

Magic Quadrant for Sales Force Automation

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Salesforce.com continues to innovate and execute, and Microsoft's software-as-a-service offering enters the Magic Quadrant for the first time, along with the low-cost alternative Zoho.

What You Need to Know

Mobility continues to grow in importance for users; therefore, it has also become a more critical component of our evaluation criteria for the sales force automation (SFA) Magic Quadrant. Smartphones and iPads are becoming preferred devices for the mobile salesperson. Software as a service (SaaS) also continues to play a more dominant role in the SFA Magic Quadrant, with Microsoft Dynamics CRM Online and Zoho added for 2011. Based on Gartner inquiries during the past 12 months, new SFA evaluations are up by 30%. The primary objective for most sales organizations remains opportunity management, but we have also seen greater emphasis placed on sales effectiveness and sales-performance-related applications.

All vendors included in the 2011 Magic Quadrant for SFA have customers that are successfully using their products and services; however, this is not an exhaustive list. Other regional and/or vertical industry SFA specialists did not meet our inclusion criteria. This Magic Quadrant encompasses a wide cross-section of vendors, including those that offer different delivery models (such as on-premises, hosted and SaaS), and differing levels of functional breadth and sophistication. Regardless of the provider you're considering, ask yourself, "Will this vendor help my sales organization sell more effectively?"

✦ Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

✦ Evaluation Criteria Definitions

Ability to Execute

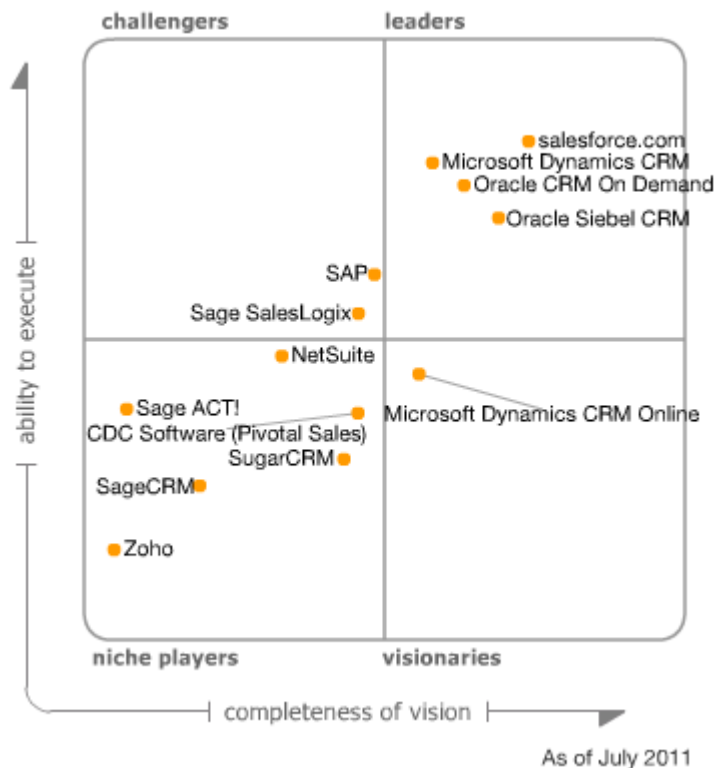
Product/Service: Core goods and services offered by the vendor that compete in/serve

Use this Magic Quadrant as a reference for evaluations, but explore the market further to qualify the capacity of each vendor to address your unique business problems and technical concerns. Depending on the complexity and scale of your requirements, your shortlist will be unique. The Magic Quadrant for SFA is not designed to be the sole tool for creating a vendor shortlist. Use it as part of your due diligence, and in conjunction with discussions with Gartner analysts.

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Magic Quadrant

Figure 1. Magic Quadrant for Sales Force Automation



Source: Gartner (July 2011)

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the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Market Overview

SFA has seen a bit of revitalization with B2B selling organizations, and Gartner has seen a 50% increase in vendor evaluations year over year, compared to 2010. The focus of SFA deployments continues to be on core functional capabilities for accounts, contacts, opportunities, selling processes and sales operations. SFA requirements are unique for each B2B sales organization, based on the maturity and culture of the organization in its use of technology, sophistication of sales practices and anticipated return on investment. Smartphones and now iPads continue to rise in importance as the devices grow in adoption and in the ability to handle more-sophisticated functional requirements.

