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# The Forrester Wave™: Customer Service Software Solutions, Q4 2008

by Natalie L. Petouhoff, Ph.D.
for Business Process & Applications Professionals

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## Define The Customer Experience Before Choosing A Vendor

**by Natalie L. Petouho , Ph.D.**
with William Band, Pete Marston, Chip Gliedman, Sharyn Leaver, and Andrew Magarie

## EXECUTIVE SUMMARY

Forrester evaluated the leading customer service solution vendors across an average of approximately 180 criteria and found that the vendors still need to be grouped into three groups: interaction-, process-, and record-centric. Forrester found the Leaders in the customer-interaction-centric products to be eGain Communications, KANA Software, RightNow Technologies, Talisma, LivePerson, and KNOVA; the Leader in the business-process-centric products is Sword ciboodle; and the Leaders in the customer-record-centric products are Microsoft, salesforce.com, Oracle Siebel, SAP, Oracle CRM On Demand, and Entellium. Among interaction-centric products, Genesys Telecommunications Labs, InQuira, and Numara Software are Strong Performers. Pegasystems, Chordiant Software, and Consona CRM are Strong Performers within the process-centric category. And within the record-centric category, NetSuite, Oracle PeopleSoft CRM, Maximizer Software, Oracle E-Business Suite CRM, SageCRM, SugarCRM, Infor, and Sage SalesLogix are all Strong Performers. A careful review of a company's customer experience requirements must be weighed against the capabilities and individual strengths of each of the vendor's solution. To provide great customer experiences, the deployment and integration of more than one vendor's solution may be necessary.

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## NOTES & RESOURCES

Forrester conducted product evaluations in Q2 2008 and interviewed 29 vendors and user companies: Amdocs, Chordiant, Consona CRM, eGain Communications, Entellium, FrontRange Solutions, Genesys Telecommunications Laboratories, Infor, InQuira, KANA Software, KNOVA, LivePerson, Maximizer Software, Microsoft, NetSuite, Numara Software, Oracle CRM On Demand, Oracle E-Business Suite CRM, Oracle PeopleSoft CRM, Oracle Siebel, Pegasystems, RightNow Technologies, Sage SalesLogix, SageCRM, salesforce.com, SAP, SugarCRM, Sword ciboodle, and Talisma.

**Related Research Documents**
"The Forrester Wave™: Enterprise CRM Suites, Q3 2008"
August 29, 2008

## EBD RAISES THE STAKES OF CUSTOMER SERVICE VENDOR SELECTIONS

As product and price differentiation erodes, businesses are turning to customer experience to gain market share over their competitors.[1] This move toward experience-based differentiation (EBD) raises the stakes for customer service professionals to make the right technology decisions. Here's why:

- **EBD strategies are critical, but often vague.** Ninety-one percent of the decision makers surveyed by Forrester said that customer experience would be very important or critical to their business. However, half of them lacked a clear customer experience strategy.[2] Without baselining the customer experience and creating a strategy and an executable plan, the customer service product selection is haphazard at best, leaving customer needs unfulfilled and brand equity destroyed.

- **Implementation mishaps can squash EBD opportunities.** Despite the importance that enterprises place on EBD strategies, they have difficulty organizing to deliver on their intentions. In fact, 60% of executives surveyed cited "implementing technology" as the second biggest obstacle to launching experience-based initiatives — with the first obstacle cited as "getting organizational alignment".[3]

- **EBD requires a BT-centric view.** Given the poor state of customer experiences, businesses that understand and execute on the competitive potential of technology to innovate customer experiences can easily blow away their competition. But delivering loyalty-creating, customer-centric experiences, and thus better business results via technology, requires functional departments, business units, and IT to examine how they will work as a united business technology (BT) team. The BT team must select, implement, and manage customer service apps as a shared responsibility and a strategic, bottom-line competitive asset.[4]

### Growing Customer Demands Collide With A Shifting Marketplace

To get it right, customer service professionals must place their technology bets wisely. That's no easy task given the constant rounds of mergers and acquisitions that keep this market in constant flux (see Figure 1). Meanwhile, customer experience expectations continue to escalate, forcing potential software buyers to navigate a more complex set of business requirements, product feature sets, application delivery models, and integration choices, including:

