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The Forrester Wave™: Partner Relationship Management Tools, Q2 2007

by William Band

TECH CHOICES



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Oracle And SAP Lead, But Buyers Have Several Choices For Specialized Needs

by **William Band**

with Sharyn Leaver, Liz Herbert, Mary Ann Rogan, and Ian Schuler

Forrester evaluated leading enterprise partner relationship management (PRM) solutions across 158 criteria and found that Oracle's Siebel CRM and SAP's mySAP CRM are the clear Leaders. They offer broad and deep functional capabilities, industry specialization, and the scalability to support global organizations. Nonetheless, these Leaders are challenged by a varied set of Strong Performers. First, Oracle's E-Business Suite CRM and Oracle's PeopleSoft CRM offer good options for buyers that value comprehensive suite integration. Next, Oracle's Siebel CRM On Demand, NetSuite, and salesforce.com offer software-as-a-service (SaaS) deployment with excellent usability, low upfront costs, and quick time-to-value, albeit with some functionality limitations. Meanwhile, two vendors with specialized capabilities also grab a place in our Strong Performers category: Click Commerce, with its focus on linking demand chain solutions with the supply chain and BlueRoads, an upstart SaaS player with strength in lead and opportunity management for complex channels.

TABLE OF CONTENTS

2 **Brand Owners Invest To Beef Up Indirect Channels**

Channels Managers Strive For Greater Market Penetration And Coverage

The Evolving Capabilities Of PRM Solutions

The Three Types Of PRM Vendors To Consider

6 **Partner Relationship Management Tools Evaluation Overview**

Evaluation Criteria Focus On Product, Strategy, And Market Presence

Evaluated Vendors Offer Specialized PRM Capabilities

9 **Buyers Have A Wide Range Of Choices**

11 **Vendor Profiles**

Leaders Battle For The Top End Of The Market

Strong Performers Offer Specialized Capabilities

14 **Supplemental Material**

NOTES & RESOURCES

Forrester evaluated nine vendor products that offer PRM capabilities in Q3 and Q4 2006: BlueRoads, Click Commerce, NetSuite, Oracle (its E-Business Suite CRM, PeopleSoft CRM, Siebel CRM, and Siebel CRM On Demand products), salesforce.com, and SAP. We also spoke with 20 vendor-supplied references.

Related Research Documents

["The Forrester Wave™: Midmarket CRM Suites, Q1 2007"](#)

February 21, 2007, Tech Choices

["The Forrester Wave™: Enterprise CRM Suites, Q1 2007"](#)

February 5, 2007, Tech Choices

["CRM Market Size And Forecast, 2006 To 2010"](#)

October 20, 2006, Trends

TARGET AUDIENCE

Business process and applications professional; eBusiness, channel and product management professional; customer experience professional

BRAND OWNERS INVEST TO BEEF UP INDIRECT CHANNELS

Brand owners who market and sell through indirect channels face special challenges because their ability to drive sales rests in the hands of outside partners and allies. Many customer relationship management (CRM) solutions are designed for organizations that sell to customers on a direct basis — a design point that makes them ineffective for indirect sales channels. Instead, firms turn to PRM applications to automate and streamline their business processes for managing third-party (e.g., “indirect”) marketing, sales, and distribution channels. PRM capabilities are a subset of the broader CRM market and include capabilities such as partner recruitment and profiling, lead distribution and forecasting, taking partner orders, marketing promotion, partner training, joint business planning, collaborative sales, reporting/partner performance analytics, and partner service. Increasingly, PRM incorporates B2B eCommerce capabilities because channel members need to interact with brand owners, each other, and end customers — via the Web.

Channels Managers Strive For Greater Market Penetration And Coverage

Forrester estimates that worldwide revenues for PRM solution providers reached \$1.4 billion in 2006, a significant segment of the \$8.4 billion spent on CRM solutions in that year.¹ The PRM market will grow to nearly \$1.7 billion by 2010. What is sustaining the spending on technologies to more effectively manage partner relationships?

