CRM TECHNOLOGY VALUE MATRIX 1H2017

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THE BOTTOM LINE

Vendors continue to innovate across the sales, service, and marketing pillars of customer relationship management (CRM), with a sharp focus on artificial and embedded intelligence, mobile development, and integration. The CRM Value Matrix for the first half of 2017 reflects a very competitive market driven by high customer propensity to switch and a rapid pace of innovation.

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Customer relationship management (CRM) continues to be a very competitive market. Unlike other most other areas of enterprise applications like enterprise resource planning (ERP) and human capital management (HCM) where companies’ deployment decisions tend to result in deployments lasting five to 10 years or more, CRM buyers are more likely to consider a competitive switch in three years or fewer – for three main reasons:

- Changing line-of-business leaders. When a leadership change is made in sales or marketing, new leaders often want to bring in their own tools to support their strategy and processes – and to make their mark on the organization – leading to decisions for new applications and vendors.

- Lower switching costs. The predominance of cloud applications in the space and the ability to rapidly and (often) cheaply deploy, coupled with the traditional challenges with CRM adoption, mean companies are more likely to replace a solution that’s perceived as not working.
Consolidation and modernization. Many organizations are moving from departmental to companywide solutions, consolidating multiple applications, and looking to support channels their aging solutions don’t address. That, coupled with the pace of innovation from CRM vendors, increases the likelihood that multiple incumbents must fight based on their latest release to stay in the game.

The Nucleus CRM Value Matrix evaluates CRM vendors based on usability and organic functionality across the three core pillars of CRM: sales, marketing, and customer service. Key trends in the market impacting CRM strategies today include:

- Embedded intelligence and artificial intelligence (AI). With most of the leaders in the Matrix making significant announcements about AI-enabled products since the last publication of the Matrix, virtual assistants, prescriptive guidance, and other embedded AI and analytics features are becoming table stakes for CRM.

- Mobile. Vendors are continuing to make significant investments in mobile development, both in terms of delivering form-specific mobile apps for different tasks and roles and providing development tools so business users can build...
their own mobile applications. The ability to support customer-facing applications, particularly in the service space, is a growing differentiator.

- Data integration. With a clearer view of the benefits of integrating sales, service, and marketing data, and the need to bring in external third-party data to support data enrichment and real-time AI functions, there is a renewed focus on vendor and vendor ecosystem capabilities for flexible, scalable integration.

LEADERS

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

BPM’ONLINE

Bpm’online provides sales, service, and marketing functionality with business process management (BPM) capabilities as a key differentiator for its process-driven CRM value proposition. Since the last September, the company has announced a number of product enhancements including:

- On March 3, the company announced new e-mail support capabilities including improved tools for working with e-mail messages, enhanced BPM elements for automatic and manual e-mail sending, and enhanced bulk e-mail features. The update also included developer tool enhancements for case management, self-service portals, and mobile application development.

- On March 1, the company announced pricing changes designed to enable smaller customers to more cost-effectively take advantage of services previously available to larger customers, including technical support, customer success managers, and other supplemental support services.

- On February 21, the company announced support for additional languages including Spanish, Portuguese, German, Italian, French, Dutch, and Czech.

- On February 1, a new release with more than 50 upgrades and enhancements included improved customer database filtering tools, automatic definition of visit rules in field service, enhanced case management, improved mobile application authentication and security, enhanced language translation support, and improved mobile application development tools.

- On April 6, a new update package provided new capabilities including one-click contact enrichment and contact employee history, improved global search,
support for process versioning in BPM, improved service case management, and field sales enhancements for cyclic tasks.

When evaluated separately, these updates are largely incremental in nature. However, in the aggregate they represent increases in functionality that will positively impact administrator, developer, and end-user productivity, and extend the solution’s value for both smaller customers and those with more diverse language support requirements.

**Strengths**

Bpm’online continues to differentiate itself as process-driven CRM with highly usable process design tools. Continued investments in usability and a sharp focus on bringing customer requirements rapidly into the product roadmap contribute to its high ROI and customer retention.

**Weaknesses**

Bpm’online’s biggest challenge continues to be its perception in the North American marketplace as a vendor primarily for medium-sized businesses, which is largely a product of sales and marketing execution and not limitations of the application itself.

**INFOR CX**

The Infor CX Suite includes Infor Configure Price Quote, Contract Lifecycle Management, CRM, Interaction Advisor, Marketing Resource Management (MRM), Omni-channel Campaign Management, Rhythm for Commerce, and Sales Intelligence for CRM. Key announcements influencing Infor’s positioning since the last Matrix include:

- In March, Infor announced a global strategic partnership with Marketo by which the two companies will integrate Marketo’s Engagement Platform with the Infor CX Suite. They plan to drive sales and marketing alignment across the two organizations to broaden the reach of both companies’ technologies into their combined customer base. This announcement fills a gap in Infor’s CX suite in the area of software-as-a-service (SaaS) marketing automation while giving Marketo the MRM and deep analytics and machine learning strengths of Infor.

