

the vSente white papers



## THE vSENTE C3i ROADMAP

Written by Mike Smock and Rod Watkins  
Managing Directors - vSente

Copyright 2000 - vSente, All Rights Reserved



## The vSente C3i Roadmap

Written by Mike Smock and Rod Watkins  
Copyright 2000 vSente, Inc., All Rights Reserved

*vSente has prepared the following briefing to address key issues in evaluating CRM initiatives. The promised benefits of CRM are huge. So are the costs. Before executive managers commit their organizations to CRM they should fully evaluate the implications. This briefing discusses the core concepts of C3i-adaptability, C3i infrastructures, and ranks the top-five vendors.*

wp.07.09.00



page 3

Yet current CRM applications fall far short of what is required to implement a potent tactical C3i competitive infrastructure. While CRM can represent an important component of C3i architecture, the full array of methodologies and technologies needed to form C3i are not currently found in CRM.

As discussed in the vSente White Paper - "CRM or C3i" - CRM can increase your level of customer service, and help you manage vast quantities of customer and sales related data. But CRM was developed in response to very basic sales processes. As a result, the current benefits it provides sales organizations are limited to such areas as direct customer intelligence, categorization and a very basic vision of sales methodologies.

The opportunity available from C3i extends well beyond these processes, and encompasses far-reaching methodologies and technologies. These include such new dimensions as highly refined competitive intelligence acquisition, selling-specific communications networks, advanced visualization and mapping, tactical competitive maneuver, and organization-wide command and control.

Current CRM technologies are simply not there. In their current form they are insufficient on their own to create potent C3i structures. However, CRM can be adapted and integrated into C3i. It can become the foundation of a C3i initiative. Yet not all CRM technologies are equally "C3i-adaptable." Some vendors offer technologies that are far more C3i-adaptable than others.

### C3i Adaptability

CRM encompasses a wide range of applications. These include such processes as lead management; call centers; and marketing intelligence. Vendors have applications that now span both traditional and eBusiness environments. CRM is also beginning to merge with "back-end" enterprise applications, such as supply-chain management.

When evaluating a CRM initiative this should be a critical consideration. At the end of this section vSente will evaluate and rank the top-five vendors it believes are most C3i-adaptable.

But first it is important to further consider each of the four primary components of C3i: Command, Control, Communications and Intelligence. These make up the foundation of C3i architecture. By understanding the elements of C3i, and how they will help you implement a more effective selling strategy, you will be better prepared to identify which vendors offer the best value-propositions for your organization.

### **C3i Infrastructure**

#### Command

Command is defined as the ability to "have authority over." Command consists of two parts. First, command is the process of directing orders to people. And second, command requires that orders be executed.

In business environments command consists of the authoritarian, hierarchical, and informal systems of orders and influences that drive all organizational activities. It is the "chain of command," as it is often referred to. Orders and directives generally move from top to bottom as vision becomes strategy, strategy becomes tactics, and tactics are executed. Sometimes influences may also come from the bottom, or originate somewhere in the middle. The

organizational range of command influence, or span of command, of any given order represents a "command network."

The sum of all command networks - which themselves are constantly expanding, contracting and shifting - represents an organization's Command Structure. This command structure is what the organization uses to implement competitive maneuvers.

Visualize the command structure as a military formation. Senior executives are generals. They occupy the top positions of command. Vice-presidents and general managers are first lieutenants. They initiate the dissemination of executive commands throughout the organization. Further down are the mid-mangers - the platoon leaders. The employees and specialists are the troops.

The metrics of effective command structures are speed, accuracy and impact. Speed measures how fast orders are transmitted. Accuracy refers to how well recipients comprehend and pass along orders with their original intentions intact. This is important since the content of orders can quickly degrade as they are passed through the chain of command. Impact measures how effectively they are implemented, or carried out.

An effective command structure allows executive leaders to quickly and accurately implement new orders and directives. The command component of a C3i infrastructure allows managers to build systematic command structures that are optimized for potent selling formations. This may consist of cus-

wp.07.09.00



page 4

tomized methodologies, communication systems, and command codes. A C3i system will also include feedback mechanisms that allow executive managers to measure the impact of their orders.

