

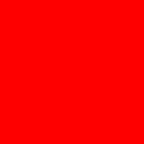
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Realize ROI Faster on Siebel CRM Projects

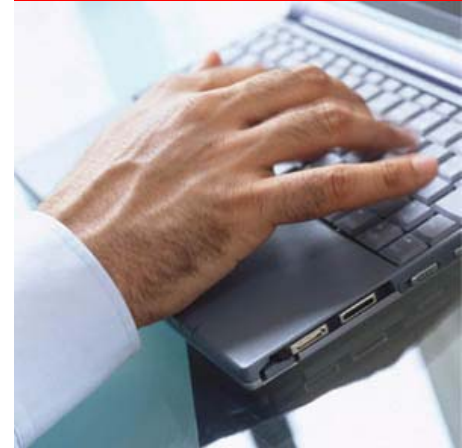
Jeff Meyers
Director, TAM North America



The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

Agenda

- Defining Implementation Risk
- Implementation Best Practices
- Oracle ACS Solutions



Defining Implementation Risk



What puts ROI and success at risk?

People

1. No executive support or visibility
2. Too many projects
3. IT driven
4. Not understanding the business

Process

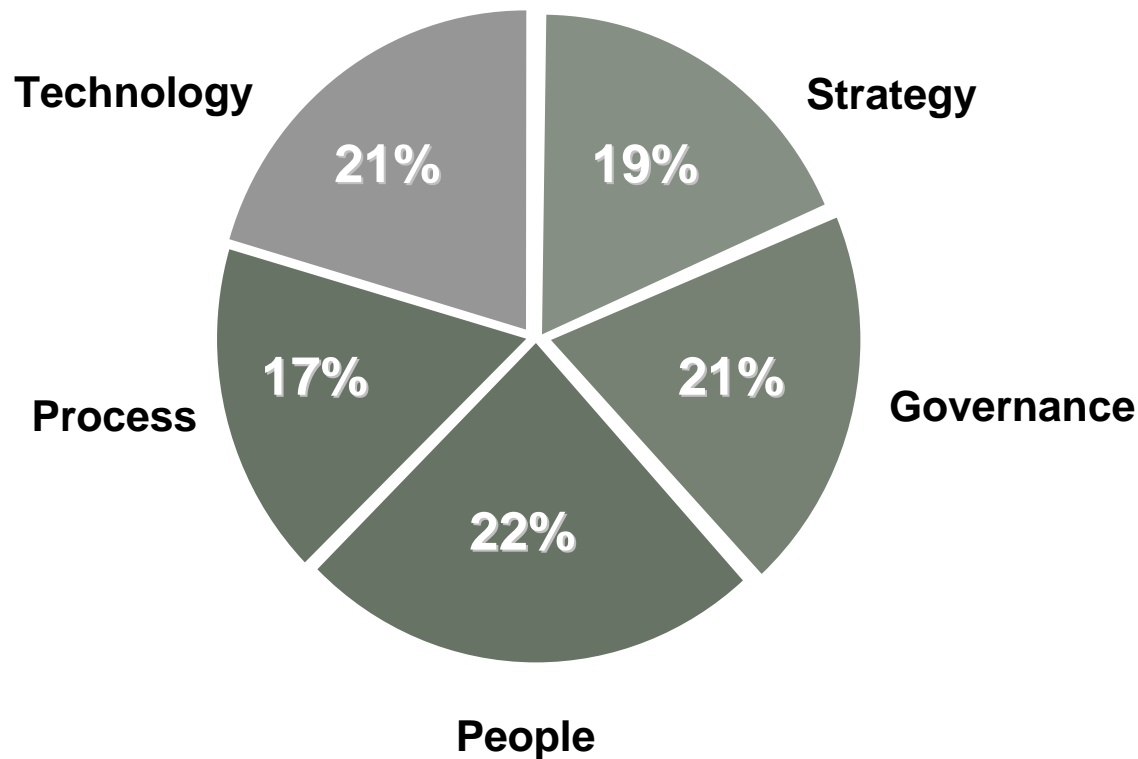
1. No business plan
2. No holistic methodology
3. Lack of criteria to evaluate processes
4. No metrics

Technology

1. Over-customization
2. Lack of architectural standards
3. No strategy for development, extensibility & integration
4. No customer data integration approach
5. No end user support approach

Why do CRM Implementations Fail?