- In November, Infor announced the availability of Enterprise Quoting, Infor CPQ’s new omni-channel, multi-tenant cloud sales automation application. EQ accelerates the enterprise sales process with a quoting and ordering system that provides a guided experience for selling configured and standard products through all of customers’ channels, including dealers and distributors. This new
application provides a single point of control for sharing product, customer, and order information with all back and front-end systems.

- In November, Infor announced availability of Rhythm for Commerce: B2B to support the e-commerce needs of the manufacturing, distribution, and fashion industries. The full commerce suite includes embedded CMS capabilities, Product Information Management, deep ERP integration, and features to support business-to-business transactions, and is bundled with agency design services to support an intuitive and beautiful customer experience.

- In November, Infor announced availability of Sales Intelligence for CRM, which uses advanced algorithms and machine learning to enable more relevant interactions with customers and prospects and make more specific data-driven recommendations to sales people directly within CRM.

**Strengths**

Infor has quietly added to its CX capabilities while continuing investments in its data-driven customer insights technologies that were ahead of the market for a significant period of time. The recent Koch investment has increased customer and partner enthusiasm in Infor’s longer-term product investments and viability. The expansion of the product portfolio to “edge” applications such as CLM bode well for Infor’s ability to deliver additional value to customers as well as its sales people’s opportunity to expand in their existing accounts.

**Weaknesses**

Infor continues to compete against the larger players with larger budgets for both research and development and marketing. A clearer value proposition separate from its enterprise ERP cloud messaging, as well as further investments in its ecosystem (with Marketo being a good step) would help further differentiate its deep intelligence and industry capabilities in a noisy market.

**MICROSOFT DYNAMICS 365**

Microsoft Dynamics CRM part of the Microsoft Dynamics 365 product line, features capabilities for marketing, sales, service, and field service, and social functionality. The implications of the June 2016 acquisition of LinkedIn are not completely clear for Microsoft’s long-term product roadmap, but are likely to be significant given both the size of the acquisition and the move that puts Microsoft’s squarely in Oracle’s and Salesforce’s data-as-a-service (DaaS) differentiation.

In April, Microsoft announced Dynamics 365 for Sales and LinkedIn Sales Navigator, showing the investments the company has already made in bringing together the
LinkedIn technology and Dynamics 365. The bundled solution includes 2-way integration between Dynamics 365 and Sales Navigator, enabling users to leverage LinkedIn data and Sales Navigator capabilities within Dynamics 365 to get contextual recommendations for the next best action for sales, supporting introductions directly through LinkedIn contacts, InMail, and customized connection requests from within Dynamics 365.

In April, Microsoft also announced an extension of its partnership with InsideSales, whereby Microsoft will integrate InsideSales’s playbooks into Dynamics 365 and InsideSales will gain access to Microsoft’s LinkedIn data.

The December 2016 update for Dynamics 365 included enhancements in sales, customer service, field service, and project service automation, as well as mobile application enhancements, including:

- A new personalized action hub in the mobile application, with new colors and layouts optimized for mobile, enhanced note taking, device integration, and offline capabilities.
- A relationship assistant that tracks activities, plans, data records, and communications, and analyzes them to generate a collection of action cards to recommend next best actions.
- Enhanced e-mail capture and analysis between Exchange, Office 365, and Dynamics 365, to help users track and quickly analyze relevant message streams and keep them within the CRM record.
- Enhancements to Field Service including connected field service, resource scheduling optimization, and common scheduling.

Microsoft also announced 2 new partnerships in December:

- A partnership with Versium to provide Versium predictive targeting, lead generation, and predictive lead scoring, based on the company’s data warehouse with a trillion attributes for consumers and businesses. Versium Predict is available embedded in Dynamics 365 at no additional charge.
- A partnership with CafeX to provide chat and co-browsing capabilities directly within Dynamics 365 for Customer Service, with portals and a unified service desk.
Strengths

With Dynamics 365 Microsoft is bringing the whole of the sum of its parts to bear, and giving customers new reasons to get excited about the productivity-centric CRM direction of Microsoft. Microsoft has made progress in building out its core CRM capabilities as well as taking advantage of the Microsoft portfolio including Cortana, Power Apps, and its AI investments. The further integration of LinkedIn data and Sales Navigator provides powerful tools to enable sales to leverage connections and insights from LinkedIn within the Dynamics 365 environment to drive deals. The compelling price point of the bundled solution will be attractive to buyers as well.

Weaknesses

The April announcements (and Versium partnership) were the first steps in Microsoft laying out a clear roadmap for how its DAAS play will differ from its competitors. Further investments in industry-specific capabilities – and communicating effectively about those and other roadmap investments to the field and the market – would help customers better plan to maximize returns from their Microsoft Dynamics 365 investments.

ORACLE CX CLOUD

Oracle Customer Experience (CX) Cloud includes capabilities for marketing, sales, service, social, and e-commerce, with data-as-a-service (DaaS) capabilities as a key differentiator. Oracle continues to expand its functionality both organically and through acquisition while bringing investments from its corporate usability research and development into the CX Cloud product roadmap. Industry capabilities are a key differentiator for Oracle as well as it invests in vertical-specific capabilities and data models to accelerate time to value and reduce risk for customers. Key advances impacting its positioning since the last Matrix include:

- The February release of Service Cloud included the extension of experience routing to multiple channels, enhancements to Field Service Cloud routing, and enhanced capabilities for integrating Service Cloud and Field Service Cloud.

