

## SFDC White Paper for SMB IT Professionals

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### Audience

SMB IT Managers

### Title

## How IT Leaders Transform SMB Productivity with Salesforce CRM

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### Perspective

- What's the value of SaaS and Salesforce CRM to IT?
- Assume readers are still on the fence with SaaS in general.
- Give SMB IT pros the info to *sell and convince others* on salesforce.com – and the tools to work collaboratively with business managers for success.
- How SMB IT leaders can help clients succeed by leveraging salesforce.com solutions.
- Don't cover integration.

# How IT Leaders Transform SMB Productivity with Salesforce CRM

## 1. Executive Summary

Driven by affordability, speed of deployment, and proven effectiveness, small and midsize businesses are fast adopting software-as-a-service (SaaS) customer relationship management (CRM) solutions. Increased communication and new forms of collaboration between IT and business managers drive the success of SaaS CRM implementations, requiring new roles, skills and processes.

Today's SaaS CRM solutions are capable of empowering small and midsize businesses with new technology-enabled competitive advantage. Timely customer information, more accurate projections, visibility into business processes, and improved operating efficiencies all help companies succeed in today's tricky economic climate.

Surveys by THINKstrategies found that over 90% of SaaS users are satisfied with their solutions, plan to expand their use of SaaS, and would encourage their peers to consider SaaS solutions.(1) As well, research firm IDC has reported that SaaS will grow *five times faster* than traditional software over the next five years.(2)

Salesforce.com is the leading on-demand CRM player with a dominant market share near 50%.\* Salesforce.com provides technologies and tools that enable companies to track and leverage every customer interaction across all touch points to optimize the value derived from customers. Their core offering, Salesforce CRM, enables companies to win more customers and to serve existing customers better by automating routine tasks and standardizing best practices.

Salesforce.com's cloud computing solutions provide meaningful benefits to IT managers, including:

- Freedom from the hassles of hardware, installations and upgrades
- The ability to focus on more strategic projects
- Fast implementations with behind-the-scenes innovation
- The tools to create and meet monthly budgets
- Accelerated custom application development
- Increased personal visibility and credibility

Dell listens to its more than one million small and midsize business customers **<confirm number>** and has learned that IT leaders, executives, marketing and sales teams, and line of business managers alike are all considering the possibilities of the new cloud computing paradigm. Rest assured that the cloud is coming your way, and if you haven't tested the waters of cloud computing yet, the time is now. In order to best realize the benefits these new technologies offer, IT managers need to lead with new forms of IT-business collaboration and processes.

This white paper addresses these issues, offers keys to success, and provides best practices for collaboration – all from the IT manager's perspective.

## 2. The IT Challenge

Traditional IT, with applications bound to specific physical servers and storage, is proving too rigid for the evolving needs of small and midsize businesses. Instead, a next-generation of computing with highly scalable on-demand resources is needed. Dell believes cloud computing is this new computing model, and companies are looking closely at how they might use the cloud to improve their agility and empower their business productivity in order to create competitive advantage.

The burden of traditional on-premise systems is severe. The need to deliver 24/7 services with all the support systems required – including remote backups, policies, and round-the-clock on call support – is putting considerable strain on IT departments.

On-demand CRM and other SaaS applications – driven by the power of cloud computing – are therefore of increasing importance to IT professionals. Yet there's so much noise around "cloud computing" that deciphering what's real and what's hype can be difficult for even the most seasoned IT professionals.

One thing we can be certain about is that the use of SaaS CRM has exploded in recent years as small and midsize companies look for innovative ways to quickly respond to fast-changing customer and market demands. Top challenges facing IT managers in this environment include:

- **SaaS deployed by business units**
- **Security issues and concerns**
- **Mobile support and policies**
- **Driving new application adoption**
- **IT-business collaboration**

The transformation underway is changing the IT department from being seen as a necessary expense to being viewed as an operation that delivers agile, business-enhancing innovative services that are increasingly evaluated on ROI.

### 3. The Advantages of Pure SaaS CRM

SaaS is software that is owned, delivered and managed by an external service provider to a company or consumer. SaaS enables smaller organizations to act and perform bigger, while also delivering new capabilities that improve the ability of executives and employees alike to better manage their critical responsibilities. According to McKinsey Consulting, software as a service is faster to deploy, simpler to upgrade, and 50 to 70 percent less expensive than on-premise equivalents.(3)

#### **Pure SaaS & Multitenancy**

“Pure” SaaS is built upon multitenancy – with one instance of the application running for a large number of users. The higher the degree of multitenancy, the more a cloud provider’s infrastructure and resources are shared and, generally, the lower the costs for customers. Misinformation abounds on this issue with some saying multitenancy isn’t important; this message typically comes from companies that have entrenched on-premise or hosted single-tenancy software, and they don’t want to cannibalize their business.