- **Heavy reliance on indirect channels in key industries.** Sectors such as discreet manufacturing, networking equipment, office automation products, professional audio-visual equipment, security products, and data storage vendors sell the majority of their volume through indirect channels. For example, the high-tech channel sells up to 70% of products through indirect channels.² The proportion of indirect sales for some segments of financial services and automotive can reach as high as 90%. Effective channel management for these industries is critical to achieving growth.
- **An expanding global economy.** Thanks to exponential global trade growth in recent decades, the world appears increasingly smaller and flatter, promising firms massive new market expansion opportunities.³ Channel partners help brand owners enter and serve the new markets and geographies that are too costly for a company to do on its own. And as enterprises pursue global growth strategies, geographic complexity becomes more acute.
- **Increasingly complex partner networks.** A partner network can include thousands of participants including brand owner representatives, resellers, dealers, alliance partners, and

service providers — each with their own objectives, strategies, and agendas. Increasing complexity of indirect channels means that brand owners risk missed sales opportunities, low account penetration, delivery and fulfillment errors, and poor (and costly) communication within their trading networks. Increasing complexity also ups the potential for channel conflicts and inefficiencies. For example, the primary point of conflict between high-tech vendors and their indirect channels is the allocation of sales leads, processing of orders, and payment for closed “deals.”

- **A push toward solution-selling.** Commodity products can be sold directly to end users, but partners are needed to deliver more complex solutions. Multifaceted B2B and B2B2C products and services must be tailored for a specific customer — a need that requires expert knowledge. Brand owners who want to distinguish themselves as providers of complete “solutions” need allies to provide complementary products, services, and after-sales service. For example, in the high-tech solutions sector, value-added resellers (VARs) enhance and combine multiple brand offerings to meet specific customers’ needs. Similarly, financial planners help consumers choose the best insurance solution from a bewildering range of choices that are difficult for the untrained to understand.
- **The pursuit of better insight into end user trends and behavior.** Silos of partner and end user information plague brand owners’ marketing and selling through indirect channels. Data is stored in multiple locations and geographies, making it difficult to gain a clear line of sight to the market. For example, in the professional audio-visual equipment market, component suppliers have difficulty identifying and tracking major new installation opportunities. They have no centralized way of sharing information between the brand owner and a complex system of independent sales representatives, service contractors, and complementary product vendors.

The Evolving Capabilities Of PRM Solutions

Early CRM solutions were designed primarily for organizations that used a “direct” marketing, sales, and service-delivery model. In the direct model, the enterprise has no intermediaries between itself and the buyer and/or user. By contrast, PRM complements a brand owner’s core CRM capabilities, but with functionality designed specifically to support business processes related to the company’s “indirect” alliance and channel partner ecosystem. In the indirect model, there may be one or more levels of intermediaries between a solution provider and the end user. Many companies need to manage both indirect and direct channels at the same time.

PRM solutions are offered as part of a CRM suite of products or as standalone specialty tools that complement existing CRM platforms. As CRM solutions have evolved, so too have PRM solutions. They are now available through on-premise, hosted, and software-as-a-service (SaaS) deployment options. If you sell through indirect channels, CRM designed to support direct marketing and sales processes will not meet your needs. Look for solutions with the specific capabilities you need to work with third-party partners and allies. Seven sets of capabilities are important:

1. **Partner management.** The increasing complexity of indirect channels increases the need for better partner management processes. Does the solution support partner recruitment, registration, and approval? Can the solution support management of partner profiling, contracts, and entitlements? Does it support joint vendor and partner planning and provide a consolidated view to the brand owner about the opportunities in the partner channel?
2. **Partner training and readiness.** Brand owners need to ensure that their channel partners have the necessary expertise to represent their products and services effectively to end users. Does the solution provide a range of delivery options to train partners, such as real-time, Web-based training and distance learning? Does it support training registration and scheduling, certification testing, and tracking? Does the solution support partner alerts, newsletters, and content briefings?
3. **Partner marketing.** Brand owners may need to execute joint marketing with partners that may have better access to end users. Does the solution support joint marketing planning and execution between the brand owner and channel partners? Are there abilities to manage market development funds? Does the solution support a literature and collateral catalog and literature fulfillment for channel partners? Can brand owners and channel partners execute marketing campaigns through a variety of channels, including direct, phone, Web, and email campaigns? Does the solution support event management and tradeshow activities?
4. **Partner sales.** Extending sales coverage through indirect channels is a core requirement by brand owners for a PRM solution. Does the solution support joint sales opportunity management between the brand owner and channel partners? Does it support partner and pipeline forecasting, compensation, and commission management? Does the solution support account, activity, and contact management? Is there a requirement to support product, price list, and catalog administration? Are there sales tools and proposal generators? Is there a need for asset registration and management?
5. **Partner eCommerce and order management.** Partner collaboration is increasingly being done via the Web. Does the solution provide for intelligent needs analysis and product advisor capabilities? Is there a need for product and pricing configuration, dynamic pricing, and auctions? Does the solution support shopping cart, order management, and order status functionality?
6. **Partner service.** Strong after-sales service is often the critical differentiator in the minds of buyers when deciding which brand to purchase. Does the PRM solution support partner self-service? Are there capabilities to support customer service routing and management? Does the solution support entitlements management, warranty verification, and service-level management? Are there problem resolution and troubleshooting tools? Are email responses, Web collaboration, return merchandise authorization (RMA), and service orders supported?