- In January Oracle announced a new partnership with Eyeota to bring Eyeota data from Europe, Asia-Pacific, and the Americas into the Oracle Data Cloud so customers can more intelligently target and personalize campaigns outside the United States.

- In November, Oracle announced a new packaged integration between Oracle Service Cloud and Oracle Internet of Things (IoT) Cloud to enable customers to
more rapidly bring IoT data into Service Cloud, enabling them to integrate device data to drive more proactive and predictive customer service.

- Oracle Sales Cloud Release 12 included a new enterprise mobile application and mobile application composer to customize and extend the application to meet customers’ specific needs, as well as a new industry solution for higher education and a new mobile application for retail sales in consumer goods.

- Oracle Engagement Cloud combines Oracle’s sales and service capabilities in one license, integrating sales automation, service request management, knowledge management, and customer self service to enable users to deliver both sales and customer services from a single screen. This enables more intelligent service engagement-driven selling while empowering service agents to identify and act on cross-selling and upselling opportunities.

- Adaptive Intelligent Applications. Announced at OpenWorld, Adaptive Intelligent Applications are prepackaged applications bringing together Oracle data cloud, predictive analytics, and machine learning. The first application, Intelligent Offers, is scheduled for release later this spring.

**Strengths**

Oracle continues to advance in functionality both from a vertical industry perspective and across the pillars of CRM while driving prepackaged integrations and products (such as Adaptive Intelligent Applications) that will accelerate time to value for customers.

**Weaknesses**

Oracle’s biggest challenge today is in helping customers understand and adopt the appropriate technologies from its suite of CX capabilities, while continuing the integration of acquisitions.

**PEGASYSTEMS**

Pegasystems CRM differentiates itself based on its unified Customer Decision Hub that provides advanced decisioning, guidance, and artificial intelligent ‘next best action’ across marketing, sales, and service. It is also known for its ability to handle many channels (voice, chat, chatbot, co-browse, paid and owned advertising, self-service, mobile, social) at once without losing context. It provides vertical solutions for financial services, government, insurance, health care, media and communications, and manufacturing industries. Since the last Matrix Pegasystems has made a number of announcements including:
In April, Pegasystems announced enhancements to its Sales Automation for Financial Services application, with new artificial intelligence (AI) features that provide sales agents with intelligent guidance throughout the sales cycle. The company also launched the Pega Intelligent Virtual Assistant, an AI-powered bot that is preconfigured to extend to Facebook Messenger, Alexa, and Google Home. A new capability of the Pega Platform, the Virtual Assistant is designed to extend Pega data and process management to any conversational interface, and can be extended by business users to messaging applications such as WeChat and Skype.

In March, Pega announced the launch of Pega Service Ventures, a new fund to accelerate the growth of emerging implementation service partners and expand its partner ecosystem to support the needs of customers. It also announced further enhancements to the AI capabilities within Pega Sales Automation including Opportunity Insights, Sales Futurecast, and Next-Best-Actions, and new AI capabilities for Pega Customer Service.

In February, the company announced Pega Self-Service Advisor, with AI capabilities to provide customers with more intelligent self service. It also announced robotic automation capabilities to automate client onboarding and Know Your Customer requirements.

In January, the company announced enhancements to the Pega Product Composer System for health care to simplify the development and customization of new health insurance plans and share product and benefit information with members for improved customer service.

In November, Pega announced Pega FHIR APIs, to enable health care payers and providers to more quickly adopt the Fast health care Interoperability Resources (FHIR) standards framework for exchange patient information.

In September, Pega announced availability of Pega Robotic Automation, based on the OpenSpan acquisition, to enable customers to further automate tasks.

Strengths

Pega continues to be selected by large organizations who need to scale from small teams to many thousands of agents. Its long history of investment in AI and automation enable companies to reduce operational costs and reduce the likelihood of human errors while improving customer interactions. These investments, coupled with its strong case and process management backbone, offer existing customers a way to achieve increased returns on their Pega investment. Efforts to grow the Pega
ecosystem will help it to compete more effectively against larger competitors with broader partner networks. Pegasystems offers clients a choice of cloud – including private, public, and hybrid – across a variety of cloud platforms managed both by partners and by Pegasystems.

Weaknesses
As other vendors up their game – and their marketing – around their workflow and process management capabilities, Pega will have to continue to differentiate the value of its approach in a noisy marketplace.

