

Simply Successful CRM Guide Series

Simple Guide to Selecting Between On-Premise, Managed Hosted & On-Demand CRM



Maximizer Software
Simply Successful **CRM**

Introduction

The discussions for and against on-demand and on-premise business applications have been a long-time mainstay in corporations among business users and IT. As you're considering an investment in or renewal of a customer relationship management (CRM) or sales force automation (SFA) solution, then you've likely heard these discussions. Before making a decision and narrowing down your option of vendors, the following are some clear-cut definitions to help you navigate the options.

1. **On-Premise:** Your data and software applications are held in-house by your company where servers, connections, access, and data are all controlled by you and housed internally. Maximizer CRM is a leader in on-premise CRM.
2. **On-Demand:** Your data and the CRM or SFA application are available via the web where servers and data are housed by the application vendor. Often called software-as-a-service (SaaS).
3. **Managed Hosted Solution:** Some vendors and partners (including Maximizer) are starting to offer hybrid solutions with some of the best of both worlds—data and applications are hosted by a third-party managed hosting facility, but ownership of the software and data is still held by you.

To select the right solution for your business, consider your position in these four areas:

1. Is customer data an important asset to the long-term success of your business?
2. What is the total cost of the solution over 5 years?
3. Will this be available in the field where business takes place?
4. How can you customize or integrate CRM with my processes & back-office information?

Let's explore these further.

1. Is customer data an important asset to your business?

Your accounting and order information is certainly critical for your business. But what about your customer history, profiles, and analysis, as well as your customer service processes? Not to mention, your sales methodologies and forecasts. If your business lost part of this data, how would the future of your business be impacted? Some companies place more value on transactions rather than relationships with customers and customer-facing processes. But if customer information is a key asset to your business, ensure that data receives top priority. For example, if you were to leave a vendor after five years of customer and business history, how could you port that data into another system for future use?

An on-premise application enables you to have the most control over your data because you hold it in-house. But if you don't want to dedicate resources for system maintenance such as back-ups and security, a managed hosted solution may be an attractive option. This enables you to have complete ownership of your information and the software application, while utilizing a third-party partner for hosting, back-up, extra security and other services. This is ideal for small and medium-sized businesses where there may be no IT or a small IT department, where other business applications are also hosted by a managed data center.

2. What is the total cost of the solution over five years?

Remember that the cost and scope of CRM go beyond the software alone. CRM software is only as good as the processes behind it and the training for staff to properly use it. That said, ask these cost-related questions of your vendors when planning your CRM solution:

- **Licenses:** If I am charged on a monthly basis, what's the commitment? If it's a perpetual license, are there extra annual maintenance fees? Do my field and mobile staff receive online, offline, and mobile access for that price?
- **Extra Functionality:** Are all features included or will I need to purchase additional third-party applications and licenses? For example, email marketing, industry-specific interfaces, and data cleansing tools are often desirable features to support and extend CRM business processes, but may not be included in the base fees.
- **Hardware or Hosting:** Will I need additional server hardware if bringing the solution in-house? If hosting outside, are there additional hosting fees beyond the licenses, such as services for back-up, data exporting, extra data storage?
- **Support:** What will it cost to get the phone and email support I need with my maintenance package? What are the charges for on-site support?
- **Configuration & Process Mapping:** What resources (from the vendor or partners) are available to help configure our processes into the CRM software? How long will the process take and what are the fees?
- **Training:** What training options are available, and what is best suited to my users – out-of-the-box online training, or customized user manuals and face-to-face classroom-style training?

Whether it's a capital expenditure or operational expense, understanding the total cost over the next five years will ensure that you're focusing on the total ROI of a CRM solution.

3. Will this be available in the field where business takes place?

Consider how your field and mobile professionals and executives will actually use the CRM solution in the field. If CRM is meant to benefit the staff, it needs to be easily accessible.

For example, will they boot up their laptop in between sales calls to update meeting notes and look up information for their next call? Will they do these tasks at home at the end of the day? Or will they use mobile devices such as BlackBerry smartphones to update and retrieve information on-the-fly? In each of these scenarios, consider what type of information the sales people need, what information their managers need, and whether they are operating online or offline. Also, consider whether these professionals need access to viewing and updating information in airports and planes, as well as whether they are usually operating within the city or are in rural areas where full wireless connectivity may be difficult to secure.

When you're evaluating CRM solutions, consider the fastest and most convenient method for the mobile workforce to access their key information, while keeping them in front of customers selling and minimizing time spent on administrative tasks. Go with the field reps on a "day in

the life” trip to fit your CRM or SFA application into their work style, and even better – to improve the productivity of their current work day.

4. How can I customize or integrate CRM with my processes & back-office information?

Oftentimes, having back-office information accessible to customer-facing staff on the front lines is critical, including credit balances, outstanding invoices, shipment status, and product details. At the same time, you want to shield your customer-facing staff from full access to accounting or ERP systems that hold this information. Essentially, you need to bring key pieces of relevant information into a CRM or SFA system for sales and service staff to use.

It’s often easier to make your CRM work with your back-end than the other way around, since a migration of accounting or ERP software isn’t an easy task. But similar to roadblocks for renovating a rented apartment, it may not be feasible to customize or integrate a hosted CRM solution. Ask how the solution is hosted and how it affects your ability to customize or integrate it with your back-end solutions—whether you approach it through batch synchronization or real-time data feeds.

In the Real World

In 2003, TigerStop, a global leader in stop/gauge and pusher systems designed to improve the efficiency of manufacturing processes, implemented customer relationship management technology from software-as-a-service developer Salesforce.com to help manage the company’s sales and customer support requirements. TigerStop enjoyed access to dealer and customer information from any Internet connection. However, the company’s traveling account managers quickly found that they could not conveniently capture feedback from distributors because they could not bring the system with them on their laptops – and Internet connections were not always available at accommodations in smaller centers. TigerStop also found that it was hard to make the new system match their business processes – particularly in that the company wanted to track the satisfaction not only of its dealers, but also of the final users of TigerStop. After three years, TigerStop realized it needed to move to another CRM system.

Having conducted evaluations of virtually all leading CRM software packages including Oracle/Siebel, Onyx, Pivotal, SalesLogix, Microsoft CRM and the re-implementation of Salesforce.com, TigerStop opted to deploy Maximizer CRM. “We seriously considered re-implementing Salesforce.com but given the importance of the project and the major costs involved, we did in-depth due diligence on a number of alternatives. In the end, our choice was simple; Maximizer CRM offered the functions and flexibility we needed, excellent options for a fast rollout – all at an attractive price point. The company also demonstrated that it could ease us through the transition with expert consulting support and integration to our Macola ERP system.”

About Maximizer Software

Maximizer Software is a leading provider of simple, accessible, customer relationship management (CRM) solutions, providing the best value for small and medium-sized businesses. Built on a web-based architecture, Maximizer CRM offers sales, marketing, and customer service users and managers their choice of access to customer information – through the desktop, web, or mobile device. Maximizer Software has sold more than one million licenses to over 120,000 customers, ranging in size from entrepreneurs to multinational organizations, including: Siemens, Société Générale, HSBC, TD Securities, Lockheed Martin, Brian Tracy International, Fisher & Paykel Healthcare, Oxford University Press, and Cathay Pacific. Maximizer Software is a global business with offices and over 400 business partners in the Americas, Europe/ Middle East/Africa and Asia Pacific.

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