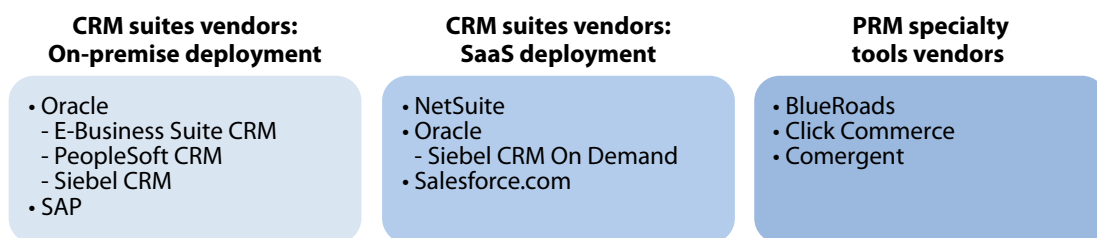
7. **Partner analysis.** Brand owners need insight into the behavior and performance of their indirect channel partners. Does the solution provide partner performance scorecards, reports, and charts? Does it support ad hoc marketing, sales, and service analysis? Does the solution provide support for analytics and data warehouse?

The Three Types Of PRM Vendors To Consider

As a buyer considering PRM solutions, you have three groups to choose from (see Figure 1):

- **On-premise CRM suites.** This category comprises vendor solutions that typically offer a full range of CRM functionalities, including PRM, primarily through the traditional on-premise license model. These enterprise-class vendors primarily target organizations with revenues of more than \$1 billion per year and/or more than 1,000 employees. CRM vendors focused on enterprise-class organizations can scale to serve large user populations and offer support for multiple languages and countries.⁴
- **SaaS CRM suites.** These vendors offer multifunctional CRM suite capability but are deployed through a SaaS model and do not offer on-premise versions. These vendors have found most success in the small and medium-size businesses (SMB) market — organizations with revenues of less than \$1 billion per year and/or fewer than 1,000 employees.⁵ CRM vendors in this group also offer a breadth of CRM functionalities but often have more limited capabilities in specific areas and are simpler to use than solutions built for the enterprise market. These vendors are less suitable for large-scale global deployments. Buyers are attracted to this group primarily because of the quick time-to-value benefit that is inherent in the SaaS deployment approach.
- **PRM specialty tools.** Because the channel management needs of brand owners are complex, PRM specialty vendors provide deeper capabilities than CRM suite vendors in such areas as partner opportunity management, eCommerce and collaboration, and order management. PRM specialty tools vendors offer a mix of on-premise, hosted, and SaaS-only deployment options. Specialty tools can be used to strengthen buyers' existing CRM platforms where there are deficiencies in supporting specific PRM requirements.

Figure 1 Types Of PRM Application Vendors



PARTNER RELATIONSHIP MANAGEMENT TOOLS EVALUATION OVERVIEW

To assess the state of the PRM market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of the top vendor products — including CRM suites and PRM specialty tool vendors. The following assessment will help you see how the PRM vendor solutions stack up against each other.

Evaluation Criteria Focus On Product, Strategy, And Market Presence

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria (see Figure 2). We evaluated vendor products against 158 criteria, which we grouped into three high-level categories:

- **Current offering.** We looked at the breadth of vendors' product offering(s) with respect to important PRM capabilities: partner management, partner training and readiness, partner marketing, partner sales, partner eCommerce and order management, partner service, and partner analytics. We evaluated usability and took into consideration cost and the strength of vendors' technology platform and tools.
- **Strategy.** We looked at the strength of the vendors' product strategy and vision along with tactics to become leaders in the PRM market. We also evaluated how long it takes customers to realize value from their solution.
- **Market presence.** We gauged the size of the vendors' customer base in the PRM segment of the CRM market and evaluated the depth of human and financial resources available to enhance their products and serve customers.

Figure 2 Evaluation Criteria

CURRENT OFFERING	
eCommerce	How strong are the product's eCommerce capabilities?
Partner channel management	How strong are the vendor's partner channel management capabilities?
Internationalization	Is the product suitable for global, multilanguage deployments?
Industry business process support	Does the product have specialized capabilities tailored to the business goals and processes for specific industries?
Architecture and platform	How strong are the product's platform and development tools?
Usability	How user-friendly is the product?
Cost	What is the total cost of ownership of the product?
STRATEGY	
Time-to-value	How long does it typically take for the vendor's product to be brought into production and available to frontline users?
Product strategy	How strong is the vendor's product strategy and vision?
Corporate strategy	How strong are the vendor's corporate strategy and vision?
MARKET PRESENCE	
Customer base	How large is the vendor's customer base for this market?
Employees	What is the depth of human resources available to enhance the product and serve customers?
Financial performance	How strong are the vendors financial resources to pursue its strategy?

