTOMER

SAP Cloud for Customer has shifted in position in this Matrix, largely based on the investments SAP has made in Cloud for Sales and Cloud for Service over the past 24 months that are now bearing fruit. Because SAP Cloud for Customer is a relatively new product, it was natively designed for cloud and for mobile, with a responsive design role-based user interface, and so has always ranked fairly high in usability in the Matrix. New or enhanced capabilities in recent releases including embedded analytics and guided selling, deal collaboration features supported by integration with SAP JAM, and native integration with SAP ERP that enables sales users to view ERP data directly within Cloud for Sales and create related quotes and orders drive greater usability.

On the functionality side, SAP has continued to make investments in sales performance management (including territory management and quota and forecast planning), productivity capabilities (including JAM collaboration features, voice integration, and e-mail and Evernote integration), and HANA-driven analytics as well as integration of social listening and other data. For large organizations seeking a cloud solution, SAP Cloud for Sales provides capabilities for expert identification, team building, and guided selling that bring historical data on past deals, partners, and influencers into context. SAP has also released industry solutions for SAP Cloud for Customer, notably in the service and sales areas, with solutions for consumer packaged goods, retail and wholesale, banking and insurance, high tech, industrial machinery and components, automotive distributors, professional services, telecommunications, travel and transportation, utilities, chemicals, oil and gas, education, public sector, and healthcare.

It is important to note that much of SAP's investment on the third CRM pillar – marketing – has recently been focused on its Hybris acquisition and customer engagement related to its cloud e-commerce capabilities (Nucleus Research *50 – Adobe and SAP partner on enterprise marketing*, March 2014). SAP's cloud e-commerce capabilities are not evaluated as part of the functionality portion of this Matrix, as CRM focuses on sales, marketing, and service. However, Nucleus is continuing evaluation of SAP Cloud for Marketing capabilities that are available to SAP Cloud customers.

CORE PROVIDERS

Core Providers in the Value Matrix include CRMnext, Maximizer Software, Sage CRM, SugarCRM, and Zoho.

CRMNEXT

CRMnext remains as a core provider in the Matrix despite the fact that the company has not released any significant functionality or usability updates since 2014. CRMnext offers some vertical capabilities for industries such as banking, finance, and manufacturing. The lack of any updates signals a continuing downward trend unless CRMnext realigns its focus to bolstering its existing vertical capabilities and investing more resources in the development of its solutions' overall functionality.

MAXIMIZER SOFTWARE

Maximizer Software continues to lag against competitors since the last Matrix. The vendor, which released a new product version in 2015, continues to have limited functionality, despite boasting flexible hosting and data migration capabilities. As was reported in the previous Matrix, the features it introduced in its 2015 release, such as pre-built Excel report templates, are widely available in other CRM applications. Maximizer has yet to differentiate its product from competitors and, accordingly, its positioning in the Matrix continues to lag against competitors.

SAGE CRM

Although Sage CRM continues to trend downward it remains in the Core Provider quadrant of the Matrix. Sage's strengths include its relational database, Microsoft integration capabilities, and customization capabilities. Since its release of Sage CRM 7.3 in January 2015, the company's advancements have been limited. The company's 2015 Cloud release includes updated dashboards and charts in addition to incremental mobile enhancements. However, the company could still benefit from a larger focus on cloud-based functionality. As was discussed in the last Matrix, Sage CRM also stands improve its positioning in the Matrix if it can leverage its many partnerships to deliver vertical solutions to customers with industry-specific needs. Nucleus will be monitoring expected new product releases in the next six months to assess Sage's positioning in the 1H2016 Matrix.

SUGARCRM

Continued investments by Sugar in its platform capabilities, as well as usability and functionality, have strengthened its position since the last Matrix. It is important to note that vendors are rated in the Matrix based on their organic functionality, not that provided by the partner ecosystem. That somewhat disadvantages Sugar on the functionality front because of its focus on platform investments instead of the vertical and customer-specific functionality that is provided by its partner ecosystem. That said, Nucleus has continued to see momentum for Sugar based on the value delivered to customers such as BancVue with very specific development and integration needs (Nucleus Research *p146 – SugarCRM ROI case study – BancVue*, August 2015).

SugarCRM's most recent release, Sugar 7.6, which was released in April 2015, includes enhancements for mobile users, a revamped visual workflow and business process designer, enhanced time-based alerts, business, and streamlined mobile dashboards. The solution is integrated with the Sugar UX Intelligence Panel which enables users to leverage granular data to be able to differentiate between in greater detail. Equally worth noting is the revamped SugarExchange for leveraging the Sugar partner ecosystem. The SugarExchange enables users to extend and integrate third party apps and tools into SugarCRM to amplify Sugar with anything from marketing automation to business intelligence products. SugarExchange provides extended capabilities for personnel in marketing, sales, service and other areas.

ZOHO

Zoho remains as a Core Provider and continues to trend downward on usability. Regarding updates since the previous Matrix, the company released Zoho SalesIQ. This Web site visitor insight tool enables users to better understand data from customers visiting company Web sites and the potential for possible leads. The feature can be seamlessly integrated with Zoho CRM to provide sales and marketing users with insights and alerts on customers as they visit the company Web site.

Despite the functionality afforded by SalesIQ, however, it is worth noting that most of Zoho's recent updates have not increased usability and have instead been mainly focused on providing supplementary features that can be integrated into Zoho CRM. The company released features such as Zoho Forms and Zoho Expense that also can be integrated with Zoho CRM.