Just as each sales organization is different, not all SFA systems are created equal. SFA has unique implications for each company, because factors like selling style, organizational size, sales processes, integration demands, diversity of roles, number of users and organizational structures are unique to each company:

Product-driven transactional sales organizations will find value in basic lead and opportunity management capabilities to reduce sales cycles and improve sales management visibility.

Large, complex sales organizations that support multitier, matrixed sales teams require role-specific functionality for inside, field and strategic account salespeople, as well as scalability and performance attributes to manage large volumes of data. Many vendors in our Niche Players quadrant have better price/value alternatives for less-complex uses.

Consultative solution selling will require rich-content process support to tie together proposals, bids, configurations and quotes with authorizations and order-capture systems.

A successful vendor selection strategy will assess providers that support data requirements, access modes and functionality for each sales role. The sales processes will dictate the functional components that best satisfy organizational and individual sales requirements.

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Market Definition/Description

SFA applications enable B2B organizations to automate sales activities, processes and administrative responsibilities for sales professionals. Core functionalities include account, contact and opportunity management. Additional add-on capabilities focus on improving the sales effectiveness of salespeople, such as sales configuration, sales coaching, guided selling, proposal generation and content management, and sales performance management support, including incentive compensation, quota and territory management.

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Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

Inclusion and Exclusion Criteria

To be included in this Magic Quadrant, a vendor must demonstrate that it:

- Has proven ability to deliver opportunity management systems with software released within the past 18 months; a new offering from an established vendor in this market will also be considered if it can be validated with customers
- Has at least five new, named customers that have actively deployed opportunity management functionality during the past 12 months
- Has customers using B2B opportunity management as the primary sales application in at least three industries
- Has at least \$15 million in annual revenue
- Has customer presence in more than one of the following regions: North America, EMEA, Latin America, the Asia/Pacific region

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Added

- Zoho
- Microsoft Dynamics CRM Online

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Dropped

- Cegedim is not in the 2011 SFA Magic Quadrant due to Gartner placing a greater emphasis on vendors' cross-industry capabilities. Cegedim is focused on the life science and consumer packaged goods vertical industry segments. This vendor's exclusion is not a reflection on its strategic focus, growth and execution.
- Landslide Technologies provides a SaaS SFA, but did not meet all the specific criteria required to be included in this Magic Quadrant.
- Maximizer Software's Maximizer CRM offers an SFA application that includes core functionality, but it did not meet all the specific criteria required to be included in this Magic Quadrant.
- FrontRange offers GoldMine, an SFA application that includes core functionality, but it did not meet

all the specific criteria required to be included in this Magic Quadrant.

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Evaluation Criteria

Ability to Execute

Product/Service: SFA applications include capabilities for opportunity management; sales effectiveness applications, including guided selling, sales coaching, sales configuration, quotation management and content management; and sales performance management, including incentive compensation, quota management and territory. Different sales organizations require different levels of depth and complexity of capabilities. Vendors that support a wide range of complexity have greater market potential and are rated accordingly. This is a cross-industry Magic Quadrant; therefore, the evaluation of a provider's offering is focused on the ability to serve several distinct industry sectors, not to provide industry-specific solutions.

In many cases, an SFA application will combine several functional components, some of which require third-party vendors. A key evaluation criterion is how well an SFA application integrates with third-party products and customer data sources. This is measured primarily by the number and complexity of data and application integrations, as demonstrated by live customer deployments.

Key evaluation criteria also include salesperson technology access, Internet browser-based capabilities, a disconnected laptop, a personal mobile device or a media tablet.

The overall vendor product/service functionality rating is developed by evaluating specific SFA functionality, including opportunity management, sales effectiveness, sales performance management, access and architecture (for example, openness, flexibility, usability and workflow), and sales reporting and analytics. Opportunity management capabilities are weighted more heavily than other SFA application building blocks. This reflects market demand for SFA functionality by sales organizations. The vendor must have a stable product development team for each product module it sells. Increased emphasis will also be placed on the value that SFA applications provide directly to salespeople.

Overall Viability (Business Unit, Financial, Marketing Strategy, Organization): Key aspects of this criterion are the vendor's ability to ensure continued vitality of a product, including support of current and future releases, as well as a clear road map for the next three years. The vendor must have the cash on hand and consistent revenue growth during four quarters to fund current and future employee burn rates, and to generate profits. The vendor is also rated on its commitment and ability to generate revenue and profits, specifically in the SFA market.

