CRM TECHNOLOGY VALUE MATRIX 1H2016

NUCLEUS RESEARCH

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THE BOTTOM LINE

The hotly-contested customer relationship management (CRM) market continues to be a moving target, with most leaders announcing significant product releases since the last Matrix. Service, sales, and marketing users all benefit from increasing investment in usability and functionality, with user experience (UX) a particular focus. The battle for leader is still very much waging between Microsoft, Oracle, and Salesforce.com. As industry capabilities and embedded intelligence became table stakes, vendors who invested in providing flexibility to the business user made the greatest advances.

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Customer relationship management (CRM) continues to be a highly competitive market, with vendors accelerating release cadences, poaching executives, and encouraging customer switching. This Matrix includes vendors that provide capabilities across the three core pillars of CRM – sales, marketing, and services:

- Although commerce decisions are increasingly tied to marketing platform decisions, commerce capabilities are not included in the functionality evaluations of this Matrix.

- It is clear that partner and product ecosystems also play an increasing role in customers' CRM decisions; however, the rankings reflected here are based on organic functionality delivered by the vendor and not the overall strength or breadth of the ecosystem.

The last half of 2015 and beginning of 2016 saw a flurry of announcements by many vendors; others continued to make investments in core differentiators that will drive changes in position in future matrices including:

- Business-user-friendly application development. For both mobile device and traditional screen applications, both Salesforce.com (with Lightning) and Microsoft (with PowerApps) made advances in democratizing development, both lowering the cost and risk of developing microapps and reducing the burden on IT. This is aligned with Nucleus's prediction of disposable apps (those that can be built for a specific purpose, deliver rapid payback, and either be discarded or evolved) published in November (P198 – *Nucleus Research Top Ten Predictions for 2016*, November 2015).

- The Internet of Things (IoT). Although most companies are only beginning to outline their IoT strategies, others have been using intelligent devices to create service cases, identify marketing and upselling opportunities, and create greater customer engagement for some time. Investments in this area vary broadly by vendor, and are still very much a moving target.

- Data science and data as a service. With both Oracle and Salesforce leveraging internal research and development combined with acquisitions to add to their data and embedded intelligence stories, and Microsoft continuing to leverage its broader machine learning and artificial intelligence investments in the CRM roadmap, data as a differentiator is increasingly prominent.

- Small and medium-sized business focus. Competition is still hot at the enterprise end of the market, but vendors have also recognized that many small companies grow to become large ones – and cost-effective and practical CRM for them is gaining focus as a pipeline-building strategy. Although Microsoft has always been strong in this market, Oracle's release of CX Cloud specifically for midsize customers and Salesforce's continued enhancements to Desk.com show increased attention to the smaller end of the market.

- The integration of edge applications. Investments in areas such as configure price quote (CPQ) and field service have reduced some vendors' dependence on ecosystem partners while reducing the integration and vendor management requirements for customers.

What is somewhat surprising is the lack of momentum – and enhancements – from other vendors in the market that have the potential to invest and capture market share in the continuously evolving CRM market. Although SugarCRM has gained

momentum since the last Matrix (and improved its position considerably), others have fallen behind or remained stagnant relative to the dynamism of the market.

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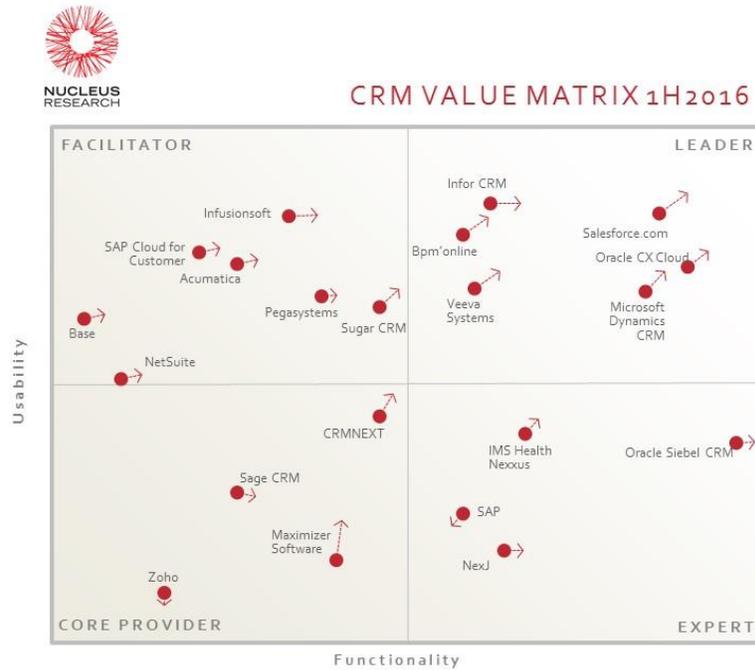
LEADERS

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

BPM'ONLINE

Bpm'online justified its move to leader in the most recent Value Matrix, releasing an update of its platform in November demonstrating continued investment in functionality and usability. With Bpm'online 7.7, the vendor updated its mobile UI and UX and implemented a new business process management (BPM) engine to increase flexibility and agility for users. 7.7 also included updates to online sales with new tools for business-to-consumer businesses and online marketing designed to nurture prospects and personalize communications.