SALESFORCE
Salesforce maintains its position as a leader in the CRM Value Matrix with a rapid pace of announcements and releases across its sales, service, marketing, community, analytics, and IoT clouds. Nucleus has seen an accelerating customer migration to Lightning as customers recognize the productivity benefits of adoption for both developers and business users. Key announcements since the most recent Value Matrix include:

- On April 4, Salesforce announced Einstein High Velocity Sales Cloud, bringing together Einstein AI with Lightning with components including Einstein Activity Capture, Salesforce Engage, and the Lightning Sales Console and Lightning Dialer.
- Also on April 4, Salesforce announced it had been granted Department of Defense (DoD) Impact Level 4 Provisional Authorization – certification to support security and compliance requirements for DoD and aerospace and defense companies moving to the cloud.
- On March 28, Salesforce announced Service Cloud Einstein integration with Amazon Connect and Financial Service Cloud Einstein, advancing Salesforce’s industry solutions strategy with an application for financial advisors that leverages Einstein AI.
- On March 6, Salesforce and IBM announced a global strategic partnership to deliver joint solutions leveraging both IBM Watson and Salesforce Einstein, and an IBM investment in its Global Business Services capabilities for Salesforce to help clients deploy the combined capabilities.
- On February 13, Salesforce announced Service Cloud Einstein and new related features in the Spring ’17 Service Cloud release. Intelligent case classification and field service routing will enable customers to accelerate case and resolution
routing. Einstein Supervisor also gives contact center supervisors greater visibility and insights for coaching to increase agent and supervisor productivity and customer satisfaction (Nucleus Research r32 – Salesforce announces Service Cloud Einstein, February 2017).

- Salesforce has developed a new suite of services called Salesforce Shield, which addresses the security demands of customers around event monitoring, field audit trail, and platform encryption (Nucleus Research r16 – Salesforce Shield reinforces cloud, January 2017).

- On December 13, Salesforce announced LiveMessage for ServiceCloud, which enables companies to engage with customers via messaging channels such as short message service (SMS) and Facebook Messenger. Bringing text into the service environment not only gives customers more flexibility in how and when they can engage with service, it drives lower case handling costs by increasing agent productivity and call deflection (Nucleus Research q224 – Salesforce adds texting channel to Service Cloud, December 2016).

- At Dreamforce in September, Salesforce made a number of announcements including Salesforce Einstein, its artificial intelligence (AI) technology, with plans to be integrated into the Salesforce platform across sales, service, and marketing. The company also fleshed out its product strategy for Lightning Bolt, Lightning App Exchange, and Lightning App Builder. Salesforce also announced enhancements to the Salesforce1 App Cloud, including the new My Salesforce1, which enables companies to build apps with their name and brand in the app store, and its acquisition of Quip, a document collaboration tool (Nucleus Research q193 – Salesforce trailblazes Dreamforce 2016, October 2016).

**Strengths**

Salesforce continues to outpace much of the competition in announcements of new features and products, even if some of the actual products are still on the roadmap. Nucleus expects that increased investments in the Salesforce ecosystem and changes in the AppExchange will drive further development of the ecosystem as well as Salesforce’s organic product depth and breadth.

Salesforce is also making significant investments in its vertical industry solutions, which will drive faster time to value and lower risk for customers who want to take advantage of industry best practices and prebuilt components and data models.
Weaknesses

At the highest price point in the market, Salesforce continues to command a premium for even its lower editions. That said, although Nucleus case study data shows the average price per user continues to increase, so does the return on investment (ROI) Salesforce delivers to its customers as companies can take advantage of Salesforce’s latest investments (Nucleus Research q211 – Salesforce delivers increasing ROI, November 2016).

VEEVA SYSTEMS

Veeva Systems, built on the Salesforce platform, delivers cloud-based software for the life sciences industry, including Veeva CRM, Veeva Vault for content management, Veeva Network for master data management (MDM), and Veeva Open Data. It maintains its leadership position both through its own organic development and because of its ability to deliver Salesforce platform innovations to its customers. Significant announcements made since the last Matrix edition include:

▪ In April, Veeva announced Vault SiteExchange to better enable customers to access and exchange information during clinical trials.

▪ In March, Veeva announced a deepened partnership with Salesforce, with deeper integration between Salesforce Marketing Cloud and Veeva CRM, as well as support for Salesforce Service Cloud and Veeva Vault.

▪ In November, Veeva announced CRM Engage Meeting, which supports secure and compliant video and Web conferencing for online meetings to enable sales people to share approved, consistent content with customers.

Strengths

Increased integration with Salesforce and leverage of new components of the Salesforce platform continue to drive value for Veeva clients. Announcements since the last Matrix add more secure synchronous and asynchronous collaboration capabilities to its product portfolio to drive greater productivity for users.

Weaknesses

As Veeva is exclusively focused on life sciences, it may face increasing competition from other vendors as they invest heavily in their vertical cloud CRM strategies. Although Salesforce is unlikely to develop a competitor to Veeva itself, others with vertical solutions are gaining visibility, and the QuintilesIMS-Salesforce announcement gives customers looking for a solution on the Salesforce platform other options.
EXPERTS

Experts in the Matrix include CRMNEXT, IMS Health Nexxus, NexJ, Oracle Siebel CRM, and SAP.