Analyst Phil Wainwright provides this summary: “SaaS buyers shouldn’t settle for the limited horizons of single tenancy. Multitenancy is the ideal architecture to make the most of the cloud environment, because it continually evolves to keep pace with the collective demands of its tenants.”(4)

In order to better understand the business case for multitenant SaaS, here’s a summary of its technical, operational, and financial advantages:

#### **Technical Advantages**

- **No installation** – No hardware, no local software, and automatic upgrades simplify IT.
- **High Availability** – World-class global systems ensure reliable access.
- **Continuous innovation** – Frequent “behind the scenes” upgrades regularly add new features.
- **Speed of Deployment** – Fast implementations are the norm.
- **Anytime scalability** – Elastic capacity eliminates over provisioning.
- **Device and location independent** – Browser access and mobile apps empower mobile.
- **Customization** – Company customization and user personalization enhance adoption.
- **Integration** – Syncing data and apps is easier compared to traditional on-premise solutions.

### Operational Advantages

- **Agility** – SaaS enables SMBs to respond quickly to intensifying competitive pressures with speedy deployment and customization.
- **Ease of management** – Fewer resources are required to manage SaaS than on-premise solutions, easing the strain on IT departments.
- **State of the art services** – True multitenant architectures give SMBs access to the latest leading-edge technologies without acquiring or managing them.
- **Increased user adoption** – A familiar web-based interface drives user adoption.
- **State of the art security** – World class, multi-level security systems safeguard data.
- **Reduced support needs** – Easy-to-learn and use web apps are easier to support.

### Financial Advantages

- **No capital expenses** – No hardware requirements or licensing fees mean low start-up costs.
- **Pay-as-you-go** – Usage-based subscription pricing provides low, easy-to-predict monthly operating costs.
- **Faster time to value** – Rapid implementation generates business value quicker than traditional deployments, speeding up payback and increasing ROI.
- **Affordable scalability** – CRM SaaS and cloud computing represent a service delivery paradigm change, providing a completely scalable business resource with no capex.
- **Reduced TCO** – Research shows on-demand CRM provides lower five year TCO than on-premise software for moderately complex CRM deployments.(4)

Dell's experience serving smaller organizations reveals that they typically are unburdened by established legacy infrastructures, so introducing SaaS faces less friction than in larger organizations. Leading-edge small and midsize businesses have learned how easy it can be to run SaaS and how cost-effective the pay-as-you-go model can be with faster implementations, lower initial costs, improved business productivity, better IT-business alignment, and increased ROI.

### Cloud Application Offerings From Dell

With over 5,000 SaaS customers, Dell is one of the largest providers of cloud-powered IT services. According to James Decker, senior manager cloud/software strategy at Dell, "SaaS generally offers the most compelling total cost of ownership for small to medium sized companies" and provides enterprise-class functionality without enterprise-class budgets or staffing. Dell offers cloud applications that increase business productivity, simplify IT environments, and enable smaller IT departments to get new applications and services up and running quickly with low deployment costs, few complications, and less time spent on nonstrategic tasks.

## [Breakout box with more on security](#)

### **Security in the Cloud**

When evaluating the security of cloud applications, it's important to compare apples to apples. You need to evaluate the comprehensiveness and quality of the security from a cloud application provider compared to the realistic alternative of a local application being protected by your own internal security systems and resources – not compared to a perfect ideal.

For example, are your physical facilities and data centers as secure as those of leading cloud application providers? Physically, public cloud data centers are some of the most secure premises on the planet. As well, are you constantly updating and patching your security systems, so they're always up-to-date and protecting against the latest threats? Top cloud providers do – with a team of dedicated experts working on it daily.

While there are legitimate concerns over the security of newer or smaller SaaS players, the leading established SaaS providers know that they must deliver world-class security or they will pay dearly. Companies like salesforce.com have proven to consistently deliver highly effective security for many years now and generally provide better security than most organizations have the tools and resources to deliver internally.

#### 4. The Salesforce.com Portfolio

Salesforce.com is a leader in cloud computing and CRM. With more than 10 years of experience in delivering highly available, secure, and scalable cloud applications, salesforce.com is well proven in every aspect of cloud computing service delivery, from infrastructure to security, policies, and procedures.