- **Foundational knowledge management (KM) tools for self-service and agents.** Once pigeonholed as a tool for consumers to access static customer Web site support documents, advanced knowledge management and search tools are a critical necessity for satisfying self-service and agent-customer experiences.[5] Whether via an IVR or Web site, search technology can provide consumers with better self-service experiences and answers. As for agents, robust KM is the only avenue to effectively and efficiently answer the exponentially increasing range of customer inquiries about products, services, entitlements, transactions, and policies. Look for vendors offering natural-language processing and automatic query intent combined with FAQ-guided, structured resolution and decision tree/inquiry resolution processes.

- **Integrated customer service and eService workflows.** The evolution of customer service management products has changed the landscape considerably. In 2005 and 2006, Forrester evaluated products in customer service management and eService as separate categories. Today, customers want integrated, seamless customer experiences. The result: Best-in-class vendors have integrated customer service and eService interaction channels and now provide common underlying workflows and business rules as well as a seamless transition between contact interaction channels.[6]

- **Web 2.0 functionality to satisfy emerging social consumers.** Social Computing is rising in importance, especially among the younger consumer demographics. As Gen X, Y, and beyond grow as a percentage of customers, customer service professionals must find innovative ways to engage with these emerging social consumers who expect a rich customer experience through community-based interactions. We've begun to look at the vendor capabilities in this area, including Web 2.0 tools and applications (discussion threads, wikis, blogs, RSS, social bookmarking, social networking, widgets, mashups, and podcasting) as well as Web 2.0 technology capabilities (XML, AJAX, Flash/Flex and mashup markers, and Web services standards) in our product evaluations.[7]

- **Increased consumer acceptance and use of chat.** Companies, spending billons of dollars annually for their Internet presence, are starting to evaluate the merits of adding chat and other interactive functions. This is a smart move, given that consumers who use chat report that it meets a broad spectrum of needs — from allowing rapid, personalized, and timely communications to direct interaction at the moment of need without having to get on the phone with a customer service agent. It can be such an effective mode of interaction that it may someday even replace email.[8]

- **Need for fully implemented computer telephony integration (CTI).** About half the cost of running a contact center is tied up in up in labor. CTI bridges the telephone to the computer, shortening the average length and duration of calls. This maximizes the number of talk minutes per hour, which reduces the required number of staff and offers a faster, more personalized service and voice processing input by minimizing time spent on the "discovery" phase of the call.[9] From a customer's point of view, this eliminates having to answer the long list of annoying and trivial questions, i.e., repeating information they've just keyed into the keypad. Not all CTI is the same; look for vendors that provide and implement CTI with screen-pop to the agent's desktop.

- **Being proactive about making analytics come alive.** It's critical for a company to receive customer feedback, comments, and complaints. Yet many companies don't have a mechanism to gather that feedback and analyze it, much less to integrate that information back into their products and services. Many vendors offer customer service analytic packages but don't offer an easy-to-use format. Look for companies that provide the next generation of collaborative Web 2.0 communication tools, which enable a free flow of feedback and ideas — company-to-customer, customer-to-company, and customer-to-customer — making requests transparent.

- **More SaaS and hybrid delivery models to address time-to-market and cost concerns.** Many vendors are offering a variety of on-demand deployment models: multitenancy, private hosting, and hosting of traditional on-premise solutions.[10] Some also offer hybrid deployment, a SaaS solution integrated with an on-premise version, and others offer SaaS-only deployments. There's a shift in vendor platforms from client/server to the SaaS platform. Organizations must balance time-to-market, time-to-value, upfront and ongoing costs, and integration and optimization with internal legacy systems.