Current CRM technologies do not begin to provide the level of command infrastructure available from a potent C3i implementation. However, certain CRM technologies are more adaptable than others. Here are some of the things you want to look for.

Study the features and architectures of CRM technologies that will support your ability to quickly and accurately transmit orders, then receive feedback as to the disposition of those orders. Are there, for example, mechanisms that can allow you to direct orders specifically to certain individuals, or groups of individuals?

You ultimately want to be able to initiate orders, and then receive immediate confirmations that the orders have been received and understood. Then once the recipients have executed the orders, you want confirmation - followed shortly by updates as to impact of the order. You want to build a command structure - consisting of multiple command networks - that allows you direct your orders as close to the troops as possible. You want to effectively bypass the layers of hierarchical command bureaucracies that can quickly degrade and slow the effectiveness of order/execution.

The technologies of most leading CRM vendors will typically allow you to create

"sales teams," where only people on the team are privy to information and orders directed at that group. This provides an excellent place to start optimizing your selling formation for speed and flexibility. What you need to carefully investigate is how effectively these teams can be linked into the type of command process and networks described above. Also pay close attention to how many layers deep these sub-groups can be taken. For example, can you create groups within groups? This will allow you to refine your command structure further.

Command is the most important and complex component of a C3i infrastructure. But current CRM technologies provide minimal command mechanisms. Understand that CRM originated from the basic contact manager. Contact Managers are application specific databases used for managing customer names and details. So it is no surprise that CRM has evolved into extensive, networked and synchronized databases for customer information and concerns. Yet the tactical command of internal selling structures has been largely neglected.

## Control

Control means, "to regulate or direct." Control has two components. The first is measurability and calibration. The second is regulation. To "measure" means to compare something against a consistent standard. To "calibrate" means to adjust a setting based on comparisons between two or more things,

wp.07.09.00



page 5

which are often relative comparisons.

To implement a control mechanism you need three things. First, you need data points, or coordinates, with which to measure and calibrate. Second, you need standards and methodologies to perform measurement and calibrations. And third, you need systematic processes and mechanisms to allow you to regulate resources and activities.

This may make control seem very similar to command in its basic function - to effect change. But there is a distinct difference. Where command is about directing the actions of people, control is about measuring and regulating resources and processes.

Control allows you measure actions and reactions - thereby enhancing your insight of, and coordinates about, the competitive terrain. This will guide you in identifying current and target positions.

Control allows you to calibrate actions with reactions - and current positions with target positions. Calibration allows you to periodically reconcile where you are with where you want to be.

And control allows you to regulate, or allocate, resources across competitive initiatives. Allocation consists of adjusting the mix of resources needed to optimize your performance. Effective control mechanisms allocate resources by opportunity and performance. Higher performance opportunities get more resources - poor opportuni-

ties get less.

These are the kind of processes that an effective control mechanism should provide. Think of control as a perpetual process of measurement and fine-tuning. Through control you develop and perfect best of breed selling practices and methodologies.

Unfortunately, current CRM technologies barely touch on this. Although a few simple selling models may be found in CRM applications, rarely are there tools to accommodate constant measurement and optimization of the models. This is what control is ultimately about - performance optimization.

There are things you can look for in current CRM technology that can help you build control mechanisms. Of the three primary elements of control, CRM technology can act as the primary supplier of coordinates - data points about the sales process. Before you can measure or calibrate anything you need to have these data points. As a selling-specific database, CRM can play an important role in this process.

What you need to investigate is how robust and flexible the technology is in terms of data management. You will need substantial latitude and flexibility for not only capturing and categorizing data points, but also quantifying them so they can be fed into the control process. CRM applications that excel at this, or provide more robust tools and architectures to accommodate it, are more adaptable in terms of creating a potent control mechanism.

wp.07.09.00



page 6

## Communications

Communications is one of the areas where CRM is becoming very robust. CRM consists of an enormous quantity of transactions. All these transactions must be recorded, synchronized and communicated throughout organizations, and even outside organizations. This communications must take place across private networks and the Internet, in both connected and wireless environments. Not only must CRM be accessible through all these mediums, but oftentimes data must be "pushed" out to users.