Implementation Success Depends on More Than Just Technology

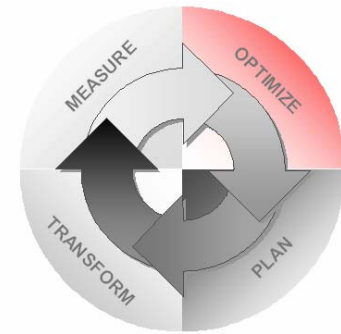
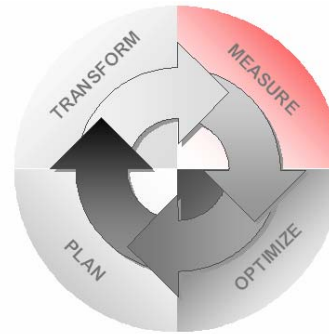
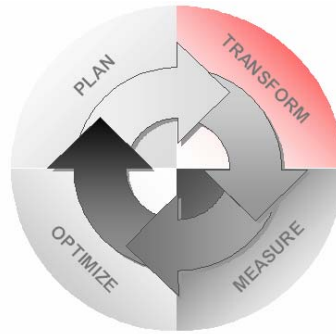
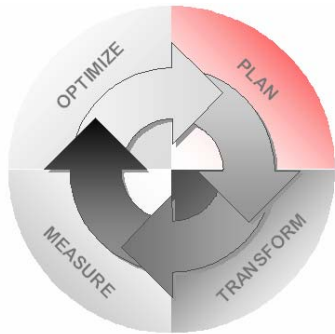


"The most critical success factors for implementing CRM are managing expectations, knowing the scope, choosing the right approach, focusing on end users, understanding your sponsors and balancing customizations to the software."

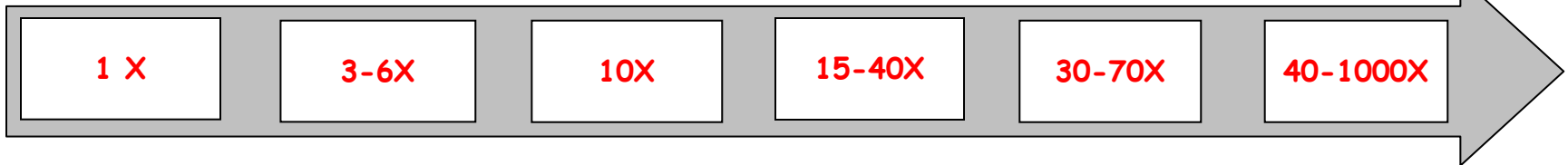
-B. Eisenfeld, Gartner

Note: "Critical Success Factors for Implementing CRM," June 2004

Leading to the Need for a High Impact, Proactive Oracle Engagement



Relative Cost of Correcting an Error*



Making the right decisions and identifying issues early positively impacts the overall cost, speed to market and quality of the deployment

What MassMutual Is Saying

“But Reed is the first to point out that it took much more than technology to get MassMutual where it is today. It took expert project guidance. It took the application of best practices. It took knowledge sharing. Most of all, it took an understanding of how to best match application functionality with MassMutual's business needs .”

Scott Reed, Corporate VP of Retirement Services for Oracle Profit Magazine

Implementation Best Practices



Leading Practices are Based on the Most Successful Implementations and Lessons Learned

STRATEGY

- Vision
- Objectives
- Value & Metrics
- Customer Experience
- Organizational Alignment

GOVERNANCE

- Governance Structure
- Principles
- Executive Sponsorship
- Business Assurance
- Project Management

PEOPLE

- Organization Design
- Training
- Communication
- User Value
- Measurement & Reward
- Support & User Feedback

PROCESS

- Business Alignment
- Measurement
- Process Improvement
- Data Quality
- Documentation

TECHNOLOGY

- IT Strategy
- Development
- Infrastructure & Security
- Functionality & Usability
- Data & System Integration
- Testing & Performance
- Operations

Importance of Oracle Best Practice

Strategy

Must be defined and understood in order to enable effective...



Governance

Ensures that business goals are enabled by effective and standardized...



Process

For processes to be effective and achieve business goals the organization must train and communicate with its...



People

System use and acceptance is contingent on user understanding of business goals that are executed in process and enabled by...