CRMNEXT

CRMNEXT provides marketing, sales, service, service, social, and e-commerce functionality focused primarily on the banking and financial services, telecom and media, retail, and pharmaceuticals industries. The product's role modelers and designers are designed to help marketers and sales people move leads through the sales cycle and are important differentiators for CRMNEXT across its different vertical markets. Since the last value Matrix CRMNEXT has made a number of announcements including:

- In December, CRMNEXT announced the launch of Mashup Anywhere, a real-time data integration tool that enables users to gather and present information from multiple sources such as remote databases, external applications, or widgets on one screen. Its drag-and-drop interface allows users to view data in multiple formats.

- In October, the company announced the David Decision Engine, a business rules engine designed to help financial services firms create new revenue streams and shorten the sales cycle by automating processes.

- In March, CRMNEXT announced support for Amazon Connect, the cloud-based contact center service from Amazon.

CRMNEXT moved from the Facilitator quadrant to the Expert quadrant in the last edition of the Value Matrix and continues to sustain its position with advancing functionality in the last 6 months.

Strengths

CRMNEXT continues to make inroads beyond its Indian roots with one of the only cloud-native solutions that has specific functionality and capabilities for financial services firms. With the ability to support very large deployments, scalability is a core strength of the application as well.

Weaknesses

CRMNEXT’s lack of a strong partner ecosystem in North America, and limited customer references, challenges it to gain business with financial services firms that
rely heavily on peers and large systems integrators and consultants to help them in the decision process.

QUINTILESIMS NEXXUS

QuintilesIMS is a global information, technology, and service provider for healthcare practitioners, health care payers and providers, and life sciences and pharmaceutical companies. The QuintilesIMS NEXXUS brand (previously Cegedim) provides CRM capabilities for multi-channel marketing automation and sales execution, as well as market access, medical affairs, and support for home office operations. The NEXXUS Suite includes NEXXUS Marketing, NEXXUSSocial, NEXXUS Mobile Intelligence, Organization Manager, NEXXUS Incent, and Kadridge iDetailing. The company also provides applications for master data management, performance analytics, consumer-facing mobile health applications, compliance, and clinical trial optimization.

On April 24, QuintilesIMS announced a partnership with Salesforce by which QuintilesIMS would build solutions on the Salesforce platform and on Salesforce Marketing Cloud. This move should enable QuintilesIMS to more effectively compete for customers in the life sciences market by moving to a modern cloud development platform so that customers can take advantage of more seamless upgrades and ongoing innovation delivered by both Salesforce and QuintilesIMS.

Strengths

QuintilesIMS is a large concern with a breadth of technologies and services beyond just CRM while, at the same time, providing very specific CRM functionality aimed at its core market. The Quintiles merger extends NEXXUS’s potential marketing reach and customer market and the complementary applications for other areas of the business may be attractive to customers purely from a vendor management perspective. Moving to replatform on Salesforce is an important move for the company to deliver more modern applications with a cloud upgrade and development cadence and should help it to compete more effectively against Veeva Systems (also built on Salesforce) and other cloud innovators. Additionally, QuintilesIMS is building its Salesforce applications on Salesforce’s latest platform, giving it an edge over competitors that have not yet moved to Lightning.

Weaknesses

QuintilesIMS was somewhat late to the cloud game where competitors such as Veeva have steadily gained ground by delivering co-innovation with Salesforce. A clear product map that shows QuintilesIMS has not just partnered with Salesforce...
but adopted a similar development and delivery speed will be important to its ability to make the case to customers seeking a cloud solution.

NEXJ

NexJ positions itself as a vendor that provides CRM, customer process management (CPM) solutions including client onboarding and Know Your Customer, and customer data management (CDM) solutions for financial services and insurance firms. The company recently announced a Siebel Replacement Program specifically focused on helping financial services firms migrate off legacy Siebel applications, with Siebel CRM-specific expertise, tools, and processes as well as data integration to enable a phased move to the NexJ platform.

Although NexJ has not made any significant product announcements since the last publication of the Matrix, the company continues to invest in its customer process management and customer data management solutions as key capabilities beyond core CRM that are important differentiators in financial services. NexJ CDM separates the front office from the back office with an Enterprise Customer View that integrates streaming data, data at rest, and calculations into a single view that breaks down silos within an organization and provides meaning to data.

Strengths

NexJ has continued to invest in “edge” CRM capabilities that are important for financial services clients and competes effectively against much larger competitors that have less complete functionality in its sector. Its Siebel migration program goes beyond simple marketing to enable companies to run parallel systems and manage a controlled migration with limited risk, which is critical to financial services firms wanting to modernize CRM while minimizing disruption.

Weaknesses

The vendor has a singular focus on the financial services market and its services and social capabilities are specific to that industry. It does not presently offer solutions outside of that vertical.

ORACLE SIEBEL CRM

Oracle continues to make investments in the Siebel portfolio to extend its useful life for customers, drive greater usability and lower total cost of ownership (TCO), and support more streamlined integration between Siebel and other components of Oracle CX Cloud. The Siebel CRM Innovation Pack 2017 focuses on modern business agility, providing capabilities to move Siebel to Oracle’s Infrastructure/Platform as a Service (IaaS/PaaS) and configure and provision via a Web browser, parallel
development using Workspaces, and new governance and automated test-generation capabilities. Open UI UX enhancements in the release include aggregative dashboards, performance improvements, and enhanced Microsoft Outlook support.