Increased agility for the user is a focus of Bpm'online's latest release and we expect further investment to be in tools that allow users to unlock even more productivity. With back-to-back releases to their platform in consecutive Matrices, Bpm'online's investment in improving users' experience and delivering new tools demonstrates

focus on important areas that, if continued, should improve its position in future editions of the Value Matrix.

INFOR CRM

Infor maintains a leader position in the Value Matrix with its products for users in marketing, sales, commerce, and services with its Customer Experience Suite, which includes Infor CRM, Infor CPQ (Configure Price Quote), Infor MRM (Marketing Resources Management), Infor Omni-Channel Marketing, Infor Interaction Advisor and Infor CLM (Contract Lifecycle Management).

Infor Omni-Channel Campaign Management enables marketers to orchestrate customer journeys across a wide variety of digital and analog or traditional channels and deliver personalized and relevant content at the right moment at scale. The Enterprise Marketing Suite supports planning and budgeting of campaigns and tactics; creation, review, and approval of creative; fulfillment and activation; and measurement with analytics.

Infor CRM 8.3, released March 22, 2016, included enhancements in usability with mobile and Web enhancements as well as enhanced viewing options and a number of functional areas including:

- New configurable Web options including advanced entity management, enhanced new field options to include calculated fields, broader import capabilities, and configurable filters on tabs with lists.

- Integration capabilities, including a 2-way ION integration for master enterprise resource planning (ERP) business object documents (BODs) configurable for customer-specific processes, configurable 2-way Quotes and Orders, configurable data point BOD mapping for customized fields and implementations, and a real-time pricing API for pulling accurate pricing information from an ERP application.

- Improved opportunity to order process, including Infor CPQ, the ability to split quotes and orders, a new report to generate quote proposal, 2-way synchronization with ERP, and new automations in the quote to order process with built-in triggers for notifications.

MICROSOFT DYNAMICS CRM

Microsoft Dynamics CRM maintains a leader position in the Value Matrix as Microsoft continues to make organic investments while integrating its acquisitions. Microsoft Dynamics 2016, released in late 2015, was available both as CRM Online

and on-premise in 130 markets and 44 languages. Key enhancements in 2016 included integration of advanced analytics and the machine learning capabilities of the Cortana Analytics Suite across sales, service, social, and marketing as well as:

- Enhanced integration with Office 365 including improvements to the CRM app for Outlook, Excel and Word templates and access to CRM documents across SharePoint, Office 365 Groups, and OneDrive for Business.

- New mobility features including full offline mobile capabilities, the ability to create task-based mobile applications, mobile application management with Microsoft Intune, and SMS mobile marketing capabilities.

- A new unified service solution building on the integration of Parature knowledge management, with a role-driven agent experience through the Interactive Surface Hub.

Dynamics CRM Spring Wave 2016, announced in March 2016 and scheduled for availability to CRM Online customers in the second quarter of 2016, further advances Microsoft's functionality in two key areas:

- Field service. Building on the FieldOne acquisition, new capabilities include support for field and project service, case management, intelligent skills-based assignments, and mobile enhancements.

- Portals. Integration of the Adxstudio acquisition brings capabilities for Web portals that allow organizations to rapidly build and customize portals for customers, communities, partners, and employees. The Spring Wave ships with preconfigured portal solutions for customer service, partners, communities, and employee self service.

On the usability front, new guided navigation capabilities help application users with guided tasks and personalized support to drive easier adoption and faster time to productivity.

ORACLE CX CLOUD

Oracle Customer Experience (CX) Cloud maintains its position as a leader in the Value Matrix with continued investments in functionality across the suite. Oracle positions CX cloud as a complete, innovative solution across sales, marketing, service and commerce, with a particular focus on Oracle's data-as-a-service capabilities as a differentiator that enables Oracle to provide the deepest customer insights. Last fall Oracle announced Oracle CX Cloud for Midsize companies, which made CX Cloud more accessible for firms with fewer IT resources by providing a

subset of functionality for specific CX-related activities (such as campaign to cash) with a fixed-scope implementation model. Oracle also continues to make investments in its Oracle Integration Cloud Service (ICS), to make it easier and less costly for customers to integrate various components of CX cloud. Oracle's platform-as-a-service (paas) portfolio now includes focused solutions for integration, business intelligence, document management, and process management, as well as app builder and developer services.