**Figure 1** Vendor Mergers And Acquisitions Need To Be Anticipated During Any Tech Life Cycle

| Vendor | Acquired by | Date | New name |
|---|---|---|---|
| Clarify | Amdocs | Late 2001 | Amdocs CES Customer Management |
| ServiceWare and Kanisa | KNOVA | Late 2004 | KNOVA |
| PeopleSoft | Oracle | Early 2005 | Oracle PeopleSoft CRM |
| Knowledgebase.Net | Talisma | March 2005 | Talisma |
| Epiphany | SSA Global | Mid 2005 | SSA CRM |
| MAPICS | Infor Global | Mid 2005 | Infor CRM |
| Siebel | Oracle | Early 2006 | Oracle Siebel CRM |
| SSA Global | Infor Global | Mid 2006 | Infor CRM |
| Telephony@Work | Oracle | Mid 2006 | Oracle CRM On Demand |
| UniPress Software | Numara Software | August 2006 | Numara FootPrints |
| Onyx | M2M Holdings (Consona) | August 2006 | Consona's Onyx CRM |
| KNOVA | Consona | March 2007 | KNOVA |
| Talisma | nGenera | Early 2008 | Talisma |
| Graham Technology | Sword | Mid 2008 | sword.ciboodle |

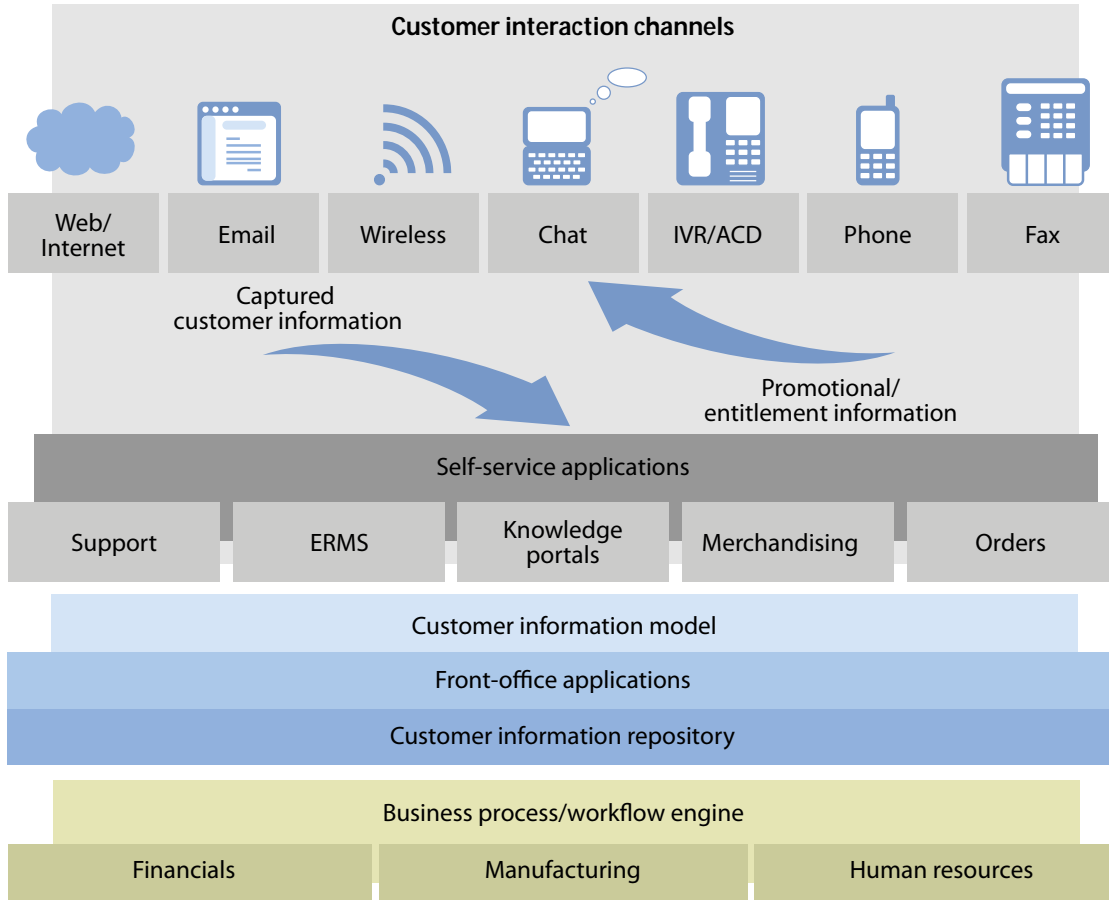45543                                                                 Source: Forrester Research, Inc.