Sales Execution/Pricing: The vendor must provide global sales and distribution coverage that aligns with its marketing messages. The provider must have specific experience and success selling SFA applications to sales buying centers (that is, the vice president of sales or sales operations).

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the

vendor's message to influence the market, promote its brand and business, increase awareness of its products, and establish a positive identification with the product, brand or vendor with buyers. This "mind share" can be driven by a combination of publicity, promotions, thought leadership, word of mouth and sales activities.

Customer Experience: Feedback from active customers on generally available releases during the past 12 to 18 months is an important consideration. Sources of feedback include vendor-supplied references, Gartner inquiries and other customer-facing interactions, such as Gartner conferences. Customers' experiences are rated based on the vendor's ability to help customers achieve positive business value, as well as sustained user adoption, quality implementation and ongoing support.

Operations: The last criterion we evaluate in this category is the ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure — skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis (see Table 1).

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	standard
Sales Execution/Pricing	high
Market Responsiveness and Track Record	no rating
Marketing Execution	low
Customer Experience	high
Operations	standard

Source: Gartner (July 2011)

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Completeness of Vision

Offering (Product) Strategy: The vendor should demonstrate a vision for new application functionality across the breadth and depth of product capabilities; this is critical to meeting the needs of a maturing market. Subcriteria include the vendor's vision for opportunity management; sales effectiveness capabilities, such as guided selling, sales coaching, sales configuration, quote management and content management; sales performance management, including incentive compensation, quota management and territory management; access and architecture (such as openness, flexibility, extensibility and usability); and sales reporting and analytics. The product strategy can be a combination of organic development, acquisition and/or ecosystems. However, for ecosystems, close attention is paid to the quality and support of any third-party partner.

Marketing Strategy: A clear, differentiated marketing strategy with a set of messages that appeals to selling organizations and is consistently communicated throughout the organization and externalized through the website, customer programs, and positioning statements.

Sales Strategy: The strategy of selling for selling SFA software offerings that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base. Key elements of the strategy include a sales and distribution plan, internal investment priority and timing, and partner alliances.

Business Model: Vendors need to have clear business plans for how they will be successful in the SFA market. These business plans should include appropriate levels of investment to achieve profitability and healthy revenue growth during a three- to five-year period. Sales channel and partnership strategies are important components.

Innovation: Vendors must show a marshalling of resources, expertise or capital for competitive advantage or investments in new areas such as social collaboration, cloud computing and SaaS, or new devices, such as the iPad.

Geographic Strategy: We examine the vendor's strategy to direct resources, skills and offerings to meet the specific needs of regions outside the corporate headquarters' location, directly or through partners, channels and subsidiaries, as appropriate for that geography and market (see Table 2).

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	no rating
Marketing Strategy	low
Sales Strategy	standard
Offering (Product) Strategy	high
Business Model	standard
Vertical/Industry Strategy	no rating
Innovation	standard
Geographic Strategy	standard

Source: Gartner (July 2011)

Leaders

Leaders demonstrate a market-defining vision of how technology can help the top sales executives achieve business objectives. Leaders have the ability to execute against that vision through products, services and demonstrated, solid business results in the form of revenue and earnings. Leaders have significant successful customer deployments in North America, EMEA and the Asia/Pacific region in a wide variety of vertical industries with multiple proof points above 500 users. Leaders are often what other providers in the market measure themselves against.

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Challengers

The vendors in the Challengers quadrant are often larger than most (but not all) vendors in the Niche Players quadrant, and demonstrate a higher volume of new business for SFA. These vendors have the size to compete worldwide; but, in some cases, they may not be able to execute equally well in all geographies. They understand the evolving needs of a sales organization, yet may not lead customers into new functional areas with their strong functional vision. Challengers tend to have a good technology vision for architecture and other IT organizational considerations, but have not won the hearts and minds of top sales executives.

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Visionaries

Visionaries are ahead of most potential competitors in delivering innovative products and/or delivery models. They anticipate emerging/changing sales needs, and move the market ahead into areas where it hasn't yet been. They have a strong potential to influence the direction of the SFA market, but are limited in execution and/or demonstrated track record.