Source: Forrester Research, Inc.

Evaluated Vendors Offer Specialized PRM Capabilities

We included nine products in our assessment of PRM vendors (listed in alphabetical order): BlueRoads, Click Commerce's eCommerce Suite, mySAP CRM, NetSuite, Oracle's E-Business Suite CRM, Oracle's PeopleSoft CRM, Oracle's Siebel CRM, Oracle's Siebel CRM On Demand, and salesforce.com (see Figure 3). Comergent (now a Sterling Commerce Company), declined to participate in the formal evaluation process, so we've provided only a high-level assessment based on publicly available information. Each of these vendors:

- **Offers specialized capabilities to support indirect channel management.** Some CRM vendors offer multifunctional suites but do not support PRM. For example, CRM suite vendors such as Amdocs, CDC Software, FrontRange Solutions, Infor Global Solutions, Maximizer Software, Microsoft, and Onyx Software have little or no PRM functionality. By contrast, each vendor included in this evaluation has functionality uniquely designed for businesses that market and sell through indirect channels.

Figure 3 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
BlueRoads	BlueRoads 6	6.6	November 2006
Click Commerce	eCommerce Suite	6.3	September 2006
NetSuite	NetSuite	11.0	April 2006
Oracle	E-Business Suite CRM	11i10	September 2004
Oracle	PeopleSoft CRM	9.0	August 2006
Oracle	Siebel CRM	7.8	June 2005
Oracle	Siebel CRM On Demand	12	July 2006
Salesforce.com	Salesforce	Salesforce.com's Summer '06	Summer 2006
SAP	mySAP CRM	mySAP CRM 2005	October 2005

Vendor selection criteria

The vendor offers specialized capabilities to support indirect channel management.

The vendor targets enterprise-class and/or midmarket organizations with complex requirements.

The solution was generally available at the time of data collection for this evaluation with at least three references available for contact.

Source: Forrester Research, Inc.

- **Targets enterprise-class and/or midmarket organizations with complex requirements.** The vendors we included focus on organizations with complex PRM requirements. Examples of these needs include partner recruiting and management, training and certification, bidirectional order management, joint marketing with partners, disbursing promotional funds, and administering pricing discounts. Vendors that provide simple contact management solutions that can be extended to include partners did not qualify.
- **Has reference clients using their PRM capabilities.** The vendor solutions were generally available at the time of data collection for this evaluation and references were supplied for contact.

BUYERS HAVE A WIDE RANGE OF CHOICES

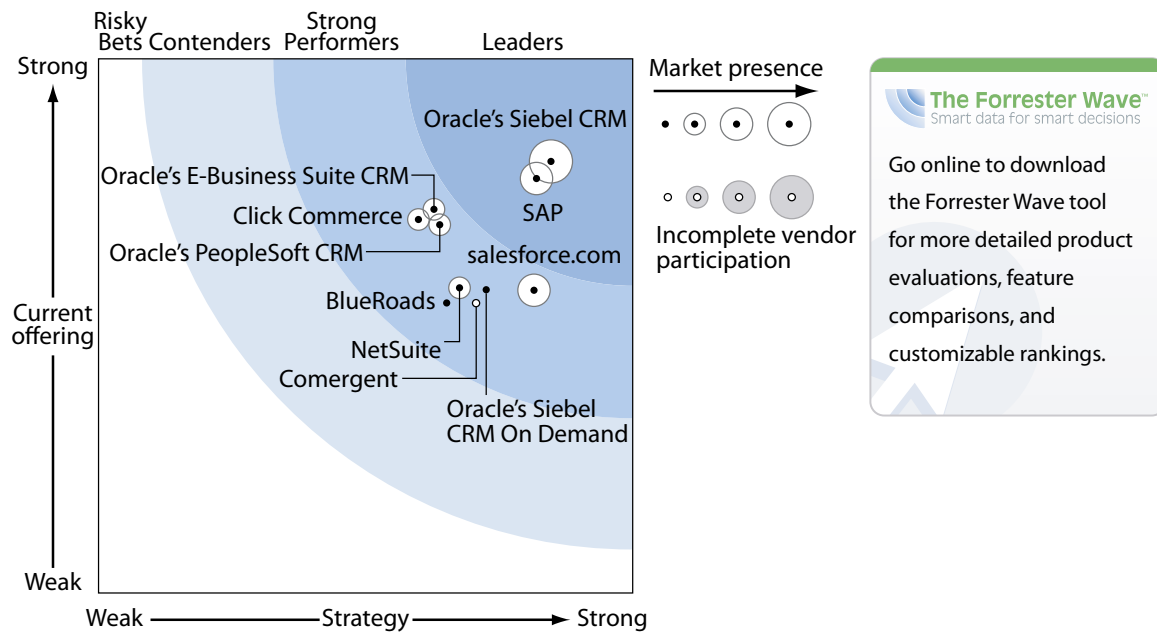
Our evaluation uncovered a market in which (see Figure 4):