Salesforce.com has supplemented their core Salesforce CRM application with the Force.com platform (Platform as a Service, or PaaS), the AppExchange marketplace, mobile apps that extend capabilities into the field, Chatter (a social networking-like application integrated within Salesforce), VMforce (the first cloud platform for Java development) [confirm](#), and more.

**Salesforce CRM** – The world’s leading on-demand CRM\* with more than 80,000 customers,\* Salesforce CRM is designed to improve sales, marketing and customer service productivity and success by automating and minimizing administration. Salesforce CRM provides the ability to track accounts and contacts, opportunities and quotes, approvals and workflows and includes a content library, analytics and forecasting, and additional features.

**Force.com Platform** – The Force.com platform is the foundation for all salesforce.com CRM, partner, and customer applications and is at the heart of salesforce.com’s success. By using simple point-and-click configuration tools, business users can create sophisticated applications without code, and IT pros can develop apps very quickly. By offering a fundamentally faster, less risky, and more cost-effective alternative to traditional on-premise application development, Force.com is changing the economics of custom enterprise applications.

**AppExchange** – Salesforce.com’s multitenant model is built on the Force.com platform, making for an ecosystem with more than 1,000 partner applications and services available on salesforce.com’s AppExchange. The AppExchange is a marketplace similar to the App Store for the iPhone. Customers can find, test drive, and install applications from major business categories – including ERP, SCM, HR, IT, Finance, and many others – with just a few clicks. Applications are automatically installed and integrated in customer environments and instantly deployed to users.

**Chatter** – Chatter lets users subscribe to and follow feeds related to sales opportunities, top accounts, service issues, reports, metrics, colleagues, projects, groups, and more just as they would follow a Facebook friend or Twitter feed. Salesforce.com has embedded Chatter as a free service that can be turned on within its applications, an excellent example of the multitenancy-driven continual innovation process that provides users significant new capabilities with no additional costs. Chatter functionality is also available through the Force.com development platform, so partners and customers can integrate Chatter into vertical and custom applications.

**Chatter Mobile** is a free smart-phone application that will bring CRM-centric, social-networking-style collaboration to Apple iPhones, the iPad, and RIM Blackberry devices (scheduled for availability by the end of 2010 with a Google Android app following in early 2011).

By eliminating the time and hassles typically associated with rolling out on-site applications, purchasing servers, and expanding storage, salesforce.com enables IT departments to focus their technical expertise on ROI and true business benefits.

## 5. Salesforce.com Strengths

Unlike many of its competitors, cloud computing isn't simply an adjunct to salesforce.com's core business. It *is* their core business, and it has been for a decade as salesforce.com has earned its position as a leader in customer relationship management and cloud computing.

Dell doesn't just endorse salesforce.com. Dell also uses Salesforce CRM company-wide and has since 2007 [confirm date](#). Today salesforce.com is a financially strong, profitable and growing company with a successful track record – all essential traits of the best and most reliable SaaS providers – with the following strengths:

**True multitenancy** – Multitenancy delivers maximum scalability, high performance, and a pace of innovation that's simply not achievable with on-premise platforms.

**World-class security** – State-of-the-art protection at every level safeguards data.

**Trust and transparency** – Real-time, accurate service performance and availability information is online, 24/7. [see optional related breakout box next page](#)

**Proven scalability** – The Force.com platform supports millions of users.

**High performance** – Consistent, high-speed performance is delivered globally.

**High availability** – Tier 1 facilities with proven infrastructure provide reliable access.

**Complete disaster recovery** – Data is protected using multiple, geographically dispersed data centers with extensive backup, archive, and failover capabilities.

**The established leader with proven technology** – Don't entrust your critical operations and data to immature, unproven, or fly-by-night operations. With 25 releases of their core application, salesforce.com delivers one of the most functionally rich cloud applications available. The company continues to receive considerable industry recognition, including:

- Leader and Visionary, Gartner 2007
- Visionary, Enterprise Application Server Magic Quadrant, Gartner 2007
- Editors' Choice Award (PC Magazine, 2002, 2003, 2004, 2007)
- TMC Labs Innovation Award - Salesforce Call Center and Customer Portal (2008)
- CRM Markets Awards (Midmarket CRM, Small Business CRM) 2007
- Technology of the Year (InfoWorld, 2004, 2005, 2006)
- CRM Excellence Award (Customer Interaction Solutions, 2003, 2004, 2005, 2006)
- Top 100 Innovators Award (Business Week, 2006)
- CODIE Award for Best CRM (2002, 2003, 2004, 2005, 2006)
- MidMarket CRM Winner (destinationCRM, 2006)