CRM technology has been making great strides in integrating the broad range of communications mediums now available. In fact, communications is one of the stronger areas where CRM can become the backbone of a C3i infrastructure. This is because there are two key elements in a CRM communications network, both of which are vital to the C3i infrastructure.

The first is the underlying database that captures and categorizes the relevant data points. The second is the communications network that makes that data available to the entire selling organization.

What you want to look for is the range of communications mediums CRM technologies span. And how effective is their "coverage" of selling formations? You want a CRM communications network that becomes as fundamental to the daily lives of your troops as telephones and email.

wp.07.09.00



page 7

But while CRM has been very strong in integrating new communications technologies, it has tended to be weak in its vision and execution of new communication methodologies. Consider reporting. Most CRM technologies come equipped with standard, out-of-box reports. These include such things as forecasts and sales pipelines.

But a potent C3i infrastructure will require communication methodologies that far exceed those in standard CRM technologies. Each of the three remaining components of C3i - Command, Control and Intelligence - must be able to be communicated through a broad range of methodologies and structures. These may include tactically specific reports, specialized visualizations such as conceptual and relative mapping of the competitive battlefield, or the representation of commands through visual battle plans. The opportunities to create customized communications methodologies are endless.

Superior CRM technologies will provide the greatest latitude and flexibility in reporting and architectures. These solutions will be best able to adapt to their communications features to C3i environments.

## Intelligence

Intelligence is the fourth component of C3i. Intelligence comes in two forms - internal and external.

Internal intelligence consists of all customer and sales data points generated from organizational activities. These include things like customer coordinates, selling efforts, sales performance and metrics, product specifications, and marketing activities. The capture of internal intelligence is probably CRM's single most effective function.

External intelligence, also called competitive intelligence (CI), consists of all sales and marketing related data points that come from outside the organization. These include things like competitor products and strategies, market sizing and trends, and competitive opportunities and threats. CRM technologies have been rapidly adding CI tools, either through additional product features or alliances.

Whether internal or external, CRM and associated technologies are able to deliver vast quantities of intelligence. Availability and amount of intelligence are not the issues. What is at issue is the how the intelligence is captured, summarized, reported and communicated - to the right people at the right time.

You need intelligence that is current, reliable, and delivered in a form that is actionable. This will require weekly, daily, and even instantaneous briefings of changing conditions on the competitive battlefield. At any moment you must be able to visualize your competitive terrain - including competitors, opportunities, and threats.

What you need are maps that describe competitive terrain - like the battlefield maps used in military engagements. The only difference is that instead of visualizing military warfare, they map competitive warfare. They plot the relative positioning of the competition, and provide up-to-the-moment visualizations of competitive "battles." You need an intelligence infrastructure that can be put on autopilot, and will consistently deliver the right intelligence, in the right form, at the right times and to the right people.

### Leading CRM Vendors

In the prior section a significant amount of discussion was devoted to the four primary components of the C3i infrastructure. This included issues of what to look for in C3i-adaptable CRM technologies.

In this next section vSente presents and ranks its top-five CRM vendors in terms of their C3i-adaptability.

### C3i-Adaptability Continuum

Each individual C3i initiative will require substantial customization for the specific organization and competitive environment. For every unique C3i infrastructure different mixes of CRM technologies and vendors will be the most adaptable. But as discussed in the prior section, certain core structures and processes will tend to make one CRM technology more C3i-adaptable than another.

wp.07.09.00



page 8

Without getting into specific details on a vendor-by-vendor basis - which would be far beyond the scope of this roadmap, and highly subject to inaccuracies due to the dynamic nature of CRM technologies - vSente ranks its top-five CRM vendors' C3i-adaptability across three metrics: Flexibility, C3i Technology and Cost Effectiveness.