- **Oracle's Siebel CRM and SAP's mySAP CRM are the most complete PRM solutions.** Oracle's strategy for Siebel has become clear: to promote the product and brand as the most fully featured solution, with a breadth and depth of functionality for many industry verticals. This strategy is reflected in Siebel CRM (and its sister product, Siebel CRM Professional Edition, for the midmarket), which offers a full breadth of PRM capabilities. Not to be outdone, SAP has worked steadily to fill out its CRM offering, resulting in end-to-end process integration support that no longer comes at the expense of missing CRM functionality. mySAP CRM also strongly supports all typically required capabilities for PRM. The downside for both Oracle's Siebel CRM and SAP's mySAP CRM are lengthy time-to-value, inflexibility for changing business processes, and cost.
- **Oracle's E-Business Suite (EBS) CRM and PeopleSoft CRM are good options for ERP customers.** Oracle will continue to support two other important CRM customer franchises. Oracle EBS customers that wish to strengthen their PRM capabilities should consider the benefits of EBS CRM's ease of integration into the rest of the Oracle E-Business Suite, while companies currently using PeopleSoft products will be attracted to PeopleSoft CRM for its similar integration benefits. Both products offer strong capabilities across the broad footprint of most CRM functionalities, including marketing, sales, service, and field service. Partner management capabilities are generally sound, although support for eCommerce is not as robust compared with some other players.
- **NetSuite, Oracle's Siebel CRM On Demand, and salesforce.com offer fast-time-to-value.** Salesforce.com, Oracle's Siebel CRM On-Demand, and NetSuite have posted sales gains as buyers increasingly adopt the SaaS deployment option. Each of these vendors supports PRM capabilities as part of the CRM suite offering. With more frequent upgrades, lower risk, and lower upfront costs, customer demand for this deployment option shows no signs of slowing down. However, these PRM solutions are more limited in the range of capabilities that they support when compared with the on-premise CRM suite vendors.

- Click Commerce and BlueRoads provide tools to fill complex PRM gaps.** Indirect channels can be highly complex and vary significantly in their structure from industry to industry. To address these complexities, Click Commerce offers a platform for integrating both supply chain and distribution partners into a complementary “demand chain ecosystem.” By contrast, upstart BlueRoads, which offers PRM through SaaS deployment only, specializes in partner deal and lead management for large companies with complex, multidimensional channels. Meanwhile, Comergent offers a very strong B2B eCommerce platform and very strong support for multiple inbound order channels with a hosted option.

This evaluation of the PRM market is intended to be a starting point only. Readers are encouraged to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Figure 4 Forrester Wave™: Partner Relationship Management Tools, Q2 '07



Source: Forrester Research, Inc.

Figure 4 Forrester Wave™: Partner Relationship Management Tools, Q2 '07 (Cont.)