Since October, Oracle has announced dozens of enhancements across its CX Cloud including:

- New industry-specific solutions for financial services, communications, consumer goods, and high tech and manufacturing, to help accelerate time to value and reduce ongoing cost and upgrade disruption.

- A new release of Oracle Sales Cloud with improved partner relationship management (PRM) capabilities, extended industry solutions, and integration with Blue Coat to support additional data protection for Personally Identifiable Information (PII).

- Service Cloud Knowledge Advanced, enabling improved precision and more streamlined administration of knowledge across channels.

- A new release of Oracle CPQ Cloud which included Document Designer enhancements, secure attributes, dynamic picklists, and packaged integrations.

- An update to its new Oracle Commerce Cloud product, which focuses on internationalization and extensibility, promotions, AB testing, and support for in-store and call center touchpoints.

Oracle also announced a new release of its on-premise Oracle Commerce product offering new omni-channel support, business user control and packaged integrations.

In February Oracle released the latest version of Service Cloud, with new features including consolidated dashboard layouts; improved search and filtering; and a number of enhancements to the agent user interface such as the ability to view social results and create social incidents, the ability to send broadcast notifications to all users, enhancements to incident threads and knowledge features, and improvements to the overall look and feel, in alignment with the ongoing investments Oracle is making in usability (Nucleus Research *q14 – Oracle weds cloud UI with simple and flexible*, January 2016).

SALESFORCE.COM

Salesforce maintains its position as a leader in the Value Matrix because of its continued investments in functionality and usability for its sales, marketing, and service solutions, as well as its investments in Desk.com, Community Cloud, Analytics Cloud, and IoT Cloud. Since the release of its new Lightning user interface (UI) platform last August (Nucleus Research p152 – Salesforce announces Lightning, August 2015), and the last publication of the Matrix, Salesforce has continued its typical cadence of announcements, notably:

- New Sales Cloud Lightning. The next generation of its customer success platform was announced in February 2016, with significant additions in functionality including Salesforce SteelBrick CPQ, Lightning Voice for faster click-to-call and call auto-logging, SalesforceIQ Inbox to bring relationship intelligence (from the RelateIQ acquisition) to e-mail and calendar applications, Sales Wave App analytics, Salesforce1 Mobile with full offline capabilities and enhanced Wave charts and dashboards, and 20 new Lightning Components to support rapid development of new sales applications.

- New Service Cloud Lightning. New innovations in Service Cloud include the Lightning Service Console, providing an enhanced and streamlined experience for service agents, and Field Service Lightning, which unites customers, connected devices, support agents, dispatchers, and mobile employees in the field on one service platform to deliver a seamless customer experience. Another innovation is Omni-Channel Supervisor, which enables contact center managers to have better visibility into overall operations and agent workloads. Other advancements in functionality include Service Wave Analytics GA, Service for Apps (SOS for iOS & Android, embedded knowledge and chat).

Salesforce also announced Spring '16 and Summer '16 release advancements, including the new App Cloud Process Builder, Heroku Enterprise, predictive journeys in Marketing Cloud, and Community Cloud Lightning, all of which are likely to improve Salesforce's functionality positioning in future editions of the Matrix, as will recent announcements of vertical functionality:

- On February 29, Salesforce announced general availability of Health Cloud, which is built on Service Cloud, with additional technology and services including device connectivity and Electronic Health Record integration.

- On March 7, Salesforce announced general availability of Financial Services Cloud, built on the Sales Cloud. Salesforce Financial Services Cloud's integrated

platform provides advisors with 360-degree view of clients and real-time analytics.

VEEVA SYSTEMS

Veeva Systems maintains its inclusion as a leader in the Matrix. After the release of its latest version of Veeva CRM Mobile, for both iPad and Windows devices, Veeva continued to release new capabilities to improve customer experience and deliver critical data to users.

Veeva launched its CRM Suggestions product, which is powered by data science partners including ZS Associates and Aktana. Having gone live in November 2015, Veeva CRM Suggestions aids field users when engaging customers by predicting next actions and channels to drive sales and improve the customer experience. Additionally, in late 2015, the vendor added two products to its portfolio: Veeva KOL (Key Opinion Leader) Data as a subscription service and Veeva Medical CRM which interoperates with KOL Data for medical teams and organizations.

