

# **GCCRM** evaluation guide

## **Why Microsoft CRM Is the 3<sup>rd</sup> Choice**

CRM Software Vendors' Evaluation

# **Microsoft**

evaluation. best practices.

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## About Us

# GCCRM

### Vision

**ROADMAP CRM BEST PRACTICE** through the collaboration of global intelligence on evaluation and benchmarking.

GCCRM is an independent CRM evaluation organization founded in 2001. Through evaluation, enhancement and benchmark with best practices, GCCRM helps to roadmap organizations' CRM - where they are, where to go and how to get there. GCCRM preaches the belief of "CRM Success Beyond Software™" via awards, methodology, research & portal.

## GCCRM Evaluation Guide

It is a 360-degree, vendor-independent, easy-to-read evaluation guide for management and decision makers. Since the launch in 2002, the guide (previously named as China CRM Solution Guide) is the most influential CRM solution guide book in the region. Ten-of-thousand copies have been downloaded at GCCRM.com. An upgraded version will be launched in Q3 2005, including the latest survey results on CRM software vendors, outsourcing call center vendors. Vendors will be featured and analyzed from four different angles: global perspective from world-renowned analysts, China perspective from local research team, survey perspective from the online and offline research findings and user perspective from interviewing the vendors' clients.

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## Preface

GCCRM launches GCCRM Evaluation Guide since 2002 (previously known as China CRM Solution Guide). The purpose of the Guide is to provide a neutral and objective reference on key CRM vendors including software vendors, call centre outsourcing vendors and consulting vendors in China market. The Guide serves as a highly influential buying guide for CRM practitioners in the market and has been downloaded by ten-of-thousands of members and industry players via different channels.

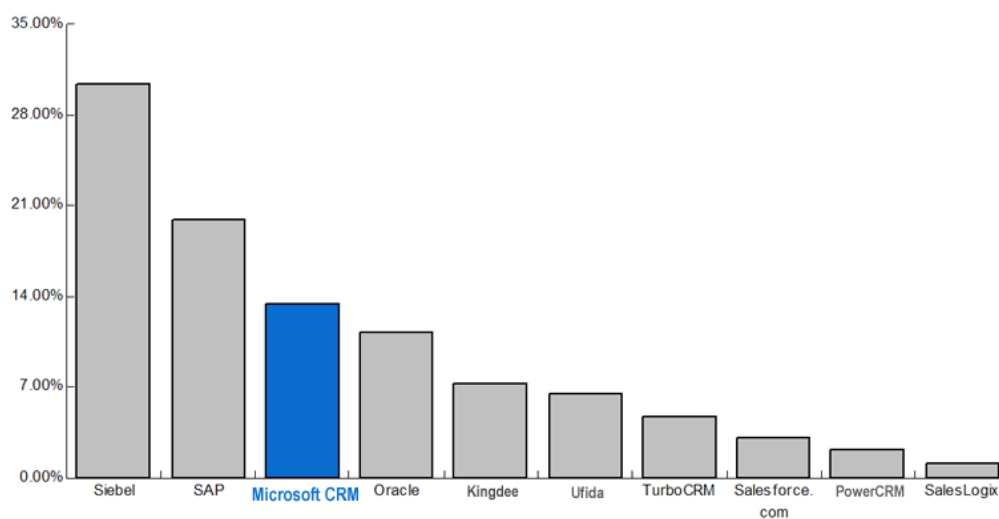
In this document, we are going to give **Microsoft CRM** a comprehensive review including **Global Perspective** by world-class CRM expert, Mr. Paul Greenberg, author of the best selling "CRM at the Speed of Light" and Executive VP of CRM Association US, **China Perspective** by GCCRM Research Team and **Survey Perspective** derived from 443 valid responses collected via online and offline survey by GCCRM. The final report will be compiled in the full version of GCCRM Evaluation Guide 2006.

Looking ahead, we will conduct surveys on various vendors on a regular basis to ensure timely and updated information are provided.