Technology/Usability

Strategy Must Define the Goals of the Transformation

STRATEGY

“A CRM strategy states how to turn a customer base into an intangible asset for market valuations. Via operational feedback, it should evolve to integrate enterprise activity around customer targets”

Gartner Group

Critical Success Factors

- **Identify key business goals, drivers and metrics for success**
- **Establish a clear, realistic vision and share throughout the organization**
- **Define the expected business value to be created and metrics to track achievements**
- **Document the desired customer experience for each customer segment**
- **Define and implement the enterprise management structure needed to reach the target operational state**

The Strategy Must be Aligned to the Vision

STRATEGY

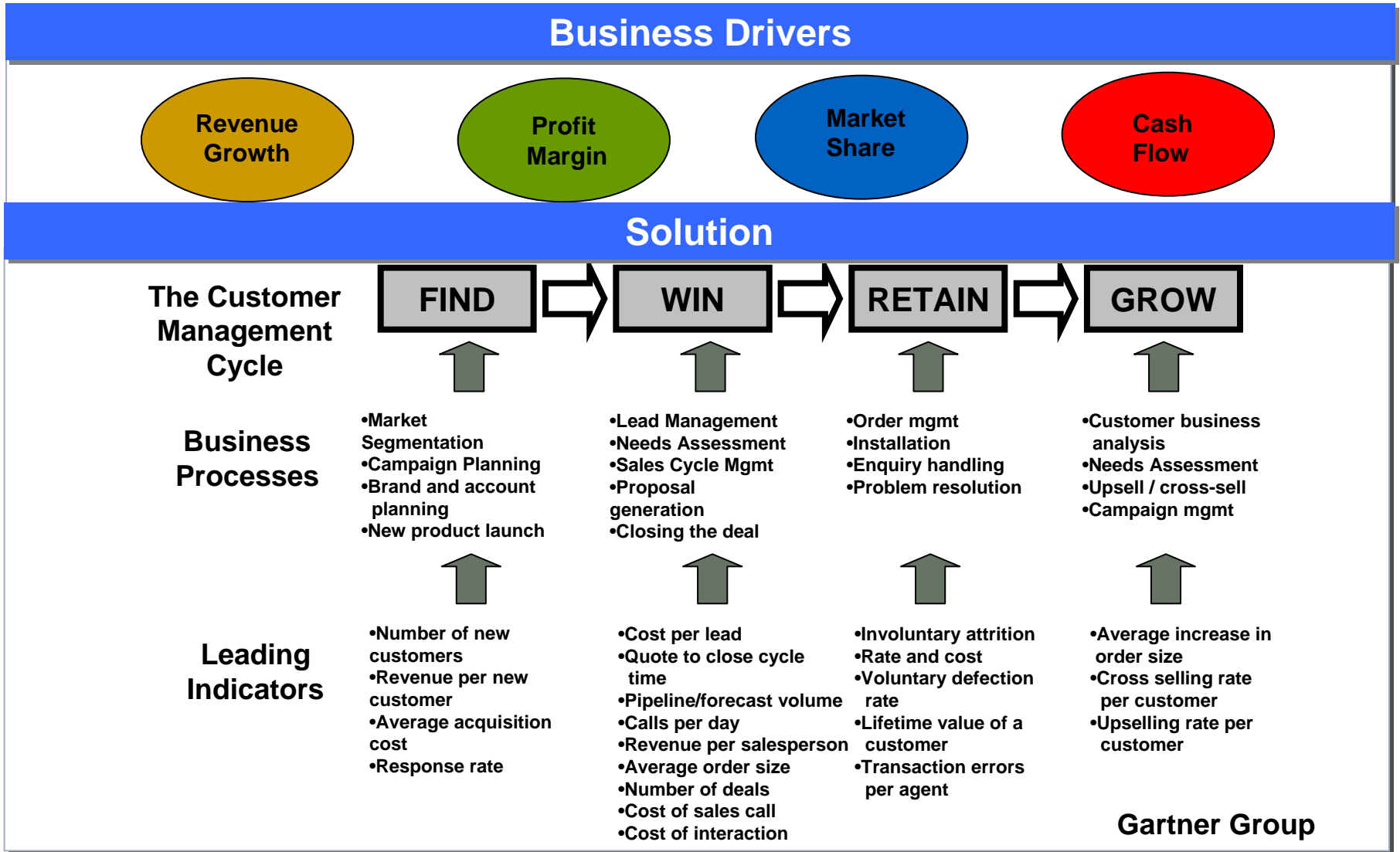
Good Practice Examples

- Up selling and cross selling incorporated as part of customer service strategy
- Key business goals, drivers, and metrics communicated throughout the organization
- Hierarchy of metrics. Metrics at corporate level supported by related metrics for each group
- Organization changed to focus on the customer
- Customer experienced defined
- Incentives for customers to use to use specific channels