Flexibility refers to the ease and degree to which vendors can customize their technologies and methodologies to customer needs. Almost without exception CRM products must be adapted to each customer's unique business environment, and business model. Some vendors are better at doing this than others. Flexibility also considers vendor experience.

The term C3i Technology refers to the elements (technologies) of each vendor's products that currently provide some degree of C3i functionality, or are well positioned to adapt to C3i. Although most vendors rank understandably low on this metric, certain vendors are better positioned to deliver C3i functionality than others.

Total Cost of CRM is a major issue, of which the dollar cost of the software is generally a small part. Among leading CRM vendors the implementation and service cost can far exceed the license cost. Cost also includes the commitment of organizational "bandwidth" necessary to see the project through. This can end up being the most costly part of the entire project. Cost Effectiveness is the third metric vSente used in judging

C3i-adaptability.

The process of ranking these vendors consisted of evaluating them on a scale of 1-5 against each of the three metrics above. Then all three of the scales were combined to form a C3i-Adaptability Continuum. Each metric - scope flexibility, and C3i technology - was given equal weight. The criteria for making the assessments were based on vSente's experience with CRM, public information and vSente's vision of C3i.

On this continuum, five (5) represents an ideal vendor that vSente would consider extremely well prepared to implement C3i-architectures. Currently no CRM vendors have attained this position.

The number one actual vendor is the one that is closest to the ideal. vSente believes that this vendor is in the strongest position to adapt its technology for C3i. The remaining four vendors are measured relative to the leading vendor's position, and ranked accordingly.

Using this model, vSente's analysis and assessment of leading CRM vendors resulted in the following five positions: SalesLogix (3.0), Pivotal Corporation (2.5), Onyx Software (2.3), Siebel Systems (2.0), and Oracle Corporation (1.8).

wp.07.09.00



page 9

**SalesLogix** (A division of Interact Commerce Corporation)

Location: Scottsdale, AZ

Continuum Position: 3.0

Observations

**Flexibility (3.5):** vSente ranks SalesLogix as the most flexible CRM vendor in the industry. This is due in large part to the company having a broad range of highly tactical tools. Other CRM vendors may have more raw technology, but SalesLogix has some of the most tactically usable technology - such as ACT! and Interact. Also, its substantially lower cost structure allows companies to spread their resources around more effectively. The company's core CRM product is SalesLogix2000.

**C3i Technology (2.0):** As with most CRM vendors, SalesLogix's CRM technologies include few C3i tools. But what they do have is a set of highly tactical tools that lend themselves to C3i customization. The opportunities to create C3i selling structures with their technology are intriguing.

**Cost Effectiveness (3.5):** Augmenting CRM with C3i functionality cost money. Less money spent on the core technology leaves more for the C3i infrastructure. SalesLogix has one of the lowest price models for vendors with its level of technology and experience.

**Pivotal Corporation**

Location: North Vancouver, British Columbia

Continuum Position: 2.5

Observations

**Flexibility (2.5):** Pivotal provides robust CRM technology for mid-market and enterprise customers. A key to the company's flexibility is a technology called ePower 2000 for constructing custom CRM initiatives. ePower consists of a series of "engines" needed for "building, configuring and extending sophisticated Web sites that manage eRelationships between customers, business partners and employees." However, the lack of C3i-adaptable tools prevents us from ranking the company any higher. Pivotal's flagship product is eRelationship 2000.

**C3i Technology (2.0):** Although Pivotal appears weak in its current C3i technologies, its claimed flexibility through ePower 2000 indicate to vSente that it could quickly implement web-based C3i tools. For this reason we rank Pivotal alongside ICC.

**Cost Effectiveness (3.0):** vSente ranks Pivotal's cost effectiveness just below that of SalesLogix. The key distinction between the two is that SalesLogix is able to come in at much lower price points due to its pricing on standard CRM, and the availability of products such as Act! and Interact.

wp.07.09.00



page 10

## Onyx Software

Location: Bellevue, WA

Continuum Position: 2.3

### Observations

**Flexibility (3.0):** Onyx's current technology is built around the broad-based NT platform. And Onyx has a wide range of Web technologies. What also sets Onyx apart is its aggressive ASP strategy that is opening up some interesting delivery options. The company claims to offer some of the fastest implementation cycles in the industry. vSente believes that combined these characteristics give Onyx a slight edge over Pivotal in terms of flexibility. Onyx's primary product is Onyx 2000.

