



March 10, 2008

The CRM 2.0 Imperative

by William Band

for Business Process & Applications Professionals



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Look To New Solutions To Keep Pace With The Emerging Social Customer

by William Band

with Sharyn C. Leaver and Mary Ann Rogan

EXECUTIVE SUMMARY

Customer relationship management (CRM) is evolving from its traditional focus on optimizing customer-facing transactional processes to include the strategies and technologies to develop collaborative connections with customers, suppliers, and even competitors. In this new world, traditional CRM solutions will continue to aggregate customer data, analyze that data, and automate workflows to optimize business processes. But CRM professionals must find innovative ways to engage with emerging “social consumers” enrich the customer experience through community-based interactions, and architect solutions that are flexible and foster strong intra-organization and customer collaboration. How? First, you must define who you’re trying to reach, what you’re trying to accomplish, and how you plan to strengthen your relationships with the new social customer. Then you can expand your thinking beyond traditional CRM solutions and consider new ones based on social Web principles.

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Forrester maintains research on Web 2.0, Social Computing, Experienced-Based Differentiation, and business applications development trends. We interviewed 16 CRM vendors, professional services companies, and industry analysts.

Related Research Documents

[“Top Enterprise Web 2.0 Predictions For 2008”](#)

January 25, 2008

[“CRM Best Practices Adoption”](#)

January 10, 2008

[“The Customer Experience Index, 2007”](#)

November 21, 2007

[“Objectives: The Key To Creating A Social Strategy”](#)

October 9, 2007

[“The Dynamic Business Applications Imperative”](#)

September 24, 2007

[“Social Technographics®”](#)

April 19, 2007

THE SOCIAL WEB UPENDS TRADITIONAL THINKING ABOUT CRM

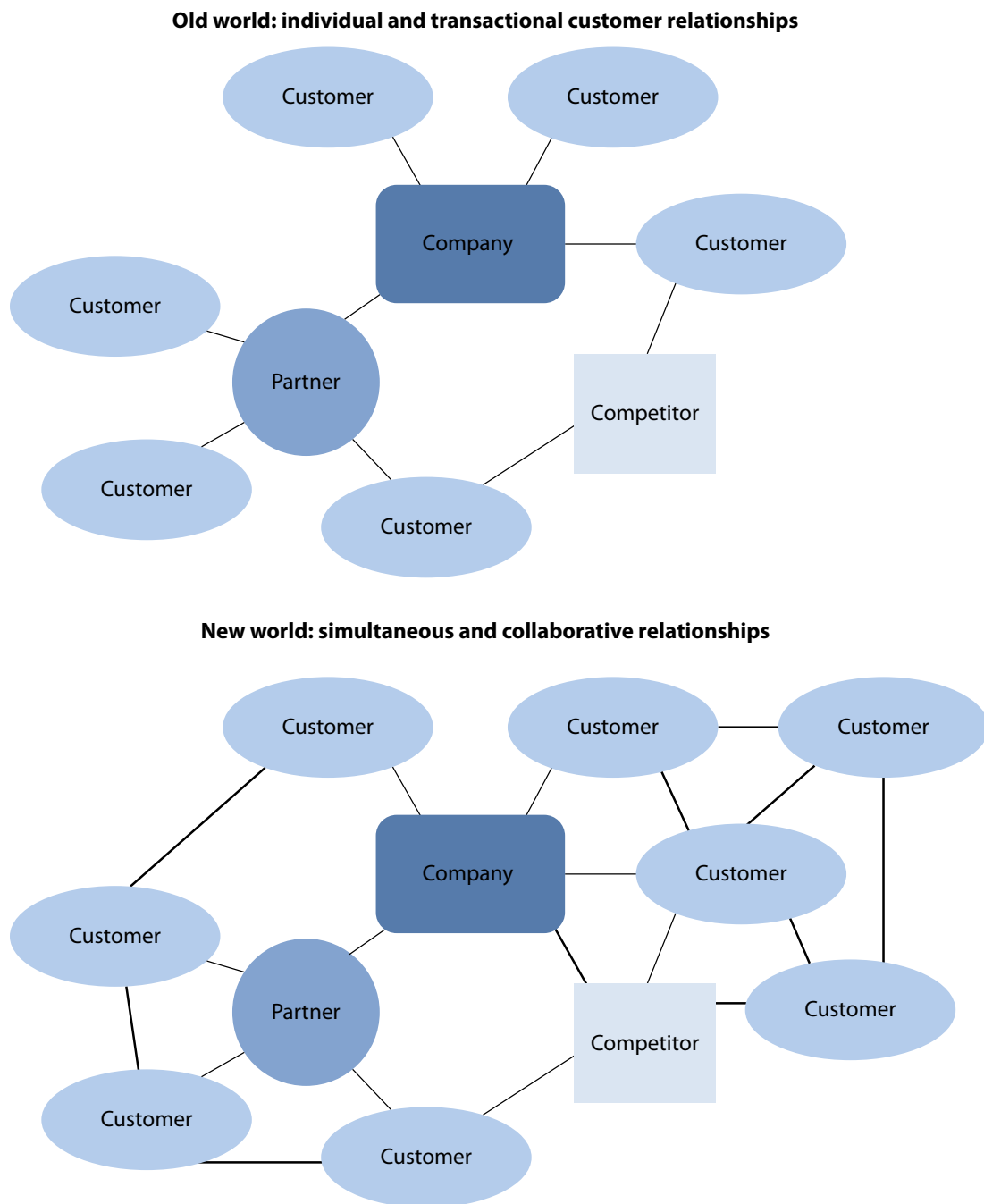
Many organizations are reeling in the face of a burgeoning new phenomenon: the social Web. The social Web, which Forrester calls Social Computing, includes fast-growing peer-to-peer (P2P) activities like blogging, RSS, file sharing, open source software, podcasting, search engines, and user-generated content.¹ These technologies have seen rapid adoption — 22% of adults now read blogs at least monthly, and 19% are members of a social networking site like Facebook or LinkedIn.² Even more amazingly, almost one-third of all youth publish a blog at least weekly, and 41% of youth visit a social networking site daily. These new technology and social changes are transforming the way all businesses operate, create products, and relate to customers.