**Strengths**

Siebel CRM continues to be one of the most functionally-rich CRM applications in the marketplace with tailored vertical solutions and data models for more than 20 industries. For many customers still reliant on Siebel solutions with significant customization, Oracle has made the appropriate investments to help them reduce TCO, increase agility and usability, and migrate to the Oracle Cloud where it makes sense, while making it easier to integrate with other CX Cloud modules.

**Weaknesses**

Siebel CRM is a mature application and is still used by many large global organizations as their mission-critical CRM system. That said, Oracle and others have invested in migration tools and strategies to help Siebel customers migrate part or all of their Siebel footprint to more modern applications. Nucleus expects Oracle and other vendors will continue to chip away at the Siebel installed base as customers look to complement their Siebel CRM technology with new cloud innovations or platforms and embark on digital transformation initiatives.

**SAP**

SAP CRM is one of the more mature CRM suites covered in the Matrix. It includes support for sales, marketing, service, partner channel, management, case management, social service loyalty management, real-time offer management, and trade promotion management. The last major product release for SAP CRM EHP4 in late 2015. SAP has also modernized the user experience of SAP CRM with Fiori 2.0 and introduced advanced analytics and reporting with SAP HANA Live.

**Strengths**

SAP made many early investment in CRM and has developed industry-specific functionality for a number of its core customer industries including consumer products, utilities, high tech, wholesale, media, telecommunications, industrial machinery, retail, and oil and petrochemicals.

**Weaknesses**

SAP CRM is not sold standalone to non-SAP ERP customers, and SAP’s CRM investment focus has largely been on its Hybris Customer Engagement and Commerce offerings. This is a reasonable approach given that legacy SAP CRM
deployments are, for the most part, highly customized and integrated with ERP, reducing the likelihood that customers are on a regular upgrade cadence.

CORE PROVIDERS

Core providers in the Matrix include Maximizer Software and Sage CRM.

MAXIMIZER

Maximizer provides a Web-based CRM with integrated sales, marketing, and service capabilities. Key announcements since publication of the last Matrix include:

▪ In February, Maximizer announced a partnership with Trujay Group to extend the Maximizer ecosystem with Maximizer Connect for use with Gmail, which enables users to automatically synchronize contacts, store and track e-mail by contact and thread, and save e-mail attachments.

▪ In November, Maximizer released CRM Wealth Manager 2017, designed to support wealth management advisors with preconfigured industry-specific fields, predefined business processes, industry-specific action plans, and enhanced dashboards.

▪ In October, Maximizer launched Maximizer CRM 2017, with a focus on automating repetitive tasks and increased usability.

Strengths
Maximizer’s industry-specific capabilities for Wealth Management accelerate time to value for customers by reducing the need for customizations.

Weaknesses
Maximizer’s release cycle is slower than the cadence of most other vendors in the Matrix, challenging it to keep up with the pace of innovation in the CRM space.

SAGE CRM

Sage provides CRM Cloud Professional and CRM On-Premise focused on the SMB market. Sage continues to hold a position in the Value Matrix as a core provider because of limited product updates. Sage has not made any significant announcements since the last Matrix was published.

Strengths
Sage has a well-known brand in the small and medium-sized business (SMB) space.
Weaknesses
Lack of a clear product roadmap and questions about the amount of investments Sage is making in CRM make it a risky choice for small companies given the number of competing solutions available with free trials and other low-risk deployment options.

FACILITATORS
Facilitators in the Matrix include Acumatica, HubSpot, Infusionsoft, SAP Hybris Cloud for Customer, Sugar CRM, and Zoho.

ACUMATICA
Acumatica maintains a strong position despite its core focus as an ERP provider because of the deep CRM capabilities provided within its standard product set. At the Acumatica Summit in January, the company announced a number of advances that strengthen its position in the CRM Matrix including:

▪ Acumatica Field Service Edition. Acumatica’s ERP-centric approach enables customers to automate field service while providing real-time visibility into inventory. Field Service capabilities include remote inventory management, geographical routing management, and ticket resolution.

▪ Support for e-commerce activities such as sales order processing, fulfillment, and inventory management through a partnership with Kensium Solutions and Magento.

▪ DocuSign integration to enable sales to further automate the contract process with customers and accelerate deal cycles.

▪ Dashboard enhancements, including interactive dashboarding and advancements in embedded analytics and Outlook integration (Nucleus Research r30 – Acumatica extends its CRM reach, February 2017).

Strengths
Acumatica’s strengths as a combination ERP – CRM provider for SMBs gives customers a more cost-effective option than purchasing and integrating two standalone solutions, and Nucleus has found that the CRM capabilities exceed the needs of many SMB customers. Investments in the Acumatica platform offer further flexibility for CRM users.
Weaknesses
Companies needing deep marketing automation or SFA capabilities such as territory management or sales coaching will likely need more CRM functionality than Acumatica provides today.