## The Three Types Of Customer Service Vendors To Consider

A complete customer service solution includes three key components to provide great customer experiences: 1) an interaction layer to manage all customer interaction channels and underlying knowledge management, workflow, and business rules engines; 2) a customer record repository to aggregate customer information and manage more complex contract and entitlements; and 3) business process automation to streamline common cross-departmental tasks (see Figure 2).[11]

Customer service app vendors are beginning to develop applications that deliver multichannel experiences, tap into multiple business processes, and access multiple data sources. However, most have been developed from one of these three heritages and still deliver functionality that is skewed toward one of these three components. Until vendors provide a new type of cross-component architecture, Forrester will continue to divide customer service vendors into three categories to help businesses understand the current choices, their pros and their cons. Those heritage footprints are: interaction-, record-, and process-centric customer service solutions (see Figure 3).

- **Interaction-centric products.** Interaction-centric applications focus on the customer interaction channels. These products typically have greater self-service capabilities that can serve both pre- and post-sales needs. They are typically used in high-volume, transaction-oriented relationships, such as those often encountered in B2C environments, where a full CRM system may not be required or even cost-effective. They provide better customer experiences when the speed and accuracy of the interaction is of the utmost importance. They are also better at providing integrated experiences among all the various customer interaction channels (email, chat, forums, IVR, Web site, and agent interactions).

- **Process-centric products.** Process-centric applications focus on delivering repeatable processes efficiently. Business-process-centric platforms allow the deployment and management of applications that automate decisions using rules-based processing algorithms and tools. Their value lies in the workflow engines and automation. The result is speedier and more flexible decision-making and information processing and compliance with corporate policies. For instance, some vertical markets such as finance, insurance, healthcare, media, and utilities, have common processes executed repeatedly. Automating these processes, through, for example, transactions on a self-service portal, provides great efficiencies and increases customer satisfaction. While the business-process-centric software may require information from external systems and an underlying customer record repository to store interaction history, the true value of this software lies in the workflow engines and automation.

- **Record-centric products.** Record-centric applications are based on CRM customer records. While many customer-record-centric products have tools for knowledge management, self-service, email response management, and other interaction channels, their strength lies in managing the overall customer relationship rather than an individual interaction. These products evolved from the traditional CRM suites and are generally used for B2B relationships; they work well when there are complex customer requirements. A robust customer repository sits at the center of the solution and results in simplified data-sharing with other CRM functions, such as marketing automation, sales automation, and business analytics. Record-centric products have complex entitlement and business rule management, and the development of business process workflows allows the application to span multiple departments within the corporation.

**Figure 2** End-To-End Customer Service Requires Many Layers In A Solution



45543                                                    Source: Forrester Research, Inc.

**Figure 3** Products Cluster Into Record-, Interaction-, Or Process-Centric Subsegments

| Customer service segments | Characteristics |
|---|---|
| Record-centric | • Typically B2B-oriented<br>• Entitlement-based<br>• Designed to manage complex business relationships<br>• Service is driven from within a CRM solution |
| Interaction-centric | • Typically B2C-oriented<br>• Problem-based<br>• May or may not sit on top of CRM database for customer record |
| Process-centric | • Typically B2C-oriented<br>• Repeatable processes<br>• Most likely tied to CRM database for customer record |

45543                                                    Source: Forrester Research, Inc.

## CUSTOMER SERVICE SOFTWARE EVALUATION OVERVIEW

To assess the state of the customer service management software market and see how vendors stack up against each other, Forrester evaluated the strengths and weaknesses of the top vendor products — including some enterprise and midmarket CRM suites and customer service specialty software — across an average of approximately 180 criteria.[12] The evaluation of the customer service management software market is intended to be a starting point only. Readers are encouraged to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