Social Computing changes the game for your CRM strategy too — big time! CRM strategies are moving beyond their traditional goal of optimizing a two-way relationship between an enterprise and customer to include the *simultaneous relationships that customers have among themselves*. Including social networks changes the definition of CRM from the stale exchange of data to a live, vibrant network of connected individuals who share their abilities, expertise, and interests. This new perspective defines your organization as one “node” in a broader and more complex social network of buying, selling, and conversation (see Figure 1). In the new world of Social Computing, your company will be able to:³

- **Collaborate with customers and partners in new ways.** Online social networks allow a prospective customer or member to easily facilitate a real, human-level connection with individuals within an organization. The result: genuine business relationships form, and the external perception of an organization changes from sterile and faceless to a collection of individuals who are ready to help. And these same networks can be used for creating a strong web of complementary providers so a single service provider can provide a much greater value proposition to a prospective customer.
- **Collaborate within the enterprise to deliver more value.** The vast majority of organizational knowledge resides in the heads of its members, not databases. Online networks with even basic profiles of its individual members’ experiences, locations, and interests can cut problem-solving time by enabling faster connection between a questioner and a person who has solved similar problems in the past. An internal social networking capability can also help the individuals responsible for creating relationships with customers to pull together the “right” team of individuals who will resonate with the prospect at a personal level.

There is a torrent of new acronyms and labels spilling forth from consultants, analysts, and other pundits to put a label on this new definition of CRM, for example: “Social CRM,” “Collaborative CRM,” and “CRM 2.0.” Does it matter at this point what the next generation of CRM ideas and solutions is called? Not really. What is important to understand is that enterprises are embracing new ideas about customer behaviors, innovative business capabilities, and fresh technologies into the CRM solutions landscape and taxonomy.

Figure 1 The Old Customer Relationship Network Model Versus The New



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Source: Forrester Research, Inc.