## Real-Time Performance and Availability Statistics

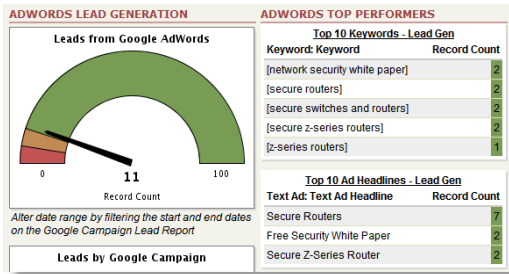
Public transparency is an essential value for leading SaaS providers to live by. Salesforce.com keeps IT departments and end users informed about the performance and availability of their service in real time, 24/7, through their trust site: <http://trust.salesforce.com>. They don't hide this information from prospects or clients as many of their competitors do.

Service Performance History †

Date	Number of Transactions	Avg. Speed* (seconds)	APD (AP)	EUO (EMEA)	NAO (SSL)
07/07/08	138,455,238	0.333	✓	✓	✓
07/06/08	46,776,986	0.211	✓	✓	✓
07/05/08	50,461,326	0.227	✓	✓	✓
07/04/08	78,349,072	0.283	✓	✓	✓
07/03/08	128,097,409	0.301	✓	✓	✓
07/02/08	140,644,049	0.322	✓	✓	✓
07/01/08	144,232,223	0.325	✓	✓	✓
06/30/08	142,865,237	0.332	✓	✓	✓
06/29/08	50,382,788	0.204	✓	✓	✓

## Real-Time Reporting and Dashboards

Salesforce.com delivers 100 percent of forecasting, reporting, and analytical dashboards in real time. Business users benefit from accurate information when making critical decisions. Salesforce.com delivers this data in a customizable fashion that lets each user create reporting and dashboards relevant to his or her role. Analytics are no longer confined to just a few expert users and can now serve as a valuable daily management and visibility tool by many.



## Mobile Productivity Enabled

Business people in today's mobile world gain productivity when they have access to customer data wherever their work or life takes them. Salesforce CRM has mobile applications that include all a company's customizations and run on popular mobile devices. Salesforce.com's free Mobile Lite client for iPhone, Blackberry, and Windows Mobile devices supports two-way viewing and editing of contacts and service records. Their full Mobile CRM application offers access to calendaring, to-do lists, alerts, GIS-powered customer/prospect proximity searching, call logging, task workflows and document access.

## 6. Keys to Salesforce CRM Success for SMB IT Managers

The new role of the IT professional in the cloud computing paradigm goes beyond dealing with the disappearance of on-premise servers and an increase in managing MSPs and SaaS providers. Today's SMB IT leaders need to facilitate increased IT-business communication, including collaboration on defining, streamlining, and automating business processes. (See 9 Best Practices for IT-Business Collaboration [next page](#).) The other top issues to focus on for Salesforce CRM success include data cleansing, user adoption, training, and customization.

### Data cleansing

Clean data is a core requirement to provide management with the accurate information they need to make good decisions, sales reps the tools to turn leads into customers, and IT the ability to easily reconcile CRM data with other systems. While achieving and maintaining high-quality data requires vigilance and good processes, help is available from capabilities within Salesforce CRM, tools from the Force.com platform, and solutions from partners on the AppExchange. Bad data is bad for business, so it's essential to get your data under control:

- Profile, control, integrate and augment your data
- Assign ownership
- Train users
- Commit to a data-quality process

For more details see salesforce.com's Best Practices Paper: "[6 Steps Toward Top Data Quality](#)" and the tools in the [Integration and Data Management/Data Cleansing](#) section of the AppExchange.

### Early and deep user adoption

**Training** – Surveys show that training and user adoption are the most important ingredients in success with Salesforce CRM. You need to start early and also develop a long-term training and adoption strategy. Make incentives and rewards part of your plan, and train and train again.

**Customization** – Take advantage of Salesforce CRM's easy customization capabilities and create a unique home page that gives your users vital information at a glance, fast access to their most important tasks, and help understanding and navigating the application. Put the information they need at their fingertips – and make it visually interesting – with custom messages, links and dashboards. Consider creating different home page layouts for different user groups and roles, a key step to widespread adoption.