## Survey Perspective From 443 Valid Survey Respondents

In order to listen to the pulse of the Chinese CRM market and uncover the macroscopic picture of how the market operates, GCCRM conducted the "China CRM Software Vendor Survey". Ten vendors were selected for evaluation, namely, Siebel, SAP, Oracle, SalesLogix, Microsoft CRM, Salesforce.com, Kingdee, Ufida, PowerCRM and TurboCRM. The survey was conducted between Feb 17 to May 25, 2005, with online and off-line survey comprised of rating scale and open-end questions. The findings were based on 443 valid questionnaires, with 95% confidence level.

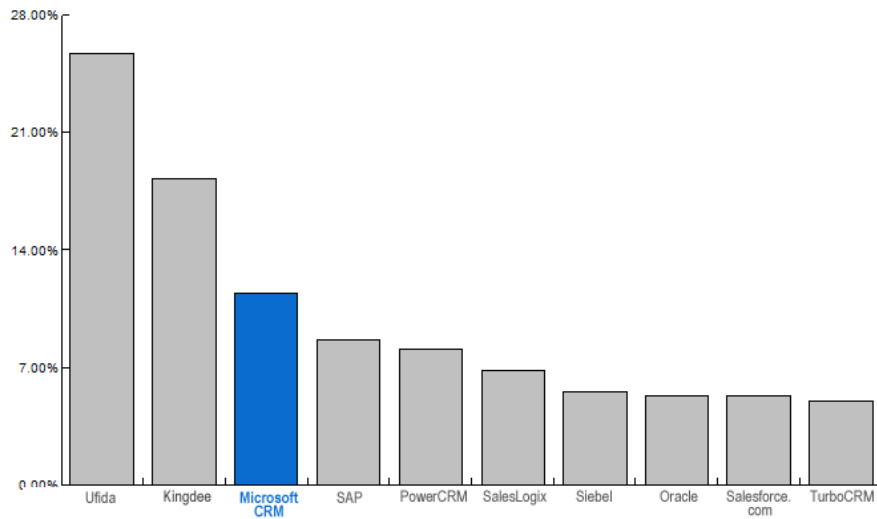
### Microsoft's ranking in terms of 'Most Preferable Choice' by 443 survey respondents



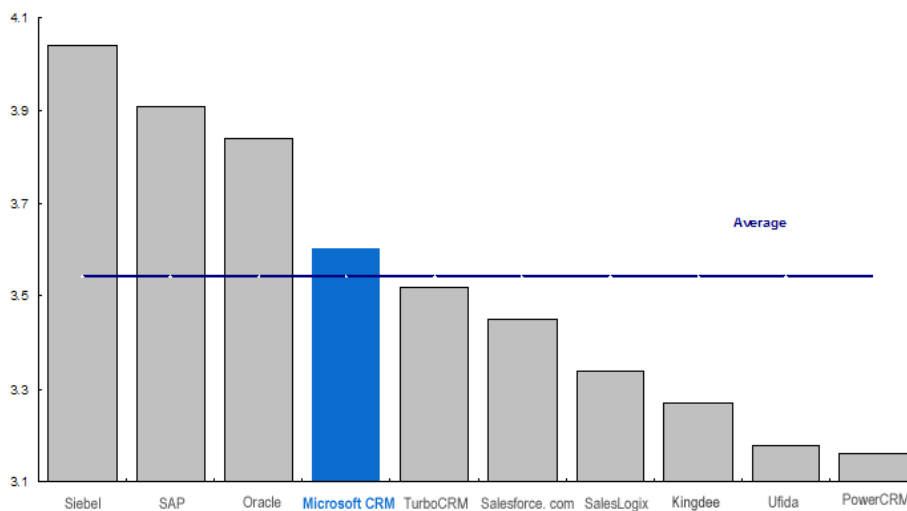
In Customers' **Most Preferable Choice Ranking**, Microsoft CRM gets the third position of the ten vendors, with a percentage of 13.48% as Most Preferable Choice (As figure above says). It can be read that the reasons of the Most Preferable Choice focus on two: Firstly, users make decision by the identification of its strong brand image; secondly, the compatibility of Microsoft CRM, which can realize the seamless connection with their existing system better. While, on the other hand, the products of Microsoft CRM haven't gotten hold of wide market identification. Comments from some of the survey respondents are making some sense, e.g. expensive, lack of localization, lack of better operation process, etc. (For more, please see full version of "CRM Software Vendors' Evaluation - Survey Perspective"), and it is also reflected by its product score ratings. More efforts are needed to augment its market applause on product itself.