Bad Practice Examples

- Sometimes the vision can get lost particularly with change of sponsor
- Poor expectation management
- Some projects have no metrics in place to measure ROI. Others have identified metrics but have not tracked them
- Organizations structured around product lines find it difficult to cross sell and up sell effectively
- Different projects for each channel – web, call centre
- IT Driven projects that do not align with business strategy

Leading Practice Example: Aligning Business Strategy, Process Changes and Success Measures



Governance Requires Personal Investment from Senior Management

Governance

"CRM initiatives must be lead by business executives who own and manage the customer facing processes that impact organisational success metrics"

Forrester
CRM Best Practice
Dec '05

Critical Success Factors

- Establish and follow principles of governance
- Formalise appropriate governance bodies with accountability for achieving the goals
- Quantify, assign and track objectives with consequences for success or failure
- Ensure executive leadership is active, visible and engaged. It is not spectatorship.
- Base program management on effective and disciplined methodologies

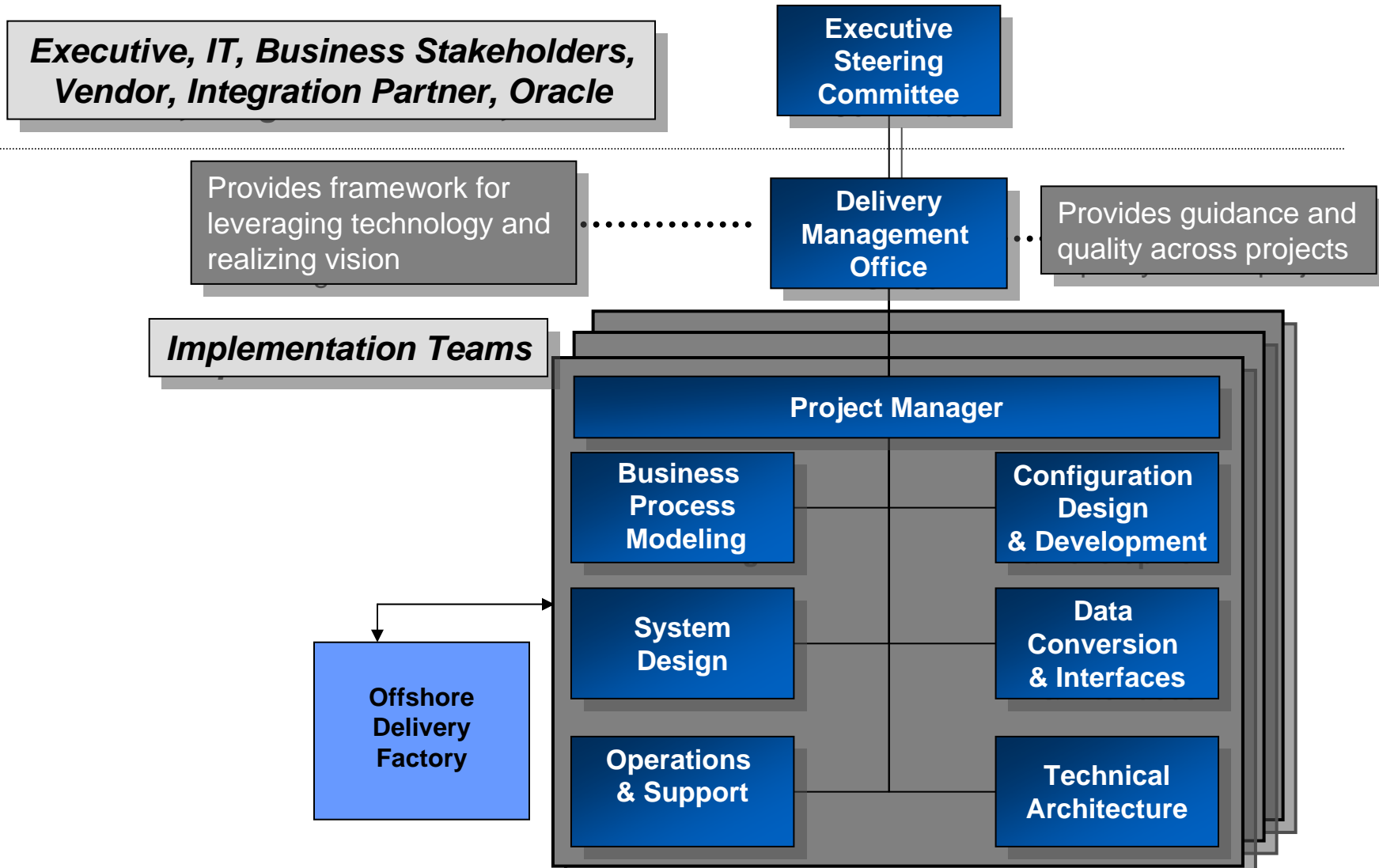
Leading Practice Example: Governance Principles as Defined by one Customer for their Project