YOUR ORGANIZATION NEEDS THREE NEW CAPABILITIES

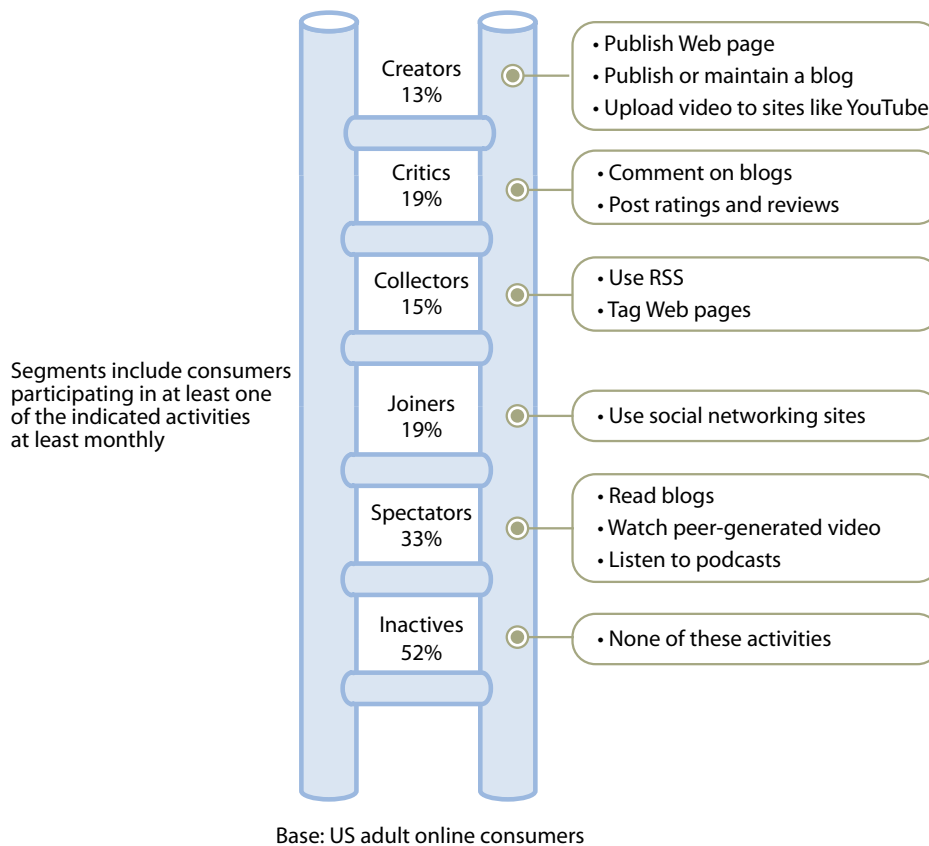
There are three next-generation customer management capabilities your organization needs to capitalize on the social Web: creating dialog with social consumers, enriching the customer experience through community-based interactions, and architecting flexible solutions that support collaboration inside your company and with customers.

Create Dialogue With Social Consumers

“Web 2.0” began as a user-focused revolution, remaking the consumer Web into a landscape that is easy to use, efficient to navigate, populated by self-generated content (versus institutional publications) and driven by ad hoc and established communities of people with similar interests.⁴ In a Web 2.0 world, power moves from institutions to consumers because they can now rapidly connect and digitally converse among themselves about the products and services they buy. To maintain influence, CRM professionals must learn to:

- **Support customer-to-customer interaction.** Exponential growth of processing power and storage capacity puts unprecedented computing power into the hands of users. With this power, not only can individuals do more for themselves, they can also do more to support one another. Sharing resources via file exchanges, like VoIP and content networks, allows nodes in the network — individuals — to sustain one another and to rely less on institutional support.
- **Embrace customers as co-creators.** Users will provide more input into the innovation process — in a spontaneous, real-time, and participatory way. Soliciting user input is cheaper, better, and faster than more structured, top-down methods of product development. This means complete strangers can co-develop open source software and the information banks like Wikipedia. As more people walk around with Net-enabled camera phones and install Webcams and microphones at home, user-generated content will offer great insight to companies. And peer-to-peer trading networks will accelerate the pace of innovation.
- **Understand new consumer behavior patterns.** Although Social Computing is having a profound effect on buyers, it affects different types of consumers in different ways. Forrester categorizes Social Computing behaviors into typology with six levels of participation; we use the term Social Technographics® to describe a population according to its participation in these levels.⁵ Effective next-generation CRM strategies will be grounded in a deep understanding of “social consumer” behavior, as well as more traditional demographic and psychographic attributes (see Figure 2).

Figure 2 Social Technographics Groups Consumers By Activity In The Participation Ladder



Source: April 19, 2007, "Social Technographics®"

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Source: Forrester Research, Inc.

Enrich Experience-Based Differentiation (EBD) Strategies

Customers are demanding more ways to personalize their experiences with a business. The social Web means customer experience strategies need to focus not only on utilitarian, functional, and operational characteristics, but also emotion, style, design, and person-to-person (social) interactions as dominant factors. As companies add more interfaces to their growing portfolios of products and services, they are touching customers' lives more every day — and creating a growing opportunity to weave those touches into an overarching, branded customer experience that sets their offerings apart from the competition. Forrester call this "Experience-Based Differentiation".⁶ This means that CRM professionals must:

- **Make experience-based differentiation a top priority.** In a world of Social Computing, consumers increasingly look to their peers for advice and recommendations about products and services.⁷ To improve the customer experience, enterprises need to take into account

the consumer-to-consumer conversations that rapidly spread stories about poor experiences within a buyer-and-user community. Creating extraordinary customer experiences is at the top of the list of priorities of many senior executives today. In fact, 85% percent of our Customer Experience Peer Research Panel members say that customer experience will play a very important or critical role in their firms' competitiveness over the next three years.⁸

- **Boost customer experience discipline.** Although there's a clear consensus on the importance of customer experience, more than half of our panelists report that their companies have an undisciplined approach to customer experience management.⁹ Only 46% of our respondents have enterprisewide customer experience programs, and more than one-third of these have just been started in the past six months. User community interactions increasingly define important elements of the perceived customer experience, not the seller. A lack of a coordinated approach for how to participate in the social Web will make it difficult for enterprises to achieve the goal of a "branded" customer experience.