Besides Customers' **Most Preferable Choice** Ranking, "**Least Preferable Choice**" Ranking, **Product** Ranking and **Brand Image** Ranking are also included.

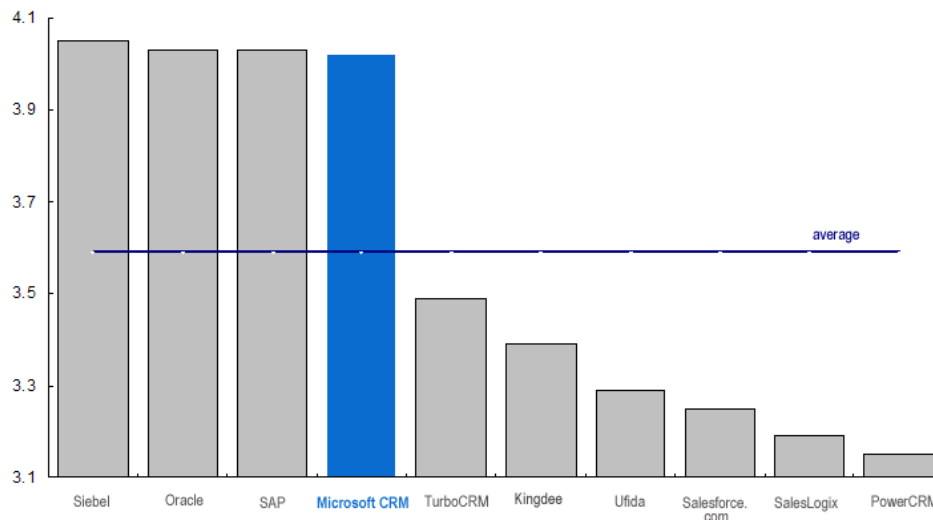
While in Customers' "**Least Preferable Choice**" ranking, compared with other vendors (As figure below says), Microsoft CRM receives a relatively high rating of 11.46%, which rates the eighth position, 14.6% higher than the average ratio (10%).



In **Product** Rating, Microsoft CRM ranks fourth with a score of 3.6, whose score is 2% higher than the mean score of 3.53 (As figure below says)



In **Brand Image Rating** (As figure below says), Microsoft CRM wins the fourth position, receiving a score of 4.02 and 12% higher than the mean score (mean: 3.59).



All in all, Microsoft CRM ranks fifth in the **Total Ranking** of ten CRM software vendors, although it ranks third in “Most preferable choice” (As figure below says).

Vendor	Product	Brand Image	Most Preferable Choice	Least Preferable Choice	Total Score	Overall Ranking
<b>Siebel</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>7</b>	<b>1</b>
<b>Oracle</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>11</b>	<b>2</b>
<b>SAP</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>13</b>	<b>3</b>
<b>TurboCRM</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>18</b>	<b>4</b>
<b>Microsoft CRM</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>19</b>	<b>5</b>
<b>Salesforce.com</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>2</b>	<b>24</b>	<b>6</b>
<b>Kingdee</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>9</b>	<b>28</b>	<b>7</b>
<b>SalesLogix</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>5</b>	<b>31</b>	<b>8</b>
<b>Ufida</b>	<b>10</b>	<b>7</b>	<b>6</b>	<b>10</b>	<b>33</b>	<b>9</b>
<b>PowerCRM</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>6</b>	<b>34</b>	<b>10</b>