HUBSPOT
HubSpot began with foundations in marketing automation and continues to gain ground with its broader CRM offering particularly among its marketing installed base (Nucleus Research q 154 – Anatomy of a decision: HubSpot Marketing, August 2016). Significant announcements from HubSpot since the last value Matrix include:

▪ This spring, HubSpot announced partnerships with Shutterstock and Shakr, adding more photo and video content options for customers seeing to increase their social media presence.

▪ HubSpot announced in February its Academy Learning Center, with learning and development capabilities built within the HubSpot platform.

▪ In November 2016, HubSpot announced that it had rebuilt its campaign-building functionality, Workflows, to be simpler and more intuitive to use. It also released a new content strategy tool that relies on machine learning and natural language processing to improve the development of content.

▪ Also in November, the company released Marketing Free, a free lighter version of its marketing automation solution.

Strengths
With a free version of all of its products, HubSpot is appealing to SMBs who can try before they buy and may find the free version meets all of their needs for some period of time. That said, HubSpot is also a very cost-effective solution for small teams and organizations that need basic, integrated marketing and sales functionality. The product’s inbound marketing-centric view aligns with the micromarketing demands of both marketing and sales as they are challenged with a changing sales funnel (Nucleus Research q176 – The death of the sales funnel, November 2016).

Weaknesses
With HubSpot’s focus on marketing, it’s unclear how much the company plans to invest in the other pillars of CRM that are equally, if not more important, to buyers. Companies seeking a full CRM solution for growth may find the company’s support for sales and service limiting.
INFUSIONSOFT

Infusionsoft CRM is specifically focused on small businesses, providing users with a highly-intuitive application with core marketing automation, customer management, sales automation, and e-commerce capabilities. Since the last Matrix, Infusionsoft updates include:

- In October, the company announced a number of enhancements in its Fall 2016 product launch including upgrades to its Campaign Builder, new invoice and quote features and automation, new geo-targeting features, enhanced reporting, and support for HIPAA compliance.

- In January, the company announced additional product enhancements including improvements to Infusionsoft Mobile, extended language and time zone support for marketing automation, and new capabilities for bulk e-mail authoring and trigger-generated automated followup.

Strengths

The highly usable nature of Infusionsoft is important for its customer base, where often one individual is responsible for multiple sales and marketing activities yet may have other responsibilities as well, so are not using the application as frequently as a full-time sales or marketing professional. Although there was some discussion of Infusionsoft abandoning its focus on the “S” end of SMB to go after larger customers, it appears to have resharpened its focus on this niche with the recent changes in leadership.

Weaknesses

At the very small end of the market, Infusionsoft will increasingly face pressure from freemium solutions such as Zoho and HubSpot that may not be as complete functionally in some areas but offer other capabilities (with Zoho, for example, e-mail, finance, and other business tools).

SAP HYBRIS CLOUD FOR CUSTOMER

SAP has consolidated its CRM solutions under the Hybris brand with customer engagement and commerce. Its suite of application includes SAP Hybris Sales Cloud, SAP Hybris Service Cloud, SAP Hybris Marketing Cloud, SAP Hybris Commerce, SAP Hybris Billing. The vendor also provides on-premise CRM modules for sales, service, and marketing, although SAP’s investment focus has been largely on its cloud offerings. Significant announcements since the publication of the last Matrix include:
In March, SAP announced the SAP Hybris Revenue Cloud, supporting product configuration, pricing, quoting, order orchestration, and subscription billing.

In March, SAP and Apple launched SAP Cloud Platform SDK for iOS, which lets CRM developers and partners to build, extend, and run iOS apps, powered by the SAP Cloud Platform and SAP front-office and back-office data and processes. Developers can tap into the services and functions defined in the SAP and include specific business and security rules to protect sensitive data. With this new SDK developers can access native iOS frameworks and technologies to build applications. This means that apps can take advantage of the latest interface technologies and built-in sensors to provide the context and experience that users expect. The SDK is built on Apple’s open source programming language, Swift.

In December, SAP announced the acquisition of Abakus, a cloud-based application for cross-channel marketing measurement and optimization.

At the core of SAP Hybris Sales and Service Cloud is the SAP HANA platform whose analytics capabilities are used to enrich CRM processes in real-time. This enables SAP Hybris Cloud solutions to provide:

- Predictive analytics designed to provide excellent analytics performance on large data sets in real-time. Capabilities like deal finder, real-time offers and sphere of influence are developed using predictive analytics. SAP offers more than 60 algorithms out of the box for use by customers.

- The ability to track customer journey events and granular digital behavior including customer intent in real time, in order to trigger the right action, at the right time, through the right channel.

- Text analysis and mining providing access to unstructured textual information and making semantic determinations about the overall content of documents, messages, e-mail, and social content.

- Smart data services enabling business users to mash up data from social networks such as Facebook, Twitter and Google+ with their enterprise information sources.