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Niche Players

Niche Players offer products for SFA functionality, but may lack some functional components, may not show the ability to consistently handle deployments of more than 500 users across multiple geographies or may lack strong business execution in the SFA market. Niche Players may offer complete portfolios for a specific vertical, but demonstrate weaknesses in one or more important areas to support cross-industry requirements, such as complex forecasting or sales effectiveness. They may have an inconsistent implementation track record, or may lack the ability to support large-enterprise requirements. Despite

the issues described, Niche Players, in many cases, can offer the best solutions to meet the needs of particular sales organizations, considering the price/value ratio for the solution.

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Vendor Strengths and Cautions

CDC Software (Pivotal Sales)

Strengths

- CDC Software continues to gain momentum; Gartner has seen a 50% increase in deals in which the vendor has been considered in the past 12 months.
- CDC Software's primary technical value proposition is its integration with the Microsoft software infrastructures and applications, with a focus on areas such as embedded Microsoft SharePoint technology. The form design component of Visual Studio is embedded, and Visual Studio is used to author and modify .NET code-based business workflow.
- The use of Microsoft Outlook as the primary activity management environment is compelling for Microsoft-centric organizations.
- The product provides core opportunity, activity, pipeline, account and contact management for sales, and a broader footprint from some marketing (lead management) and customer service functionalities, such as issue management and tracking.
- Statement of direction vision for adding new functional SFA components.
- CDC Software's public status provides a layer of business transparency.

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Cautions

- CDC Software is not as good a fit for non-Microsoft-centric IT organizations, due to its focus on Microsoft technology.
- Now that CDC Software is included in more vendor evaluations with more sales organizations, the vendor needs to accelerate its ability to win deals and convert to live deployments.
- There is a lack of complementary software partners to fill current functional gaps, such as incentive compensation or pricing applications.

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Microsoft Dynamics CRM

Strengths

- This product has more than 1.7 million users, with continued good global business growth.
- Integration with the Microsoft technology stack assets, such as Microsoft SharePoint for collaboration and content management or Microsoft Visual Studio for extended customization, enables customers to leverage .NET resource investments.
- The on-premises, multitenancy architecture enables companies to create their own private clouds for internal constituents.
- There is user interface compatibility with Microsoft Outlook clients, with the ability to create custom user interfaces.
- A broad partner delivery network is provided to augment missing functional capabilities.
- There is support for 44 languages and other dialects.

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Cautions

- Native deployment is not provided on non-Windows mobile smartphones, such as the BlackBerry and iPhone; however, Microsoft has multiple partners that provide native non-Windows mobile solutions for Microsoft Dynamics CRM.
- While Microsoft does provide a native Outlook Client for Microsoft Dynamics CRM, for direct server-to-server integration, customers must use partner solutions for Microsoft Exchange Server to Microsoft Dynamics CRM server synchronization to handle tasks, calendar appointments and contacts.
- The vendor relies on solution providers to furnish a complete solution (e.g., incentive compensation, sales configuration and pricing management); users need to do their own vetting of providers, and should not assume that Microsoft has vetted them.

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Microsoft Dynamics CRM Online

Strengths

- Microsoft combines committed service levels, contract flexibility and a low price (\$34 per user per month).
- There is interoperability with other Microsoft products, such as SharePoint and Windows Azure.
- There is a common data model with the Microsoft Dynamics CRM on-premises offering.
- Microsoft Dynamics CRM Online can be run through a Web browser or through the Microsoft Outlook client. CRM data is treated like email data, and can be manipulated, prioritized and managed in the same manner.
- Support now exists for 40 markets in 41 languages.
- Customization has been improved — Microsoft Dynamics CRM Online previously allowed configuration of data entities such as fields and relationships; now, it enables customers to execute foreign code, such as .NET in the Microsoft data center, with the SaaS application.
- Proven data center operations.

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Cautions

- Microsoft does not provide a development sandbox, which is a problem for customers that want to test development or configuration changes prior to production in the cloud. The vendor does offer the ability to develop locally, on-premises. Then, through Microsoft Dynamics CRM Online solution management capabilities, users can move the on-premises configuration and customization changes to the online environment.
- Windows Live ID is still the authentication mechanism for Microsoft Dynamics CRM Online; the ability to federate IDs with Active Directory will not be available until the second half of 2011.
- Invoice pricing is currently only available in certain markets. The primary billing method remains credit cards for non-Enterprise Agreement customers, but Microsoft plans to support invoicing for all markets in future versions.
- Complex integration with on-premises applications is unproven.
- There is a limit of 300 custom objects per customer, but this may be expanded on case-by-case basis upon consultation with Microsoft.