Build Flexible Solutions That Support Collaboration

The rise of the social Web makes the limitations of the current generation of CRM solutions even more painful. We recently surveyed 74 business or IT leaders from a cross-section of B2B and B2C industries, and nearly one-quarter of those asked to evaluate their use of CRM technology infrastructure feel that their organization's capabilities are poor/below average.¹⁰ Next-generation CRM solutions must:

- **Be more user-friendly.** Nearly one-third of our panel members believe that their customer-facing applications have a poor/below average look and feel — not surprising, since today's business applications force people to figure out how to map isolated pools of information and functions to their tasks and processes. Poorly designed CRM applications retard user adoption, leading to poor return on investment in CRM technologies. Future CRM applications must be intuitive to use and support a high degree of collaboration within the enterprise and with external individuals (customers and partners).
- **Put the right data into the hands of the right people.** Twenty-eight percent of our panel members evaluated their organizations' ability to deploy the most effective available technologies that put customer insights into the right hands to be poor/below average. It is impossible for frontline personnel to serve customers appropriately if they do not have access to relevant and timely customer information at the point of interaction.
- **Assume ongoing change.** Nearly 40% of our panel members report that their customer-facing applications offer poor/below average support for configurability. The result: IT professionals spend too much budget redesigning applications to keep up with evolving markets, policies, regulations, and business models. Future CRM solutions must adapt to the business and its work — Forrester refers to these solutions as Dynamic Business Applications.¹¹

- **Deliver results more quickly.** Nearly 25% of our panel members evaluated their CRM technology and program management capabilities as poor/below average. Poor practices lead to technology projects that go over budget, are not timely, and fail to meet important user requirements. Good practices include: ensuring that there is a clear fit between technology programs/projects and the organization's customer-centric goals, having program management structures for allocating resources and tracking progress toward objectives, and making sure that the organization is working with solutions that are based on modern services-oriented architecture (SOA).

LOOK TO NEW SOLUTIONS TO KEEP PACE WITH THE NEW SOCIAL CUSTOMER

Given the need to adapt to an empowered social customer, compete in an experience-based economy, and implement solutions that are adaptable and support more robust collaboration, what should *you* do help your company keep pace? Adopt three principles: 1) Rethink how you define CRM; 2) pursue *both* business process and customer collaboration excellence; and 3) incorporate emerging solutions to augment traditional CRM capabilities.

Adopt A New Way Of Thinking About CRM

CRM professionals must discard their old-school thinking and adopt a new mindset about the strategies, processes, technologies, and people management practices that are critical for success in the age of Social Computing (see Figure 3).¹²

- **Customer relationships are strategic.** Next-generation CRM thinking embraces all iterations of relationships — among company, partner(s), and customer(s). The goal is to identify, engage, and enable the influential nodes that have the most “social value” in the network.¹³ In the new world of shifting and complex enterprise-to-customer social relationships, managing interactions with customers is highly strategic.
- **Customers are the center of business processes.** Traditional thinking defines business processes from the company point of view and defines CRM as the improvement of business processes associated with “frontline” functions like marketing, sales, and service — isolated from back-office and supply chain activities. Next-generation CRM models processes from the customer point of view and integrates the enterprise value chain, which includes the customer as part of it.
- **Technology integrates transactions with social media.** Future CRM solutions will include transactional solutions for automating internal business functions, as well as applications and services that integrate social media tools like blogs, wikis, podcasts, social networking tools, and user communities.

- **Employees add value through customer engagement.** Style, design, and person-to-person social interaction and communication are moving to the forefront in defining the elements of a differentiated customer experience. The role of frontline employees is to create “conversations” (actual or digital) with customers. They must engage customers by observing and redirecting dialog.

Pursue Both Business Process And Customer Collaboration Excellence

Current CRM and enterprise resource planning (ERP) platforms are well-designed to support internal business process but are ill-equipped to track, report, facilitate, and represent collaborative social customer relationships. Fortunately, new social Web solutions are emerging to fill the gap. It is clear that enterprises need both crackerjack transaction processes *and* seamless social collaboration abilities.

- **Current CRM solutions support business process excellence.** Today’s CRM solutions are largely designed to optimize customer-facing business process capabilities, such as market research, marketing, sales, support, and product development. These are the foundations of customer management best practices and will continue to be important in the future.
- **Emerging solutions support collaboration with customers.** Next-generation CRM solutions are emerging to support social collaboration processes capabilities like listening, talking, energizing, supporting, and embracing. These new abilities will be critical to enterprises seeking to win the hearts of up-and-coming social consumers.