	Forrester's Weighting	BlueRoads	Click Commerce	NetSuite	Oracle's E-Business Suite CRM	Oracle's PeopleSoft CRM	Oracle's Siebel CRM	Oracle's Siebel CRM On Demand	Salesforce.com	SAP
CURRENT OFFERING	50%	2.79	3.57	2.93	3.63	3.50	4.04	2.89	2.89	3.91
eCommerce	17%	1.19	2.92	2.49	2.79	2.48	2.23	0.65	0.45	3.00
Partner channel management	33%	3.10	3.58	2.04	4.15	3.41	4.81	2.88	2.75	4.55
Internationalization	5%	4.01	4.01	4.67	5.00	5.00	5.00	4.67	4.67	5.00
Industry business process support	15%	2.35	4.66	3.66	3.34	3.99	4.32	3.01	3.01	4.01
Architecture and platform	15%	3.24	3.79	3.30	3.75	4.00	4.42	3.36	3.63	4.01
Usability	10%	2.73	2.68	3.43	3.55	3.85	4.10	4.13	4.67	3.22
Cost	5%	5.00	3.10	4.30	2.40	2.40	2.00	4.60	4.20	2.50
STRATEGY	50%	3.35	3.13	3.48	3.24	3.30	4.23	3.74	4.16	4.13
Time-to-value	15%	5.00	5.00	5.00	1.00	2.00	1.00	5.00	5.00	1.00
Product strategy	35%	3.00	3.00	3.50	3.25	3.00	4.50	4.25	4.25	4.50
Corporate strategy	50%	3.10	2.65	3.00	3.90	3.90	5.00	3.00	3.85	4.80
MARKET PRESENCE	0%	1.65	2.75	2.20	2.10	2.50	4.10	1.70	3.53	3.70
Customer base	80%	1.50	2.50	2.00	1.50	2.00	4.00	1.00	3.50	3.50
Employees	10%	2.00	3.00	3.00	5.00	5.00	5.00	5.00	2.25	5.00
Financial performance	10%	2.50	4.50	3.00	4.00	4.00	4.00	4.00	5.00	4.00

All scores are based on a scale of 0 (weak) to 5 (strong).

40598

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders Battle For The Top End Of The Market

- Oracle's Siebel CRM.** Siebel's new owner, Oracle, is intent on sustaining the Siebel leadership position in the CRM market. Along with Oracle's Siebel CRM for enterprise customers, the product family includes Oracle's Siebel CRM On Demand and Oracle's Siebel CRM Professional Edition for the midmarket. The Siebel PRM solution has achieved best-of-breed status for the following functionality: partner setup and configuration, collateral management, partner management, partner program management, sales management, partner training, and partner analysis. Support for B2B eCommerce is less robust but sound for most requirements. Complexity that drives lengthy implementation schedules and high cost are drawbacks. The

product is best suited for buyers that value advanced functionality tailored for specific industries and the ability to support global organizations.⁶

- **SAP's mySAP CRM.** SAP has steadily built out comprehensive functionality in the mySAP product. Most recently, the company has focused on improving usability and deepening support for strategic business processes as part of the mySAP Business Suite. mySAP offers very strong functionality for traditional PRM functionalities such as: partner setup and configuration, collateral management, partner management, partner program management, sales management, partner training, and partner analysis. It also provides sound support for a breadth of B2B eCommerce capabilities. The product can scale to support global deployments and offers many industry-specific process solutions. Cost, complexity, and lengthy implementation schedules remain drawbacks of the on-premise product. mySAP CRM is best suited for global buyers committed to SAP and its ERP platform that need to support end-to-end industry processes.⁷

Strong Performers Offer Specialized Capabilities

- **BlueRoads.** Created in 2001, BlueRoads is a rapidly growing young company that offers PRM capabilities through the SaaS deployment model. The focus of its solution is driving increased revenues through complex, indirect channels. It has strong capabilities in partner registration, lead distribution, lead tracking, deal registration, partner opportunity management, and lead management best practices. It provides only basic capabilities for supporting partner management administration and is lacking in B2B eCommerce functionality. BlueRoads is best suited for buyers that need to strengthen partner opportunity management capabilities not presently well-supported by their current PRM platform.⁸
- **Click Commerce.** Click Commerce is a provider of supply chain management solutions that enable organizations to collaborate with business partners across the extended enterprise. The company achieved rapid growth during the past several years through a number of acquisitions in the supply chain, eCommerce, and PRM spaces. The company itself was acquired in late 2006 by Illinois Tools Works, a \$12.8 billion diversified manufacturer of highly engineered components. Click Commerce provides strong capabilities for most traditional PRM capabilities such as: setup and configuration, partner management, and sales management. It is distinguished from other PRM solutions by its relative strength in B2B eCommerce, specifically catalog and content management, eMarketing, and partner portal.⁹
- **NetSuite.** NetSuite is the only SaaS vendor that offers tightly integrated CRM, ERP, and eCommerce — meaning that it can support end-to-end processes and functionality that CRM specialists can't (such as quote-to-order and upsell/cross-sell analytics based on a customer's purchase history). The company offers sound capability to support most core PRM functionalities, including setup and configuration, management, partner management, sales management, and partner analysis. But the solution is weak in partner training and collateral management. The product also supports the great majority of the requirements for B2B

eCommerce, including catalog and content management, eMarketing, order management, and billing and payment. The product's built-in Web store and strong product capabilities make it a good choice for small and medium-size online retailers, wholesalers, and high-tech companies.¹⁰