Governance

Governance Principles

- **Out of the box first, then improve**
 - Limit configuration until we have experience
- **Speed is King - Broad before Deep**
 - Implementing quickly across multiple channels is more important to the company than deep function in each channel
 - Not all functions of legacy systems must be replaced before they are retired
- **Agreement on changes must be reached at web speed**
 - Specific targets for decision speed
- **All changes must be good for the company but no change is going to be good for everyone**
 - No requirement to benefit businesses equally
- **Everyone, even though not specifically consulted, must support the agreed-to changes**
 - Consultation required only to come to the right decision, not for democratic voting
- **Applications must give the end user value (all audiences)**
- **Discipline in execution is expected from the program and the business**

Leading Practice Example: Governance Structure



There is Little Value without Superior Adoption

People

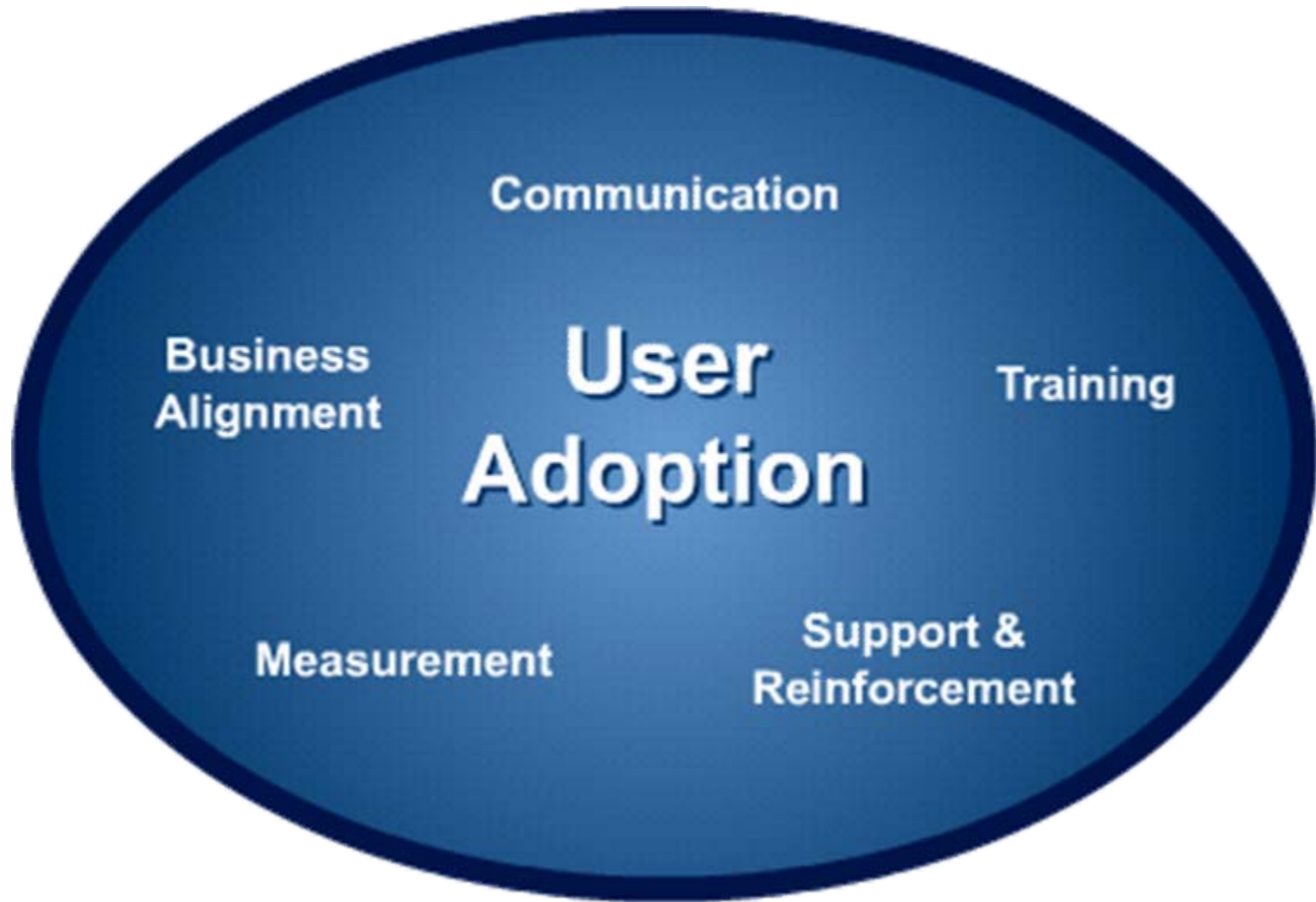
“Significant ROI metrics can only be supported by fundamental changes in the way people view their tasks and the way they function in their work. This can’t occur unless users, agents, mid-level managers and executives see to it that the system is used as it was intended.”