Incorporate Emerging Solutions To Augment Traditional Capabilities

A new CRM solutions landscape is emerging that you must learn to navigate. The new landscape includes traditional solutions and new Social Computing capabilities (see Figure 4). To excel, you should augment your mainstay CRM solution with new tools that:

- **Power up market research with “listening” capabilities.** Engaging with customers begins with understanding their needs and goals, behaviors, and their value to the enterprise. This activity has traditionally been the domain of market research. If your principal need is to gather and analyze market and customer information, traditional solutions from vendors like the SAS Institute, SPSS, and Teradata serve this purpose well.

But if you redefine the role of market research to include the capabilities for actively “listening” in the Social Computing context, then you should establish customer sounding boards for researching decisions. To do this, enterprises are starting to experiment with private communities supported by vendors such as Cerado (Haystack), Communispace, MarketTools, and Think Passenger. You can monitor market buzz and measure ongoing trends and customer perceptions using solutions from BuzzMetrics, Cymfony (a division of TNS Media Intelligence), MotiveQuest, and Umbria.

Figure 3 Differences Between Current And Next-Generation CRM Thinking

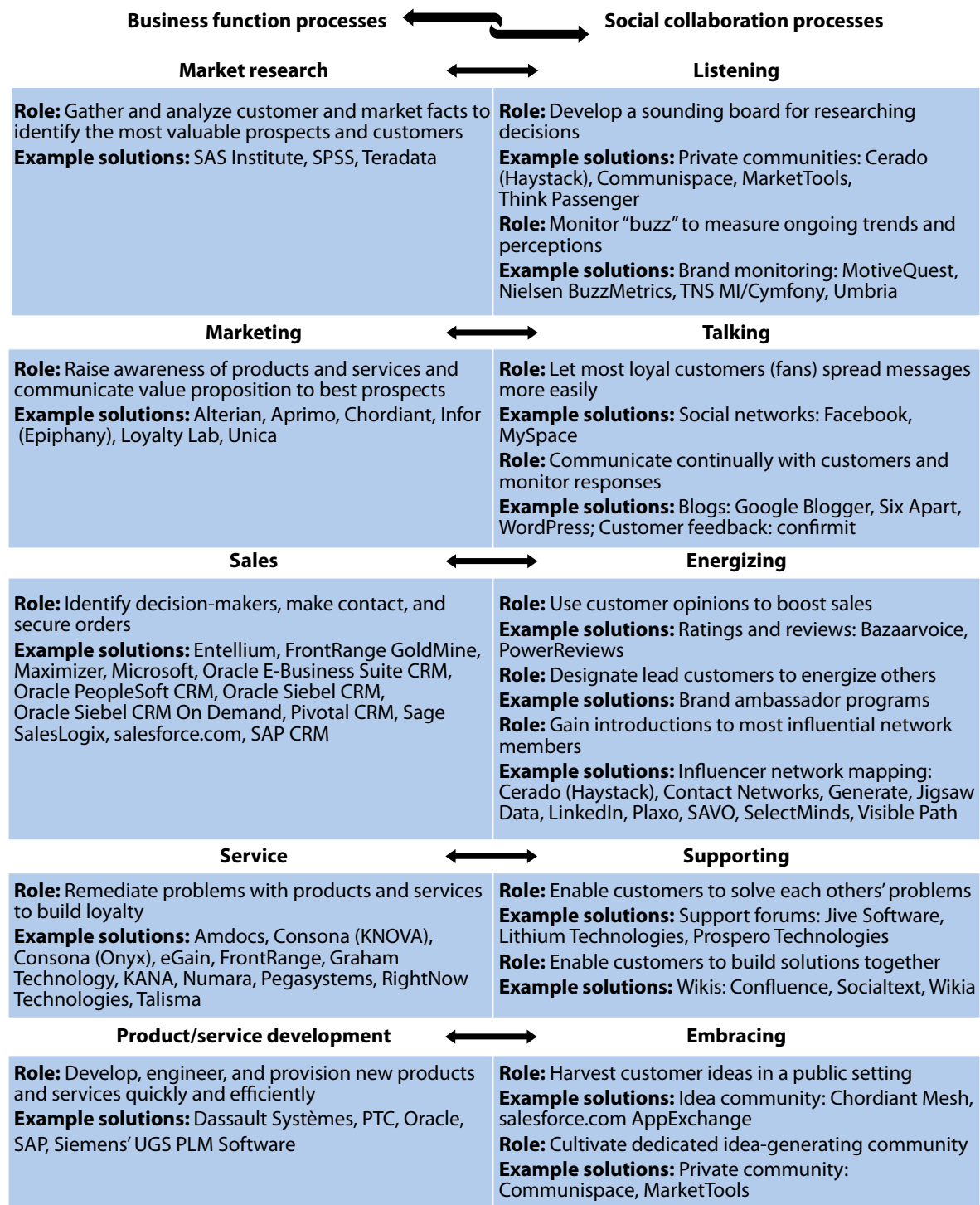
Characteristic	Current CRM	"Next-generation" CRM
Strategy		
The role of customer management in the enterprise	<ul style="list-style-type: none"> • CRM is tactical and operational. • Customer strategy is part of the corporate strategy. 	<ul style="list-style-type: none"> • CRM is strategic. • Customer strategy is at the core of corporate strategy.
How value is created	<ul style="list-style-type: none"> • The business produces products and creates services for the customer. • Value is created in a corporate business ecosystem. 	<ul style="list-style-type: none"> • The business is an aggregator of experiences, products, services, tools, and knowledge for the customer. • Value resides in a customer ecosystem.
The way the enterprise-to-customer relationship is defined	Focus is on the company-to-customer relationship.	Focus is on all iterations of the relationships [among company, partner(s), and customer(s)]; identifying, engaging, and enabling the "influential" nodes in a social network.
Process		
The way business processes are defined	<ul style="list-style-type: none"> • Customer processes are modeled from the company point of view. • Processes comprise only customer-facing functions, such as sales, marketing, and support, isolated from the back office and supply chain. 	<ul style="list-style-type: none"> • Processes are modeled from the customer point of view. • Processes integrate into an enterprise value chain that includes the customer.
Technology		
How business solutions are architected	<ul style="list-style-type: none"> • Focus is on transactional solutions for automating internal business functions. • Solutions are architected for efficiency, effectiveness, and security. 	<ul style="list-style-type: none"> • Solutions integrate social media tools into apps/services: blogs, wikis, podcasts, social networking tools, and user communities. • Processes are architected for adaptability for an ever-changing customer landscape.
People		
How the customer experience is defined and delivered	Customer experience is defined primarily through utilitarian, functional, and operational characteristics.	Utilitarian, functional, and operational characteristics are important, but style and design and social interaction are the drivers of differentiating experiences.
How innovation is nurtured and outcomes are protected	<ul style="list-style-type: none"> • Innovation stems from the designated sources from within the enterprise. • Intellectual property is protected through all means available. 	<ul style="list-style-type: none"> • Innovation is derived from both internal and external sources. • Intellectual property is created and owned together with the customer, partner, and supplier as joint problem solvers.
The role of conversation and dialogue in the customer relationship	The role of frontline employees is to communicate approved, targeted corporate messages to the customer.	The role of frontline employees is to engage customers in activity and discussion — observing and redirecting conversations among customers.