(For full version of “China CRM Software Vendors’ Evaluation – Survey Perspective”, 24 pages, please click here: [http://www.greaterchinacrm.org:8080/eng/content\\_details.jsp?contentid=1863&subjectid=1](http://www.greaterchinacrm.org:8080/eng/content_details.jsp?contentid=1863&subjectid=1))

## China Perspective From GCCRM Research Team

**Target Market:** SME (Small and Medium Enterprise)  
**Functionality:** SFA (Sales Force Automation); Service and Support, Mobile Users;  
**Selective Customers:** Shanghai Xin Tian Telecommunication Co. Ltd; Shen Zheng Sun Zhang Electric Appliance.  
**Web Site:** [www.microsoft.com/mbs](http://www.microsoft.com/mbs)

The first version of Microsoft CRM 1.0 was released in January 2003; its next version 1.2 was then on the market in December of the same year. Microsoft claims it has so far taken 3500 CRM customers worldwide. Microsoft was once planning to release v2.0 in January 2005, but having extensive delay due to the requests for more features from the customers. Its actual release date is yet to be announced. There are certain enhancements and improvements in version 1.2 over 1.0, mainly in the reporting tools and integration capabilities. The 1.2 version has also been improved so as to better fit in Windows 2003 environment.

Microsoft CRM 1.2 is packaged as standard and professional offering, the difference between is on the level of integration and functionality. The sales module covers most of common Sales Automation functionality, such as contact and opportunity management, sales process management, sales planning, sales pipeline, etc. The service module is based on case management, including activity management, Q/A knowledge management and case queuing & dispatch. One noted feature of Microsoft CRM is its tight integration with Microsoft Office suite. For instance, user can place a query in Excel worksheet for CRM database without having to close the excel program. Microsoft CRM has both fat (Client/Server) client and thin client (Browser/Server). Microsoft CRM is targeting small and medium business, like most SME CRM vendor, it doesn't offer pre-built industry application. At analytical side, users will have to utilise the features and functions in the SQL server. Marketing automation is not present in the v1.2 release. Even though there are some limitations and shortages compared with other older vendors', it is believed Microsoft CRM will catch up the latest feature sooner rather than later in the arena of functionality, based on Microsoft's strong developing muscle. Through many years of development and improvement, CRM application market has become quite mature, making functionality less a differentiator among the products, especially for the mid-market "general CRM" applications. Instead, the customization, integration as well as on going product support have been among the main shopping interests of the customers. This will certainly give Microsoft CRM some chance to alleviate the close scrutiny on its functional side of limitation.

Microsoft CRM 1.2 is typically running on Microsoft .NET environment. Microsoft SQL Server, Exchange Server 2000, Microsoft IIS Server and Windows 2000/2003 OS(Operating System) are the essential members of the application domain. Microsoft is currently speeding up its integration efforts within its MBS (Microsoft Business Solution) suites in a bid to offer "all in one" solution to the Mid Market. On the other hand, the popularity of .NET platform makes customization or third party add-on development a less painful task for its CRM project. However, the overall success of Microsoft CRM will still rely on the effective promotion by its partner network, where third party developers, consulting partners play an important role in its "go to market" strategy. It is therefore important Microsoft provide sound support and training to the partners for them to succeed. Microsoft has since announced that it has allowed previews

of MSCRM 3.0 (they are skipping 2.0) and there have been some features etc. discussed.

Microsoft CRM was formally introduced into China in July 2004. As an extended corporation with GrapeCity Japan, Microsoft started the first step building an alliance with GrapeCity China to do the localization of Microsoft CRM product. Its first user is Shanghai Xin Tian Telecommunication, which was implemented by GrapeCity in October 2004. The CRM sales and promotion will be part of its MBS marketing strategy through the channels across the country.