### Robust and Redundant Internet Connectivity with lots of Bandwidth –

## Breakout:

### **9 IT-Business Collaboration Best Practices for SMB IT Managers**

#### **1. Business first**

Focus on business issues first. Learn and use the appropriate vocabulary to collaborate with your business peers and find out what they need. Technology follows with solutions that can help capture opportunities or remove obstacles to success.

#### **2. Participate, network and volunteer**

Participate in non-IT meetings and volunteer for committees. Learn about the problems and opportunities facing other departments while increasing your visibility. Play an active role and communicate your IT expertise by informing your company's business managers on ways the IT team might help.

#### **3. Grow your expertise**

Stay abreast of current trends in technology – and business. Sign up for trainings, get certifications, take advantage of free webinars, and go to industry events. Commit to your success.

#### **4. Help develop and clarify business priorities and goals**

Work collaboratively to define and clarify the strategic vision, a clear picture of what you want to accomplish with measurable business goals. Define success. Set realistic goals.

#### **5. Do cost comparisons and ROI analyses**

Diligently compare the expenses for on-premise vs. SaaS implementations to guide decisions and to show your expertise at determining the most cost-effective solutions for your company.

#### **6. Ramp up a diverse project team**

Ramp up a project team with major stakeholders for participation and buy-in. Include an executive sponsor, system administrator, project manager, power user, and trainer. Assign ownership for data cleansing, business processes and workflows, and training.

#### **7. Define and possibly redesign your business processes**

Collaboratively evaluate and clearly define your business processes and workflows early in the process and review regularly. Map processes to enabling technologies.

#### **8. Build a project timeline**

Get input and buy-in from all major stakeholders. Be realistic. Revise and update regularly.

#### **9. Encourage and support training**

Some say Salesforce CRM success can be summarized in four words: "Train and train again." Include rewards and incentives in an ongoing program.

## 7. Conclusion

Cloud computing enables budget-strapped small and midsize companies to achieve high-quality solutions with limited capital and staff. SaaS application adoption has grown for a decade, and its popularity has increased significantly over the past five years. Initial concerns about security, response time and availability have diminished as SaaS business and computing models have matured and adoption has become widespread.

The fact is SaaS CRM makes life *a lot* easier for IT managers. You don't need to purchase and configure hardware. You don't need to overprovision services to assure availability and scalability. You don't need to worry about or manage redundant and off-site systems that are required for high availability. You don't experience disruptive upgrades. And on and on. With SaaS, you have a world-class 24/7 infrastructure taking care of all this for you. Today, compared to the SaaS CRM option, traditional on-premise CRM is ridiculously complex, painful, and demanding for small and midsize organizations.

### No Better Time Than Now

IT leaders need to get their hands wet with SaaS, if they haven't already. Now is the time to start evaluating cloud applications and the role they might play for your company going forward. It's a matter of lead, or follow and be circumvented. You are likely to find people in your organization pulling out their credit cards and signing up for SaaS applications on their own. They won't all be thinking about company-wide requirements, and the problems will fall into your lap down the road.

### The ROI of SaaS – and your Personal ROI

The mark of an IT manager's success is changing with a new emphasis on ROI and the IT team's ability to do more with less. SaaS has the capability to deliver ROI benefits for most small and midsize businesses, while SaaS can also increase an IT manager's "personal ROI." SaaS and cloud champions become responsible for documented savings on projects that put them in direct contact with company leaders, boosting their visibility and credibility. By collaborating with a focus on business goals and benefits, not on technology, IT managers can emphasize their value as an IT leader who earnestly seeks ways to improve their company's operations and profits.

### The Dell Difference

When you're venturing into new territory, you want to make sure you have the right guide. That's Dell. Dell's portfolio of SaaS applications is driven by Dell's experience with over a million <CONFIRM number> small and mid-size business customers, providing Dell insight into the unique challenges of deploying highly efficient and productivity-enhancing cloud applications, like salesforce.com, in smaller companies. Dell solutions help you:

- **Accelerate time to value** – Get results faster with scalable, efficient, and flexible SaaS.
- **Simplify the cloud** – With easy one-stop Dell shopping, you can get optimized cloud applications backed by Dell-coordinated service and support.
- **Remove the guesswork** – To make your next steps clear, Dell does the research and offers you best-of-breed cloud applications from certified partners.

Salesforce.com is the leading CRM SaaS provider for good reason. Dell has partnered with salesforce.com to offer cloud computing solutions that help small and midsize businesses grow and thrive.

## **Footnotes**

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## **Fine Print**

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