Daryl Conner
Realization vs Installation ©
Connor Partners

Critical Success Factors

- **Create real user value for each user audience**
- **Ensure that user involvement is an active, closed loop process**
- **Deliver tailored training that reflects business processes and communicate regularly**
- **Align measurement and reward to the overall business goals and processes**
- **Communicate realistic expectations from the management team on the value for adopting new processes and tools**

Leading Practice: Build a User Adoption Plan



If there is Nothing in it for the Users, Achieving High Returns for the Business is Unlikely

People

Good Practice Examples

- Proactive Communication targeted to all impacted groups
- Role based training delivered just prior to rollout
- Rewards for the behaviour you want to achieve. For example, rewards for achieving cross sell targets
- Managers use the application
- Floor walkers provide support during early stages of go live
- Empowered Super users
- Business support provided in addition to technical support

Bad Practice Examples

- Without a change management program, staff are likely to work in the same way as before
- Conflicting objectives: expectation of reduced call handling times but agents expected to collect more data
- Over reliance on cascade communication – it's not always effective or successful
- Lack of training and guidance on how to work with the new application and processes
- Lack of support skills and resources

Efficient Processes Aligned to a Businesses Strategy

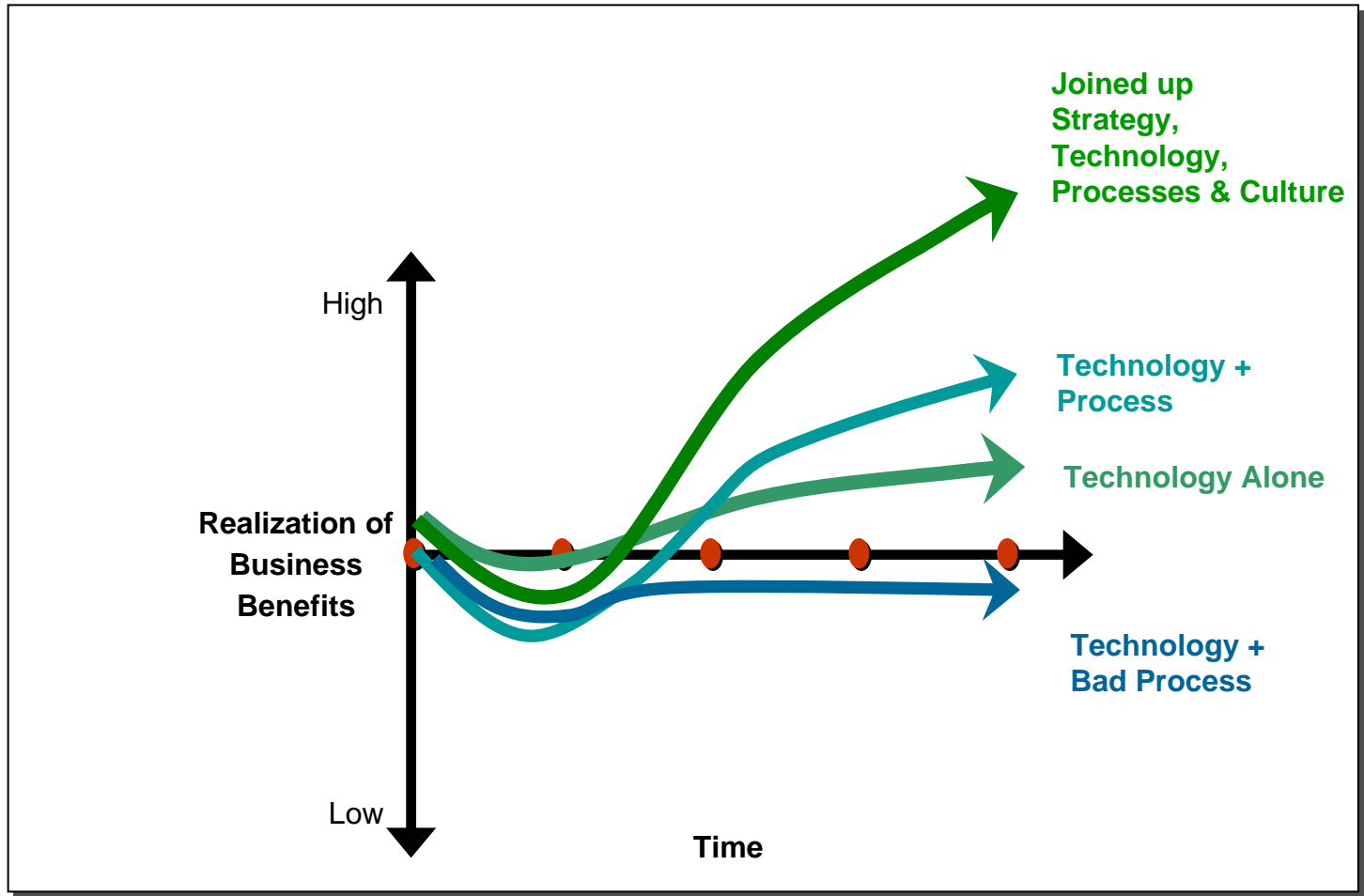
Take a Business Where it Wants to Go – Fast

Process

Critical Success Factors

- **Adopt out-of-the-box standard processes**
- **Articulate data quality standards and accountability in process design and documentation**
- **Pursue process leadership - Best practice continually resets targets and refines processes**