- **Oracle's EBS CRM.** Oracle's E-Business Suite CRM, a comprehensive enterprise application suite, includes a broad range of CRM capabilities. Oracle is investing heavily in a next-generation product strategy, Fusion Applications, to fully modernize its technology architecture. The product offers strong functionality to support the full breadth of PRM capabilities, including partner setup and configuration, collateral management, partner management, partner program management, sales management, partner training, and partner analysis. The product also supports the breadth of typically required functionality for B2B eCommerce, such as catalog and content management, eMarketing, and quote and order management. Like other large-scale CRM enterprise applications, solution complexity, high cost, and lengthy implementation schedules are drawbacks. EBS CRM is best suited for buyers committed to Oracle for platform and applications and that need comprehensive multinational capabilities.¹¹
- **Oracle's PeopleSoft CRM.** Oracle's PeopleSoft CRM product line has a significant base of loyal customers that value the integration benefits and usability of PeopleSoft's HR and ERP suite. Oracle's Applications Unlimited announcement gives those customers much-needed assurance of continued ongoing support. With respect to PRM, the solution offers solid functionality to support the full breadth of traditional indirect channel management capabilities: partner setup and configuration, collateral management, partner management, partner program management, sales management, partner training, and partner analysis. The product also supports a breadth of functionalities typically required for B2B eCommerce, such as catalog and content management, eMarketing, and quote and order management. It integrates best with its own suite, making it well suited for existing PeopleSoft customers that need a broad-based CRM platform to build on.¹²
- **Oracle's Siebel CRM On Demand.** Oracle's Siebel CRM On Demand has achieved success in the market by offering the same benefits as other CRM software-as-a-service (SaaS) solutions: quick time-to-value, usability, and low upfront costs. This value proposition is attractive to both SMB buyers and smaller units of enterprise-class organizations. Its primary functional strengths are in the areas of sales force automation (SFA) and customer analytics. Basic functionality is provided for most PRM capabilities, but B2B eCommerce functionality is lacking. The product has a defined presence in five industry vertical editions: wealth management, insurance, automotive, life sciences, and high-tech.¹³
- **Salesforce.com.** Salesforce.com is growing quickly by making CRM solutions available through the SaaS deployment model. As with other SaaS vendors, the value proposition has found success in the SMB market, which values quick time-to-value, usability, and lower upfront costs compared with traditional on-premise solutions. Enterprise-class customers seeking

these same benefits are increasingly turning to salesforce.com to understand whether SaaS deployment can meet their more complex CRM requirements. Its PRM offering, which debuted in mid-2006, supports all basic functionalities, including partner setup and configuration, collateral management, partner management, partner program management, sales management, partner training, and partner analysis. However, the product offers virtually no support for B2B eCommerce requirements, such as eMarketing and quotes and order management. The company's strategy is to fill out its product line using an "ecosystem" of allies that work through its AppExchange to develop solutions on the salesforce.com platform.¹⁴

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 4 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of four data sources to assess the strengths and weaknesses of each solution:

- **User surveys.** Forrester observed and defined market trends based on our ongoing dialogue with leading enterprise buyers and analysis of buying patterns captured through our Business Technographics® research surveys of business and IT executives.
- **Market size and forecast.** Forrester determined current size of the worldwide market for CRM solutions and forecasted its future growth to 2010. Market size and predictions are based on vendor-published financial reports and Forrester analysis.
- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls when necessary to gather details of vendor qualifications.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

- ¹ Enterprises will continue to make significant investments to improve their customer-facing capabilities. However, the need to extract additional value from past expenditures and a lack of game-changing innovations from vendors will result in moderate market growth. See the October 20, 2006, Trends “[CRM Market Size And Forecast, 2006 To 2010.](#)”
- ² The importance of indirect channels in various industries has been reported in a variety of studies by management consultants, such as Accenture, and software vendors, such as Oracle’s Siebel CRM, BlueRoads, and salesforce.com.
- ³ Thanks to exponential global trade growth in recent decades, the world appears increasingly smaller and flatter, promising firms massive new market expansion opportunities. Global exports tripled from \$3.45 trillion to \$9.12 trillion between 1990 and 2004, a 164% increase fueled by the integration of emerging nations like China and India into the global economy. See the December 13, 2006, Forrester Big Idea “[The Rise Of Globally Adaptive Organizations.](#)”
- ⁴ Forrester evaluated leading enterprise CRM suites vendors across 493 criteria and found that Oracle’s Siebel CRM and SAP’s mySAP CRM are the clear Leaders. They offer broad and deep functional capabilities, industry specialization, and the scalability to support global organizations. Nevertheless, these Leaders are challenged by a diverse set of Strong Performers. First, Oracle’s E-Business Suite CRM and Oracle’s PeopleSoft CRM offer good options for buyers who value comprehensive suite integration. Next, Oracle’s Siebel CRM On Demand, RightNow, and salesforce.com offer software-as-a-service (SaaS) deployment with excellent usability, low upfront costs, and quick time-to-value, albeit with some functionality limitations. Meanwhile, Microsoft Dynamics CRM provides a growing breadth of functionality and the opportunity to leverage the Microsoft platform to lower total cost of ownership (TCO), and Pegasystems’ Customer Process Manager provides native business process management (BPM) tools for buyers who need to