Source: Adapted from the CRM 2.0 Wiki

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Source: Forrester Research, Inc.

Figure 4 The Next-Generation CRM Solutions Landscape



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Source: Forrester Research, Inc.

- **Make marketing more relevant with “talking” capabilities.** The traditional role of marketing is to support outbound communication to prospects and customers to raise awareness for products and services and establish favorable attitudes towards your brand. Traditional CRM solutions from companies like Alterian, Aprimo, Chordiant Software, Infor (Epiphany), Loyalty Lab, and Unica support this requirement.

However, marketing in the world of social consumers must also establish a dialogue between sellers and buyers. This means developing capabilities to have conversations with your customers. Use interactive dialogue and help your brand fans spread your message more easily through social networks like MySpace.com and Facebook. Establish the ability to communicate continually with customers and monitor responses using blogs supported by technologies from Google Blogger, Six Apart, and WordPress. To get customer feedback, use online survey solutions like confirmit.

- **Boost selling with “energizing” capabilities.** Old-school CRM thinking defines the role of sales primarily as carrying out the tasks of identifying decision-makers, making contact, and securing orders. There are many solutions available to support these activities, such as CDC Software’s Pivotal CRM, Entellium, FrontRange Solutions’ GoldMine, Maximizer, Microsoft, Oracle’s E-Business Suite CRM, Oracle’s PeopleSoft CRM, Oracle’s Siebel CRM, Oracle’s Siebel CRM On Demand, salesforce.com, SalesLogix, salesforce.com, SAP CRM.

Next-generation CRM thinking acknowledges the importance of bread-and-butter selling actions, but it incorporates the idea that an organization can “energize” their best customers to boost their business. To do this, consider the use of customer opinions to increase sales through ratings and reviews using forums like Bazaarvoice and PowerReviews. Learn how to designate lead customers to energize others through brand ambassador programs. Link with and gain introductions to influential customer network members by using business-oriented social networking and contact management solutions from vendors like Cerado (Haystack), Contact Networks, Generate, Jigsaw Data, LinkedIn, Plaxo, SAVO Group, SelectMinds, and Visible Path.