EXPERTS

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

IMS HEALTH NEXXUS COMMERCIAL APPLICATION SUITE

IMS Health acquired Cegedim last April as part of its growing focus on technology and professional services. The Cegedim assets were rebranded as Nexxus Mobile Intelligence, part of the Nexxus Commercial Application Suite, which also includes life sciences industry-focused capabilities for marketing automation, social listening, and team and territory management. Nexxus Mobile Intelligence includes MI PC, a Web-based solution for home office administrators to configure and manage user access and privileges, MI Touch for iPad and Windows 8 devices for field users to access information and CRM functions in both online and offline environments, and MO Pocket for iPhone users.

The company continues to make investments in Nexxus Mobile Intelligence since the acquisition, with a focus on enabling representatives in the field to quickly accomplish given tasks and log information. While it is clear that IMS Health has a laser focus on usability and rep productivity for the specific work of a life sciences sales person, it also continues to make investments in functional modules, including customer profiling and management, call scheduling and reporting, strategic planning, advanced detailing, field management and coaching, expense tracking,

materials and samples management, order management, contact center, document management, compliance field e-mail templates, and analytics and reporting.

Latest enhancements include the integration of photo capture, express calling, Early Post-marketing Phase Vigilance (EPPV) and Medical Information Deliver (MID) compliance, sample limitation compliance, electronic signature options, and field analytics and reporting.

NEXJ

NexJ provides CRM, customer process management, and customer data management capabilities to the financial services industry. In early 2016, NexJ Systems spun off its health care business unit to NexJ Health Holdings.

ORACLE SIEBEL CRM

Oracle Siebel CRM maintains its position as an expert in the Matrix based on its extensive functionality, with both tailored vertical solutions and data models for a number of industries and capabilities across the three CRM pillars. Continued Oracle investment in Siebel CRM focuses on improving usability and mobile device solutions through its Open UI and integration with CX Cloud. In October 2015, Oracle announced a number of enhancements to Siebel CRM including:

- A new release of Siebel CRM with new features, including a new Mobile application, industry self-service portal enhancements and a 'Usage Pattern Tracking' feature to capture all live data of how end users are using the application and provide a detailed analysis.

- Siebel CRM hosted in the cloud, using the Oracle Cloud (INFRASTRUCTURE-AS-A-SERVICE) platform. Taking advantage of perpetual Siebel CRM application licenses, customers can transform their on-premise deployment and are no longer constrained by hardware capital expenditures.

SAP

SAP CRM, SAP's on-premise offering, is one of the more mature applications covered in this Matrix. As SAP has focused its CRM investment in its Cloud for Customer line, SAP's continued investments in Fiori and HANA have been reflected in a number of new role-based applications for SAP CRM users. SAP CRM is typically only implemented by SAP ERP users. It includes capabilities for sales, marketing, service, partner channel management, case management, social service loyalty management, real-time offer management, and trade promotion management. SAP also includes industry-specific capabilities for consumer products, utilities, high

tech, wholesale, media, telecommunications, industrial machinery and components, retail, and oil and gas.

FACILITATORS

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

ACUMATICA

Acumatica maintains a strong position as a facilitator in the Matrix, even though it is one of the few vendors in this CRM Matrix that does not have CRM at its core. Nucleus includes it here because we've found many Acumatica customers find the usability of Acumatica, coupled with the core CRM capabilities within the product, enable customers to use Acumatica as both their CRM and enterprise resource planning (ERP) solution, without the need for additional software.

Acumatica continues to advance its usability. Acumatica 5.3, released in February, included a number of advancements in CRM features, such as an enhanced mobile application, new Web services API, sales order reporting, and synchronization between Acumatica and HubSpot to connect outbound marketing with internal CRM lead nurturing processes, thereby improving Acumatica's functionality positioning in the Matrix. Version 5.3 also included deeper integration with Microsoft Exchange and Office 365 to streamline data entry and drive greater user productivity. Additional workflow engine enhancements are scheduled for the second half of the year .

BASE

Base is one of the CRM vendors in the Matrix with limited capabilities beyond sales and marketing but is included because its usability and innovations in the area of SFA are worth noting. Today, Base is a facilitator because of its capabilities for SFA. Since the last Matrix, Base raised $30 million in funding; further investment in other core CRM capabilities would improve its functionality positioning in the Matrix.

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. In September 2015, Infusionsoft announced new features to its cloud solution, such as a new e-mail broadcast tool, and sales and marketing

automation enhancements. Infusionsoft also recently released two new features as part of its cloud software: an e-mail builder tool as part of its Broadcast tool, and an EMV-mobile credit card reader to its Payments product suite.