- Advanced data visualization, embedded data sources including third-party data, and predefined process dashboards and dashboard development capabilities.
Strengths
SAP continues to make significant investments in SAP Hybris cloud products focusing on mobility, user experience, advanced analytics, and industry-specific capabilities. SAP announced in October that it had signed on its 1000th customer for SAP Hybris Sales and Service Cloud, although it’s unclear how many customers have gone live on which modules.

Weaknesses
SAP is largely selling its CRM to its ERP installed base, with limited sales beyond that base.

SUGAR CRM
Sugar CRM maintains a strong facilitator position in the Value Matrix based on the company’s continued investments in usability and functionality, and its strength as a platform is attractive to companies with significant customization needs as well as OEM partners that are developing and delivering solutions to their own clients (such as Wipro and its “call center in a box” solution). Sugar views the market somewhat differently from the traditional pillars, focusing its investments on the platform, Sugar Mobile, and Sugar Intelligence. Since publication of the last Matrix, Sugar has made investments in a number of areas including:

- Advanced workflow. Sugar’s business process management (BPM) capabilities continue to be a differentiator for the vendor, and support for many-to-many and chained relationships, more event-driver triggers, and other features increasingly bring it into head-to-head competition with other traditional BPM-focused vendors.

- E-mail integration. With version 7.8, Sugar has improved the experience for users with easier search and organization, business-friendly e-mail templates for sales micromarketing, contextual e-mail preview, and e-mail tracking.

- Dashboards. The latest enhancements from Sugar include the ability to share dashboards across teams, enhanced Dashlets, and the ability to create a campaign based on a tag segment within a dashboard.

- Mobile. Sugar continues to invest in the mobile space, with version 5.0 bringing a UX redesign as well as general availability of the mobile software developer kit (SDK), and native mobile device management (MDM) support, obviating the need for an additional MDM application to secure mobile devices accessing CRM.
Quoting. Advances in quoting capabilities give Sugar an integrated “CPQ light” to meet the configurating and quoting needs of customers with product sets of a limited complexity.

While other vendors have invested in industry specific SKUs of their CRM applications, Sugar has taken a somewhat different approach by developing Centers of Excellence for manufacturing, professional services, and financial services customers. The centers of excellence provide industry-specific expertise, data templates, and process flow models for use of advanced workflows.

**Strengths**
Sugar continues to advance its functionality both organically and in the breadth of solutions delivered by its partners, which are attracted to Sugar both because of its very competitive price point and its platform flexibility. Extension of its partner network give the company further scale in delivering solutions to customers.

**Weaknesses**
Sugar is still lacking in deep functionality in areas such as marketing and SFA that are demanded by some larger organizations, instead choosing to deliver through partners. Although it has somewhat closed the gap on CPQ, limited capabilities on the core pillars keep it out of the leader’s quadrant. That said, given its very competitive price point, Nucleus finds customers achieve considerable ROI from Sugar even if additional investments in ecosystem products and integration are necessary to meet their needs.

**ZOHO**
Zoho maintains its position as a facilitator in the Value Matrix as the company continues to make investments in product usability and functionality (Nucleus Research r17 – Peeling back the layers at Zoho, January 2017). Announcements impacting its positioning since the last Matrix include:

- In March, Zoho announced a partnership with Amazon Connect to support integration between Zoho CRM and Amazon’s cloud contact center solution.

- In February, Zoho announced Zia, an artificial intelligence (AI) sales assistant that helps sales people to prioritize their sales efforts. Zia analyzes the CRM usage of sales people to identify areas for improvement, suggests macros and workflows to automate common tasks, and analyzes contact data to suggest the best time to call a prospect. Additionally, SalesSignals keeps sales people informed about customer activity in social media, support interactions, and satisfaction surveys.
Zoho also continues to make investments in its other ancillary products, such as Notebook, Finance Plus, and Checkout.

**Strengths**

A very attractive price point, the availability of complementary integrated applications spanning e-mail, business process, finance, help desk, and phone integration, and its integration and customization capabilities enable customers to create a CRM footprint very specific to their unique business needs.

**Weaknesses**

Zoho’s strategy of limited investment in marketing has enabled it to very quietly grow its product capabilities by focusing a large portion of its resources on research and development, and it’s counting on a penetration strategy with free products to drive greater visibility and adoption of its CRM beyond the “free user” model. However, this has driven a perception of Zoho as a “cheap” solution that may not be appropriate for enterprise use. Further development of its user community and reference-based marketing would help it to gain greater visibility in the market and greater sales upmarket.

**About the Matrix**

The Nucleus Research Technology Value Matrices are published at least once a year in Nucleus’s core research areas. Through the analysis of end-user experiences, vendors are evaluated on both usability and functionality – key drivers of value – and placed into four categories: Leaders, Experts, Facilitators, and Core Providers. Customers can use the Matrices to evaluate vendor short lists as well as to make the case for maintaining existing applications. The Matrix is designed to be a complement to Gartner’s Magic Quadrant by providing a view of the relative value of competing solutions that is aligned with the buying cycle. For more details on the Matrix Methodology, please refer to Nucleus Research *r59 – Understanding the Value Matrix, April 2017*.