- **Establish baseline metrics to track impact of process improvements**
- **Write documentation in easy to understand language that reflects the business process**

Synergy is Real when you Combine Strategy, Culture, Process and Technology



Source: Gartner Group

The Alignment of Processes to a Businesses Strategy Enables Effective Execution

Process

Good Practice Examples

- Start with the basics and take small steps
- Migration of specific back office processes to front office
- Exploitation of workflow
- Business process documentation available to all on-line
- Data ownership agreed and documented. Data quality guidelines established and followed
- Individual targets aligned with corporate goals
- Customer satisfaction is measured

Bad Practice Examples


- Old inefficient processes recreated in new application
- Opportunity to streamline processes not taken because of reluctance to change
- Some customers have wonderful strategies but then carry on working the way they always have
- No strategy or process to track the customer's experience
- Process documentation not detailed enough or is based on technical documentation

Employ Disciplined Technology Management to Gain Advantage from Packaged Application Functionality

Technology

“Follow a realistic pace for rollout”

Forrester
CRM Best Practice
Dec '05



Critical Success Factors

- **Avoid unnecessary complexity - Keep configuration to the minimum needed to achieve business goals**
- **Include data concurrency, performance and data ownership/quality requirements in the designs**
- **Allocate sufficient budget and time for testing – user, system, performance and integration**
- **Set performance measures (KPI's) for key transactions**
- **Staff project team with certified resources and ensure appropriate skills are in place**

The Real Judges of Functionality and Usability are the People who use the Application