NETSUITE

NetSuite remains in the facilitator quadrant in this Matrix based on the core features it provides within its ERP suite for SFA: customer service management, marketing automation, and partner relationship management. NetSuite also supports quoting, order management, commissions, and sales forecasting, and has integrated e-commerce capabilities.

In December, NetSuite announced advancements in its OneWorld application, including enhancements to its omnichannel customer view. These enhancements enable users to see a single view of the customer across channels including purchase history, marketing engagement activity, after-sales interactions, and cross-sell and upsell recommendations.

PEGASYSTEMS

In Feburary 2016, Pegasystems released Pega Field Service, which helps organizations provide customer service capabilities to their field agents and technicians. The Pega Field Service provides a complete view of customers with unified data and processes part of its out-of-the-box functionality. Pegasystems also added predictive analytics, real-time event streaming capabilities, and next-best action capabilities to its Customer Decision Hub to expand its suite of CRM applications.

SAP CLOUD FOR CUSTOMER

SAP has continued to make investments in Cloud for Customer over the past 18 months. Natively designed for cloud and for mobile, SAP Cloud for Customer has always ranked relatively high in usability in the Matrix. SAP continues to make incremental advances in the product, particularly in the areas of collaborative team selling. The February 2016 release included the ability to view and analyze buying center relationships, a new resources scheduler for services, a collections work center, a question bank for reusable customer survey components, and other incremental advancements in report configuration, line of business sales, and relationship management extensions.

SUGARCRM

Continued investments by Sugar in usability and functionality, as well as its platform capabilities, have strengthened its position since the last Matrix, moving it into the

Facilitator quadrant. Sugar positions itself as a CRM platform that is the most adaptable, that empowers individuals with an intuitive user interface, that supports powerful collaboration, and has a relatively low total cost of ownership. In version 7.7 of the product, Sugar introduced enhancements in tagging, global search, and filters with a more intuitive user interface; enhancements to email and calendar sync; and the ability to support role-based views. Additionally, Sugar is releasing a new mobile application configuration tool and a mobile software developer kit (SDK) to enable more rapid and flexible development of mobile apps, which is scheduled for general availability later this year. Sugar also continues to advance its workflow capabilities with a visual design tool and business rules builder to support more complex process management. On the usability front, Sugar also released its next-generation e-mail module to streamline data entry, and its Sales Accelerator (also scheduled for release later this year), which provides built-in intelligence to help salespeople prioritize the highest value prospects.

CORE PROVIDERS

Core providers in the Matrix include CRMNEXT, Maximizer Software, Sage CRM, SAP, and Zoho.

CRMNEXT

CRMNEXT remains a core provider in the Matrix as the company continues to invest in sales, marketing, and service capabilities as well as its integrated internal social network (Pulse) and capabilities for customer self-service portals and online sales management. The company's primary focus is on banking and financial services, telecommunications, pharmaceuticals, retail, and media. In Feburary, the company released CRMNEXT 2016 with CRMNEXT UX 3.0, a new user interface that can be configured based on users and roles (with pre-defined user roles). Other features of 2016 include:

- AutoFlow Designer and ScreenFlow Designer, to enable administrators and developers to rapidly design and adapt business processes and the user interface to meet specific business needs.

- Microsoft Outlook and Excel integration and integrated document management capabilities to drive greater user productivity.

- Social (for external social network integration and monitoring) and Pulse for internal social collaboration.

- Embedded analytics capabilities, including a customer value modeler, cross-sell modeler, performance modeler, and standard analytics and reporting.

MAXIMIZER SOFTWARE

Maximizer Software continues to lag against competitors since the last Matrix. In July 2015, Maximizer Services released an upgraded version of its Wealth Management Customer Relationship Management solutions with its Maximizer CRM Wealth Management Edition 3.0. It contains 200 industry specific custom fields for the Contact, Sales, and Service modules. This improved both the Sales and Service modules with account detail tracking and industry specific service plans respectively. The company has an update scheduled for later this year with specific usability and UI enhancements which should improve its position in future editions of the Matrix.

SAGE CRM

Sage continues to hold a position in the Value Matrix and has positioned its product largely for small and medium-sized businesses where integration with Sage ERP is a main differentiator.

ZOHO

In November, 2015, Zoho partnered with Microsoft to help with Office 365, and Azure Marketplace, giving Microsoft customers access to business productivity applications. Zoho CRM will be integrated with Office 365.

In 2016, Zoho CRM announced a collaboration with RingCentral to integrate Zoho ZRM with RingCentral's customer call management solution. Zoho continues to invest in strategic partner integrations to improve workflow and productivity across cloud business apps, saving customers time and money.