- **Strengthen service with “supporting” capabilities.** Conventional notions of customer service define its role as customer problem remediation to sustain customer loyalty. There many CRM vendors that support this function: Amdocs, Consona (KNOVA), Consona (Onyx), eGain Communications, FrontRange, Graham Technology, KANA Software, Numara Software, Pegasystems, RightNow Technologies, and Talisma.

In the new world of the social and connected customer, help customers to support each other. To enable customers to solve each others’ problems, consider solutions that support customer forums such as Jive Software, Lithium Technologies, and Prospero Technologies. To enable customers to build solutions together, think about using Wikis like Confluence, Socialtext, and Wikia.

- **Accelerate product/service development with customer “embracing” capabilities.** The traditional tasks of product and service development focus on defining, engineering, and provisioning offerings quickly and efficiently. Established solutions from vendors like Dassault Systèmes, Parametric Technology Corporation (PTC), Oracle, SAP, and Siemens Product Lifecycle Management Software fill this need.

Next-generation CRM collaboration envisions embracing customers in the product/service development process at a very deep level. To support this, you may need to harvest customer ideas in a setting up ideas communities such as salesforce.com’s AppExchange or Chordiant Mesh, itself a set of customized collaboration mini-applications built on top of a wiki-based platform. Cultivate private idea-generating customer communities supported by solutions like Communispace and MarketTools.

RECOMMENDATIONS

FOLLOW THE POST METHOD TO DEFINE YOUR CRM 2.0 STRATEGY

Customers who are using social technologies to seek better experiences threaten to make traditional approaches to CRM obsolete. For the most part, enterprises understand that there's no choice but to jump in and improve how they architect a differentiated customer experience and use some of the new technologies — blogs, communities, wikis, widgets, social networks, and the concepts of dynamic applications — to their own advantage. The most important question is not what technology to use; most important is determining who you're trying to reach, what you're trying to accomplish, and how you plan to change your relationships with your customers. At Forrester, we advocate using a systematic, four-step method for next-generation customer management strategy formation. The acronym for the four steps is POST: people, objectives, strategy, and technology.¹⁴

1. **Review The Social Technographics Profile.** What can cause next-generation customer management strategies to fail? In many cases, it's because an organization misjudges their customers. Forrester has developed a tool, the Social Technographics Profile, for analyzing groups of customers and their social tendencies. Before forming a next-generation CRM strategy, review the Social Technographics profile of your customers.¹⁵
2. **Pick an objective.** By itself, the Profile will tell you what's possible. Next, decide what you want to accomplish. Based on our experience with companies building next-generation CRM strategy, there are five main objectives of “social strategies” for connecting with consumers: listening, talking, energizing, supporting, and embracing. Pick the one that's best suited to your company's overall goals.
3. **Choose a strategy.** Your objective determines *what* business goal you want to accomplish. Having decided on the objective, you can move on to strategy: *How* will you accomplish the

goal? In particular, next-generation CRM strategy revolves around answering this question:
How do I want to change my relationship with my customers?

4. Select and deploy appropriate technologies — and measure results.¹⁶ By this point, you've determined your customer's Profile, and you know what technologies he will accept and at what rate. Since you know your objective and have nailed down a strategy, now you can evaluate technologies. This is why it makes sense to evaluate technologies only *after* you've finished the other three steps.

SUPPLEMENTAL MATERIAL

Companies Interviewed For This Document

Accenture	Infosys Technologies
Avanade	Microsoft
Beagle Research Group	Oracle
Chordiant Software	RightNow Technologies
Cognizant Technology Solutions	Salesforce.com
CustomerThink	SAP
Deloitte	The 56 Group
IBM	

ENDNOTES

- ¹ Easy connections brought about by cheap devices, modular content, and shared computing resources are having a profound impact on our global economy and social structure. Individuals increasingly take cues from one another rather than from institutional sources like corporations, media outlets, religions, and political bodies. To thrive in an era of Social Computing, companies must abandon top-down management and communication tactics, weave communities into their products and services, use employees and partners as marketers, and become part of a living fabric of brand loyalists. See the February 13, 2006, "[Social Computing](#)" report.
- ² This data comes from Forrester's NACTAS Q4 2006 Devices & Access Online Survey and Forrester's NACTAS Q4 2006 Youth Media & Marketing And Finance Online Survey. See the April 19, 2007, "[Social Technographics](#)" report.
- ³ Source: Christopher Carfi, "YouTube Is No Joke: Why You Shouldn't Ignore Social Networks," *CustomerThink*, January 29, 2007. (http://www.customerthink.com/article/youtube_is_no_joke_dont_ignore_social_networks)