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NetSuite

Strengths

- The vendor offers an integrated suite of financial accounting and CRM for small or midsize businesses (SMBs), or for divisions of large companies (multiple deployments with more than 150 users).
- The broad SFA functional footprint (e.g., sales compensation, e-commerce, quoting, order management) is appealing for SMBs, but other functions, besides e-commerce and financial accounting, lack best-of-breed depth.
- Customization and configurability in a SaaS environment is offered to extend functionality.
- Good business growth and public company status provide business model transparency.
- Customers have cited an improvement in service reliability during the past 12 months.

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Cautions

- There is limited validation of smartphone access in the NetSuite installed base.
- Customers stated that NetSuite does not proactively provide detailed cause information on system outages to customers.
- Customers have told Gartner that negotiating the specifics of an SLA (e.g., uptime) with NetSuite is very difficult.
- NetSuite does not commit to disaster recover objectives (recovery point and recovery time)
- Customers state that most of the new enhancements are focused on financial accounting, not CRM.

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Oracle CRM On Demand

Strengths

- The competitive price point for this enterprise SaaS application provides an attractive cost/value proposition.
- Single tenant (requiring at least 350 users for Oracle CRM On Demand Single Tenant Enterprise Edition) and @customer editions enable users to have a release window for upgrades.
- There is integration with other Oracle applications, such as Oracle E-Business Suite and Oracle

Siebel CRM. (Oracle Siebel CRM is a different offering than Oracle CRM On Demand.)

- Customers state that analytics are rich, but performance is a challenge for more-complex reports. Oracle provides real-time reporting and historical analytics. The vendor performs analytics by taking a snapshot of data and putting it into a data warehouse every night. This could be an issue if a sales organization expects analytics to operate off of real-time data.
- Customers state that the Elite partner integration program has worked well.
- Vision for smartphone mobility.

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Cautions

- Oracle intends to provide modular access to key functionality available in Oracle Fusion CRM, such as sales performance and territory management with Oracle CRM On Demand. It is important to understand the context and timing of the new Oracle Fusion CRM offering with Oracle CRM On Demand. Gartner has yet to validate that any customer is doing this. According to Oracle, there are a limited number of customers on Oracle Fusion CRM, and the vendor is focusing on the success of these early adopter customers.
- Outlook integration needs to be improved (e.g., the ability to tag tasks as private, and an easier client configuration process). Oracle states that, when released (some time in 2011; Oracle will not provide a specific release date), the CRM On Demand Desktop offering for Microsoft Outlook will provide improved client configuration and the ability to control synchronization of private tasks.
- System performance of reporting tool, and difficulty reporting on custom objects.
- Mobile smartphone solution needs to provide better support for custom objects and more validation in the user base. Oracle states that, when released (some time in 2011; Oracle will not provide a specific release date), the CRM On Demand mobile smartphone offering will support customization.

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Oracle Siebel CRM

Strengths

- A proven, deep broad sales functionality (e.g., order management, sales configuration, pricing) is offered in multiple vertical industries for large enterprises.
- Flexibility, configuration and customization.
- The offering makes good use of Oracle infrastructure and middleware, such as Application

Integration Architecture and Oracle Business Intelligence.

- It remains one of the few on-premises software options for large-enterprise, large-scale deployments.

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Cautions

- Customers state that the Outlook integration (specifically for Siebel Client Sync and Siebel Server Sync for Exchange [SSSE]) process is difficult to manage and too manual for end users to associate Outlook and Siebel entities.
- We have not validated any customers using modular access of Oracle CRM Fusion, including functionality such as sales performance and territory management, with Oracle Siebel CRM. It is important to understand the context and timing of the new Oracle CRM Fusion offering with Oracle Siebel CRM. Currently, Oracle CRM Fusion is available only with Oracle development approval. According to Oracle, there is a limited number of customers on Oracle Fusion CRM, and the vendor states that it is focused on the success of these early adopter customers.
- Deployment complexity is associated with enterprise-class applications.
- IBM DB2 and Siebel customers say there needs to be improved collaboration between Oracle and IBM on bugs and software problems.
- Siebel territory management is lacking for some customers. Oracle states that it will enable Siebel users to use Oracle Fusion territory management, when available, to improve capabilities.
- The improved new vision for mobility on smartphones needs to be validated.