**C3i Technology (1.0):** Onyx's technologies are fairly standard. Although they closely follow CRM industry trends, there is little indication they are breaking new ground in the area of C3i tools. Onyx's strongest claim to C3i-adaptability is its flexibility and speed of implementation.

**Cost Effectiveness (3.0):** vSente views Onyx's overall cost effectiveness as essentially equal to Pivotal, where "cost effectiveness" refers to how it specifically impacts C3i-adaptability. In this regard, vSente perceives little difference.

## Siebel Systems

Location: San Mateo, CA

Continuum Position: 2.0

### Observations

**Flexibility (2.0):** The foundation of Siebel's flexibility comes from its scope. More technologies provide greater flexibility. Siebel's flexibility is also enhanced by its eBusiness Architecture that allows companies to build custom solutions. The downside of Siebel's technology is that it is so vast and developed that the cost and complexity of customization can quickly negate much of the benefit of its broad product suite. Siebel's flagship product is Siebel eBusiness 2000.

**C3i Technology (2.5):** vSente believes Siebel offers the greatest range of C3i-type technologies in the group. One interesting technology is its Marketing Applications that can provide detailed performance tracking and reporting. These tools provide the ability to define campaigns around key metrics. The magnitude of Siebel's CRM product suite makes it a hard company to currently beat on technology.

**Cost Effectiveness (1.5):** Siebel is notorious for being among the most costly vendors in the industry. The company is also a "Big 5" vendor that often includes using ultra-high priced IT consultants from leading system integrators. All this adds up to a cost scenario that will tend to squeeze out C3i infrastructures.

wp.07.09.00



page 11

## Oracle Corporation

Location: Redwood City, CA

Continuum Position: 1.8

### Observations

**Flexibility (2.0):** In terms of flexibility Oracle is in pretty much the same "boat" as Siebel, but for slightly different reasons. Oracle has built its business model primarily around doing one thing better than anybody else - databases. However, a potent C3i infrastructure requires a high degree of flexibility and competencies in order to quickly and "fluidly" adapt each unique situation.

**C3i Technology (2.0):** Oracle's CRM technology is the least mature among the leading vendors. It is a relative newcomer to CRM, and its specific solutions are not as well understood. However, the range of its technology base lead vSente to rank it on par with SalesLogix and Pivotal in terms of C3i technology. For example, Oracle offers some interesting strategic enterprise management tools. They can allow executives to "coordinate the strategic planning process in the context of capital market fluctuations and competitive movements." This begins to hit at the heart of C3i methodologies. The company also offers some advanced Business Intelligence tools.

**Cost Effectiveness (1.5):** Again like Siebel, when it comes to C3i cost effectiveness

Oracle won't do well. The cost effectiveness in a C3i environment requires a very different price model than what major software vendors are typically used to.

### Final Words

We believe that all five of the vendors ranked have viable solutions - and under the right circumstances the ability to deliver a successful initiative.

We happen to believe at this time that SalesLogix has the best overall technology platform (cost + performance).

Think of technology as "glue" that integrates and leverages your selling methodologies. But technology only integrates the methodologies available - good or bad, right or wrong. Since the cost of technology can be enormous you first want to make sure you have superior selling methodologies.

C3i is neither a technology nor a strategy. C3i is a conceptual methodology. Adapted to selling, the structures of C3i can provide executives with core tools of command, control, intelligence and maneuver. These are the competencies you need to win competitive "wars." C3i provides you the weapons to win.

*If you would like further insight into what a C3i command and control structure might look like, vSente has prepared a briefing for Global 10k competitors contemplating a CRM initiative. E-mail us at [info@vsente.com](mailto:info@vsente.com) for more information on the format, cost and agenda for the C3i Briefing.*

wp.07.09.00



page 12