- ⁴ Web 2.0 has radically changed the way people interact with both information and one another on the Internet — now it's coming to an enterprise near you. What's the value? It's the ability to more efficiently generate, self-publish, and find information, plus share expertise in a way that's so much easier and cheaper than earlier knowledge management attempts. Web 2.0 is not going away, no matter what IT and the legal department wishes. See the September 14, 2007, "[Web 2.0 Social Computing Dresses Up For Business](#)" report.
- ⁵ When defining social strategy, companies should start with a profile of their customers: the Social Technographics Profile. The Profile examines the number of a company's customers that fall into each of six social groups defined by their behaviors: Creators, Critics, Collectors, Joiners, Spectators, and Inactives. See the April 19, 2007, "[Social Technographics](#)" report.
- ⁶ Firms need to dramatically raise the bar on the customer experience they provide. How? By adopting what Forrester calls Experience-Based Differentiation (EBD). This enterprisewide effort focuses on three principles: obsess about customer needs; reinforce brands with every interaction; and treat customer experience as a competence, not a function. To succeed with EBD, firms must commit to a multiyear journey. That's why firms need to make this one of their top corporate initiatives. See the January 2, 2007, "[Experience-Based Differentiation](#)" report.
- ⁷ People trust each other most. In Forrester's North American Technographics Benchmark Survey, 2007, consumers indicated that they trusted the following sources of information in the following order: "opinion of friend who has used the product" (83%); "consumer reviews on a retailer's site" (60%); "consumer reviews by users of a content site" (52%); "an online review by the editors of a content site" (49%).
- ⁸ From our discussions with companies, we know that most executives believe that customer experience is important. So it's no surprise that 85% of our Customer Experience Peer Research Panel members say that customer experience will play a very important or critical role in their firms' competitiveness over the next three years. See the February 6, 2007, "[Obstacles To Customer Experience Success](#)" report.
- ⁹ The most prevalent problems are the lack of a clear strategy and limited budgets. When we looked at the difference between firms with a disciplined approach and those that were more undisciplined, there was a wide gap in the use of primary user research. To overcome these hurdles, firms should get more customer insight and put someone in charge. See the February 6, 2007, "[Obstacles To Customer Experience Success](#)" report.
- ¹⁰ To better understand how enterprises can get the most value from this investment, we surveyed 260 business and technology decision-makers and influencers to discover their strengths and weaknesses in adopting 11 sets of CRM capabilities consisting of 150 best practices. We found that adopting CRM best practices is a big challenge for many organizations. A significant percentage of the executives surveyed evaluate their capabilities to be poor/below average for all categories: 1) marketing (37%); 2) customer analytics (36%); 3) customer service (35%); 4) indirect sales (33%); 5) customer data management (31%); 6) eCommerce (30%); 7) customer strategy (25%); 8) technology infrastructure (23%); 9) field service (22%); 10) people management (20%); and 11) direct sales (17%). See the January 10, 2008, "[Technology Infrastructure For CRM Best Practices Adoption](#)" report.

- ¹¹ IT's primary goal during the next five years should be to invent a new generation of enterprise software that adapts to the business and its work and evolves with it. Forrester calls this new generation Dynamic Business Applications, emphasizing close alignment with business processes and work (design for people) and adaptability to business change (build for change). See the September 24, 2007, "[The Dynamic Business Applications Imperative](#)" report.
- ¹² For a lively discussion about how the definition of CRM is changing, visit the "CRM 2.0 — Creating the New Definition" wiki (<http://crm20.pbwiki.com/>).
- ¹³ Many firms value customers primarily based on how much they spend with them. However, in this super-connected world of Social Computing, influential consumers drive purchase decisions and have an enormous value to a brand. From now on, marketers should include the social value of consumers in their valuation algorithms — using the social value scorecard — and offer sophisticated award systems to the most valuable consumers: The Ambassadors. See the February 27, 2008 "[Redefining High-Value Customers](#)" report.
- ¹⁴ Executives are going about social strategy backwards: picking technologies like blogs or communities first instead of focusing on what they want to accomplish. See the October 9, 2007, "[Objectives: The Key To Creating A Social Strategy](#)" report.
- ¹⁵ Forrester categorizes Social Computing behaviors into a ladder with six levels of participation; we use the term Social Technographics® to describe a population according to its participation in these levels. See the April 19, 2007, "[Social Technographics](#)" report.
- ¹⁶ Follow a four-step approach to establish the correct CRM measures for your organization: 1) Define and quantify business goals; 2) formulate CRM strategies and tactics; 3) establish appropriate CRM measures; 4) link CRM goals, strategies, and metrics. Adopt CRM metrics best practices, including establishing metrics early in the CRM deployment initiative, measuring what is important to customers, and using metrics to guide employees. See the October 1, 2007, "[The Right CRM Metrics For Your Organization](#)" report.

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