design and manage unique customer-facing processes. Infor Global's acquisition of the assets of Epiphany and M2M Holding's purchase of Onyx — both with modern process-centric architectures — help secure these two solutions a spot in our Strong Performers category. Amdocs CRM finds success with buyers as a Contender solution for service-intensive industries with custom needs but lacks extensive packaged CRM functionality. See the February 5, 2007, Tech Choices "[The Forrester Wave™: Enterprise CRM Suites, Q1 2007.](#)"

- ⁵ Forrester evaluated leading midmarket customer relationship management (CRM) suites vendors across approximately 490 criteria and found that RightNow Technologies, Oracle, salesforce.com, and Microsoft lead the category. Vendors' offerings in this evaluation range from highly packaged solutions like Maximizer Software's Maximizer Enterprise and FrontRange Solutions' GoldMine Corporate Edition, that are suitable for smaller deployments, to more flexible options like Onyx Software's Onyx CRM and CDC Software's Pivotal CRM, that are appropriate for larger, more complex deployments (but often require more time, effort, and expense to set up and manage). The CRM midmarket is increasingly dominated by software-as-a-service (SaaS) options — including those from Entellium, NetSuite, RightNow, and salesforce.com, as well as Oracle's Siebel CRM On Demand — whose frequent, automatic upgrades are further fueling the SaaS CRM momentum. This year's evaluation marks the first year that the Microsoft Dynamics CRM product emerges as a Leader in a Forrester Wave as well as the first year that Forrester is including an open source offering: SugarCRM's Sugar Enterprise. See the February 21, 2007, Tech Choices "[The Forrester Wave™: Midmarket CRM Suites, Q1 2007.](#)"
- ⁶ View the vendor summary for more detailed analysis on how Oracle's Siebel CRM fared in this evaluation. See the April 6, 2007, Tech Choices "[Oracle's Siebel CRM Is A Leader In The PRM Tools Market.](#)"
- ⁷ View the vendor summary for more detailed analysis on how SAP fared in this evaluation. See the April 6, 2007, Tech Choices "[mySAP Is A Leader In The PRM Tools Market.](#)"
- ⁸ View the vendor summary for more detailed analysis on how BlueRoads fared in this evaluation. See the April 6, 2007, Tech Choices "[BlueRoads Is A Strong Performer In The PRM Tools Market.](#)"
- ⁹ View the vendor summary for more detailed analysis on how Click Commerce fared in this evaluation. See the April 6, 2007, Tech Choices "[Click Commerce Is A Strong Performer In The PRM Tools Market.](#)"
- ¹⁰ View the vendor summary for more detailed analysis on how NetSuite fared in this evaluation. See the April 6, 2007, Tech Choices "[NetSuite Is A Strong Performer In The PRM Tools Market](#)"
- ¹¹ View the vendor summary for more detailed analysis on how Oracle's E-Business Suite CRM fared in this evaluation. See the April 6, 2007, Tech Choices "[Oracle's E-Business Suite CRM Is A Strong Performer In The PRM Tools Market.](#)"
- ¹² View the vendor summary for more detailed analysis on how Oracle's PeopleSoft CRM fared in this evaluation. See the April 6, 2007, Tech Choices "[Oracle's PeopleSoft CRM Is A Strong Performer In The PRM Tools Market.](#)"
- ¹³ View the vendor summary for more detailed analysis on how Oracle's Siebel CRM On Demand fared in this evaluation. See the April 6, 2007, Tech Choices "[Oracle's Siebel CRM On Demand Is A Strong Performer In The PRM Tools Market.](#)"

¹⁴ View the vendor summary for more detailed analysis on how salesforce.com fared in this evaluation. See the April 6, 2007, Tech Choices [“Salesforce.com Is A Strong Performer In The PRM Tools Market.”](#)

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Headquarters

Forrester Research, Inc.
400 Technology Square
Cambridge, MA 02139 USA
Tel: +1 617/613-6000
Fax: +1 617/613-5000
Email: forrester@forrester.com
Nasdaq symbol: FORR
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