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salesforce.com

Strengths

- The vendor continues to have strong business performance and a strong brand in the CRM SFA market.
- It continues to push innovation by increasing the breadth and capabilities available for social media technology, Chatter and mobile offerings, such as the iPad.
- The vendor offers improved application agility due to the ease of use of the configuration environment (usable by tech-savvy business analysts).
- The Force.com platform allows for the declarative, programmatic and visual expansion of business

processes beyond core SFA.

- The vendor offers a proven infrastructure and reliability.
- International growth expansion.
- The vendor has very high customer loyalty.
- Usability.

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Cautions

- The salesforce.com Unlimited Edition is expensive; be sure to evaluate the lower-end editions before committing to the Unlimited Edition.
- Small businesses that find salesforce.com's price points for the Enterprise Edition high will find sufficient lower-price alternatives in the market. Small businesses should also measure lower-price alternatives against salesforce.com's Group Edition and Professional Edition.
- Aggressive acquisitions in non-CRM application areas (e.g., Heroku) and new cloud offerings (e.g., Database.com) are not seen by CRM customers as having direct benefits.
- Simple, real-time reports and dashboards for business users are easy to create, but more in-depth analytics will require an AppExchange partner.
- Salesforce.com relies heavily on AppExchange vendors to provide a complete solution (e.g., incentive compensation, sales configuration and pricing management); users need to do their own analyses of AppExchange providers, and should not assume that salesforce.com has vetted them.
- The vendor provides a basic Master Services Agreement. Salesforce.com does not provide SLAs or disaster recovery objectives to all its customers. It supports disaster recovery service-level objectives that include a 12-hour recovery time objective (RTO) and a four-hour recovery point objective (RPO). In addition, salesforce.com also has its own internal disaster recovery plan that it shares with customers on request. Gartner has not yet seen salesforce.com legally commit to disaster recovery objectives and associated penalties with customers. Therefore, because the vendor states that it can provide legal commitments, customers should negotiate and expect to get legal commitments and remedies for ensuring that these disaster recovery service-level objectives are consistently met.

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Sage ACT!

Strengths

- This product continues to be a low-cost, on-premises software alternative.
- It is optimized for contact management processes.
- Sage ACT! remains an attractive user interface for salespeople.
- Sage ACT! has one of the largest installed bases (more than 2.8 million) of small businesses and salespeople (the average deployment is for fewer than 20 users) in the industry.
- Its ease of use and simplicity for selling means that it requires limited cross-functional collaboration, allowing for a highly independent selling approach.

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Cautions

- Sage ACT! is not suitable for companies with complex business process automation or broad sales functional footprint requirements (e.g., sales configurator, sales analytics, quotations). Gartner has not seen the product considered for these types of deployments
- There is a lack of a SaaS option for the core SFA application. The vendor provides a number of SaaS-based connected services for email campaigns, leads and mobile access.

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Sage SalesLogix

Strengths

- Although not specifically cited as a separate profile on the SFA Magic Quadrant, Sage North America's use of Amazon's public cloud infrastructure provides a SaaS alternative to deploying SalesLogix on-premises. Gartner has yet to see significant traction with this deployment alternative.
- Sage's support strategy combines local, first-level support through partners and direct support for customers, or secondary support to customers in collaboration with partners.
- Extensibility and flexibility of the product.
- SalesLogix supports connected and disconnected field deployment options for laptop and mobile device users.
- The product is most appropriate for organizations with up to 750 users, and for midmarket and upper-midmarket companies and divisions of large enterprises. The vendor claims that its largest deployment was for 4,500 users.

- Sage's vision for mobility on smartphone devices, such as the BlackBerry and iPhone.

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Cautions

- The functional footprint is focused more on core opportunity management, not on capabilities such as sales configuration, pricing management, incentive compensation or performance management functionality.
- SalesLogix customers considering upgrading from an older release to the version 7.5 Web client should plan carefully and work with Sage and its partners to prioritize and safeguard customizations that may require a reimplementation. Another upgrade challenge includes merging customer-written custom code with upgrades, hot fixes and service packs.
- The vendor has a large implementation partner network, but a limited ecosystem of independent software vendor partners building add-ons to SalesLogix.
- A limitation of using Crystal Reports within SalesLogix for reporting is that all the data must reside within SalesLogix (cannot include data residing in external sources). In addition, while some users said Crystal Reports within SalesLogix has met most of their needs, others said the out-of-the-box reports are a bit cumbersome to use. Sage claims that it has added advanced analytics to SalesLogix to incorporate external data sources.
- Customers felt that the basic SalesLogix service and support were not technical enough, and that the vendor tended to push issues toward its business partners. Other customers that pay the higher support fee felt it was well worth the access to Sage developers for more-advanced technical questions.