Microsoft has been ambitious in Chinese market with its windows and office products, and it will hope to dominant the CRM marketplace in SMEs. Although it is still too early to predict its market share, we believe its ambition could be reasonably fulfilled. One of the reasons is that the CRM has never been fully played in China. The market advancement has been very limited in previous years. With the right mix of price and development tools, we believe Microsoft CRM will become the leader in SMEs, although its actual progress will again depend on the overall maturity of China CRM. As said, an obvious advantage of Microsoft CRM is the .NET popular adoption in the SMEs, and some companies are actually using its in-built DTKs (Development Took Kit) to customize other CRM products. This advantage is believed to be the major benefit to the customer and will help win over those customers with customization requirements.

Microsoft CRM will inevitably stir up the current quiet CRM market in China. All other mid market players like SalesLogix, Ufsoft, Powerise, Kingdee, TurboCRM will feel much of pressure from Microsoft competition. This pressure will be extraordinary as Microsoft steps up its marketing efforts along the way. It is still unclear if Microsoft CRM will make Chinese "general CRM vendors" irrelevant and result in their further disappearance from the market, but the possibility is there. The ERP oriented CRM vendors like Ufsoft, Kingdee, and Powerise will not possibly declare its cease of its CRM, but their products may become obsolete due to lack of further developing and marketing inputs. Those focusing on customized and industrialized solutions will survive the heat as the tight integration and high customization will present a main differentiator from the general purpose CRM. Unlike other countries where hosted CRM has already picked up the progressing momentum, China, at this time, has no valid ASP vendor and it is doubtful that ASP model will be adopted by the more conservative business community in China. This will therefore give a competitive advantage for Microsoft CRM, till ASP vendors like salesforce.com and Siebel OnDemand are able to tackle the market challenge and join the game.

## Global Perspective From Paul Greenberg, author of the best selling "CRM at the Speed

of Light" and Executive VP of CRM Association US

I've always liked Microsoft. I've never been a Microsoft basher. But I'm puzzled about what their strategic direction is in CRM. They made a dramatic splash in the SMB market with MSCRM 1.0 and its later and stronger version 1.2. They had 3500 customers in less than a year and a thriving channel selling it and providing customized vertical versions – small companies with big ideas – like Protech, who developed a version of MSCRM for associations who tend to fall into the SMB world in their size typically but not entirely. Functionally, MSCRM was a pretty strong product on the sales and customer support side with the most viable features for the SMB world. I disagreed with several critics on that issue who had stated they thought it was feature weak – which if it were a larger enterprise would have been but that wasn't its market. It was functionally fine for the smaller companies it aimed at. Additionally, it had the familiar interface of Outlook and strong integration with it. There were (and are) three areas that were issues. They are

1. Marketing functionality (no big deal at the version 1.2. stage. That is just a design choice)
2. Server requirements – The server requirements are insanely heavy for a small business – needing typically MS CRM Server, Exchange Server 2003, Active Directory, SQL Server 2000 (or above) and often Small Business Server and Sharepoint)
3. No hosted solution. though Navisite (the former Surebridge) provides an ASP version they call Microsoft CRMOnline. Their claim is that Microsoft CRMOnline delivers “all of the benefits of Microsoft CRM at a third of the cost.” How true that is remains to be seen.

What is enigmatic about Microsoft is that the impact that many of the pundits (including me) thought MSCRM would make has become negligible because their visibility has been equally negligible. For reasons unknown, MSCRM 2.0 was put off prior to the welcome ascension of Brad Wilson as the guru of MSCRM strategy. However, from June 2005 select groups of channel partners are now previewing Microsoft CRM 2005 (or whatever they call it. Some of the features are interesting and problem-solving given their issues:

- New marketing automation, campaign management and service scheduling modules
- Streamlined installation when used with Small Business Server (SBS). If customers install the new Microsoft CRM on SBS, they only need to type in their user name and a key number for a fast, few-clicks install.
- Improved support for departmental use within companies.
- Workflow capabilities convergence built on the Windows Workflow Services that work within SharePoint Portal Server.