Technology

Good Practice Examples

- End users involved throughout the project
- Project team staffed with a mix of certified personnel and individuals with large scale enterprise deployment skills
- Investment in infrastructure
- Focus on key functions that add user value. For example, lead routing and service level alerts
- Integration where it provides value to the user
- Transaction performance targets are set and monitored. Proactive system management using automated tools

Bad Practice Examples

- Unnecessary configuration and failure to leverage out-of-the-box functionality increases cost (TCO)
- No proper capacity planning for infrastructure or scaling for expected growth
- Performance issues that could have been avoided with proper stress or volume testing
- Excessive script. Increases application development maintenance and upgrade costs
- Screens and views not relevant for job role
- Lack of experienced resources and skills

Oracle ACS Solutions



What our Customers are Saying...

“Oracle should be constantly looking at our business and IT Strategy.”

“As a trusted advisor, we want Oracle to point out our deviations from best practice.”

“How do we get our hands on the Oracle Best Practices – I assume Oracle has a lot to offer in this space.”

“The goal should be sharing recommended best practices with customers.”

* Quotes from customers on the Services Strategy Council

Application Life Cycle Support Services

Driving Customer Success

Implementation Advisory Services

Expert Onsite
Implementation
Advice,
Guidance, and
Advocacy



Application Expert Services

Deep Technical
Product Knowledge
Guidance &
Assistance

Implementation Effectiveness Services

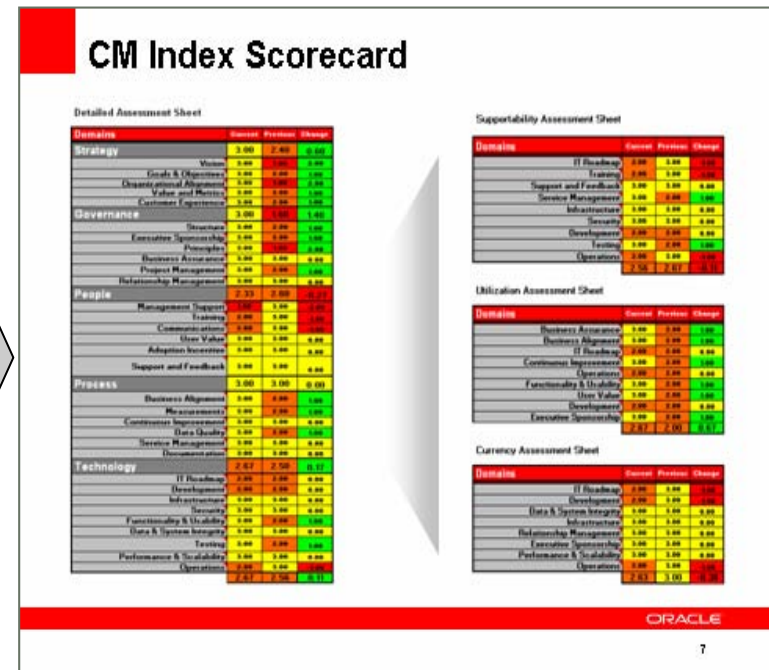
Maximization of User Adoption for Long
Term Success

Evaluate The Implementation Using Oracle's Best Practices

Guidance around Best Practices during each stage of the Implementation Life Cycle

STRATEGY	<ul style="list-style-type: none"> Vision Value & Metrics Business Alignment 	<ul style="list-style-type: none"> Channel Strategy Culture Change
GOVERNANCE	<ul style="list-style-type: none"> Principles Governance Structure 	<ul style="list-style-type: none"> Executive Sponsorship Program Management
PEOPLE	<ul style="list-style-type: none"> Change Management Training & Communications Create Real User Value 	<ul style="list-style-type: none"> Measurement & Reward Data Quality Support & User Feedback
PROCESS	<ul style="list-style-type: none"> Align Processes with Strategy Measurements Process Leadership 	<ul style="list-style-type: none"> Adopt Out-of-the-Box Processes Documentation
TECHNOLOGY	<ul style="list-style-type: none"> Development Infrastructure & Security Functionality & Usability 	<ul style="list-style-type: none"> Integration Testing & Performance Operations

Navigating customers towards successful business outcomes



The Implementation Assessment is a Six Sigma® validated approach to drive implementation best practices

*Six Sigma® is a registered trademark and service mark of Motorola



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