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SageCRM

Strengths

- SageCRM's core opportunity management functionality.
- The offering is a good economical solution for Sage ERP customers, due to SageCRM's integration focus on enabling end-to-end business process support, such as opportunity to cash.
- End-user usability.
- The customization environment is user-friendly.
- The vendor's vision for mobility on smartphones

Cautions

- Multiple customers commented on the need for improved Microsoft Outlook integration, such as auto-filing emails from Outlook based on the case identifier or opportunity identifier. Sage claims that it has improved Microsoft Outlook integration in the SageCRM 7.1 release.
- Sage states that more than 50% of SageCRM revenue comes from stand-alone SFA engagements; however, non-Sage ERP customers are not the strategic focus for SageCRM.
- Some users state that there need to be improvements in reporting, including ad hoc reporting needs for end users, triggered emails with customized report attachments, better graphical representation (such as 3D views) and more granular user access control to reports. The vendor states that it has revamped its report graphics in the SageCRM 7.1 release.
- The sales functional footprint, and partnerships for functional support for capabilities such as sales configuration and incentive compensation, are limited.
- There is limited market awareness, based on Gartner SFA inquiries, and limited outbound customer shortlist validation checks.

SAP

Strengths

- The improved SAP CRM 7.0 user interface continues to get good reviews from users.
- Real-time integration between SAP CRM and SAP ERP is beginning to gain importance as some users have struggled getting their SaaS solutions to operate in real time with SAP ERP
- Good integration with other SAP applications (product configurator) and infrastructures (NetWeaver, SAP Business Warehouse) enabled support for complex, end-to-end, industry-specific business processes, such as order to cash on an integrated platform.
- Integrated analytics with SAP NetWeaver Business Intelligence and SAP BusinessObjects is offered.
- Broad CRM (e.g., marketing, customer service and sales functional footprint).
- For current SAP ERP customers, there is an opportunity to leverage infrastructure operational costs and configuration expertise with SAP CRM.
- Vision for leveraging Sybase acquisition for "smartphone" mobility.

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Cautions

- The Microsoft Outlook integration needs to become more reliable; multiple users would not recommend client-side integration. Server-side integration is functional, but also needs more bidirectional behavior.
- Managing the cost and complexity of enterprise applications and dependencies on other SAP middleware.
- SAP has made some progress getting the message out to sales organizations, but still has not broken through as a "top of mind" solution for vice presidents of sales.
- Users have stated that custom reports are not intuitive to build in SAP CRM.
- More validation of the mobility vision is needed with customers.

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SugarCRM

Strengths

- Community Edition (free download) continues to be a viable alternative as a way to get basic functionality for less capital expenditure.
- SugarCRM has increased market momentum, validated by it showing up in more SFA vendor evaluations, compared with the previous 12 months.
- A flexible customization environment, combined with an innovative, open-source CRM model and community, enables collaborative, customer-driven enhancements. The open-source community develops and refines capabilities; SugarCRM then takes those capabilities and productizes enhancements in commercial releases of SugarCRM software.
- It has attractive price points, compared with leading alternatives (list price: \$50 per user per month for Enterprise Edition; \$30 per user per month for Professional Edition)

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Cautions

- SugarCRM has a limited number of professional service personal, but it has complementary implementation partners.

- SugarCRM Studio enables good customization and configuration, but has a technical learning curve.
- Its offering lacks some functional components and strong partnerships for sales effectiveness management, such as sales configuration, incentive compensation and price management.

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Zoho

Strengths

- The vendor offers a low-cost solution (Professional Edition is \$12 per user per month, and Enterprise Edition is \$25 per user per month).
- There is a broad suite of business application functionality, but it will not have the depth required for large, complex installations.
- This vendor's solution is attractive for SMBs looking for value.

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Cautions

- A limited direct-sales organization and limited marketing awareness programs hold back Zoho's business potential.
- The Outlook plug-in needs more stability.
- Customers felt that Zoho needs to spend more time on quality assurance before releasing new versions.

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