### Buyers Focus On Current O  erings, Future Vision And Strength Of Install Base

For this report, a comprehensive set of customer-service-specific evaluation criteria was used to compare products. Forrester examined past research, user need assessments, and vendor and expert interviews. The criteria comprising this evaluation are divided into three high-level buckets:

- **Current offering.** We looked at the strength of the vendors' products across a wide spectrum of customer service functionality. In addition to evaluating support for specific platforms and functions, such as phone agent, knowledge base, chat, and forums, we also evaluated how the products handled transitions among the platforms, how well they supported common underlying workflows, and their self-service capabilities. We also assessed the suitability of the tools for different business models, such as B2B, B2C, and B2B2C. This category also included our evaluation of the products' support for global enterprises, the product architecture, usability, and cost.

- **Strategy.** We looked at the strength of each vendor's product strategy and vision and how it intends to support increasingly complex customer service requirements. Time-to-value, product strategy, and corporate strategy were evaluated in this section as well, specifically with regard to customer service needs.

- **Market presence.** We gauged the size of the vendors' customer bases and evaluated the depth of human and financial resources available to enhance their products and serve customers. For products with offerings in other CRM areas, we specifically looked at market penetration among customer service users**.**

### Twenty-Nine Vendors Evaluated Across Three Categories

The 29 vendors included in our assessment of customer service solutions software all shared a number of characteristics (see Figure 4). Each has:

- **At least one product that our clients are thinking about.** Each of the vendors and products evaluated was the subject of an inquiry, discussion, client evaluation, or other contact between Forrester clients and analysts during the past 12 months.

- **A strong presence in the customer service market.** Each of the evaluated vendors has hundreds, if not thousands, of customers and significant revenue from customer service licenses and users.

- **Functionality that spans multiple functional areas for customer service.** The vendors and products in the evaluation, with few exceptions, can handle the breadth of customer service management needs. Those products that are lacking in functionality in specific areas likely have a partnership strategy to cover the missing capabilities and are nevertheless included because of strong market presence or a high degree of client interest.

Forrester included 10 vendors in the assessment of interaction-centric customer service software: eGain Communications, FrontRange Solutions, Genesys Telecommunications Laboratory, InQuira, KANA Software, KNOVA, LivePerson, Numara Software, RightNow Technologies, and Talisma. We did not include in the assessment key point solutions that specialize in only one particular aspect of customer service operations, as they don't offer a full range of customer service capabilities. For instance, some of the specialty vendors that are not in the assessment but that are still important to customer service professionals are: Jive Software and Jelsoft Enterprises for forums; chat software vendors other than LivePerson; Varolii (formerly PAR3) and other outbound customer communications; and Kaidara Software and some other knowledge management vendors. Each of the vendors included in our assessment has:

- **A focus on the interaction.** The tools in this group are designed to work without a full CRM system in place or to sit on top of such a system. Efficiently and effectively managing the interaction is the key selling point for these vendors.

- **Breadth across the "traditional" eService market space.** Most of the included products in this group cut their teeth managing self-service, email, chat, and other electronic communications, and they generally have solutions spanning the multiple electronic communications channels now available to consumers. Phone agent support is a recent addition for many of these tools because it has become a key necessity to deliver a multichannel customer experience.

Forrester included five vendors in the assessment of business-process-centric customer service solutions: Amdocs, Chordiant Software, Consona CRM, Pegasystems, and Sword ciboodle. Each of these vendors has:

- **Strong experience in automating business processes and workflows.** The workflow engine is at the heart of these tools. In many cases, this engine resides between the interaction- and record-centric products, getting and feeding information from both while orchestrating the flow of information and process steps across the organization.

- **Significant business presence in specific industries.** In addition to technology, industry experience is a key criterion for these vendors. Each has deep experience in one or more vertical markets and can offer solutions based on this experience to future customers.

**Figure 4** Evaluated Vendors: Product Information And Selection Criteria

| Vendor | Product evaluated | Product version evaluated | Version release date |
|---|---|---|---|
| Amdocs | Amdocs CES Customer Management | 7.5 | January 2008 |
| Chordiant Software | Chordiant Software Cx Suite | Chordiant FDN 6.1, MD, CDM | December 2007 |
| Consona CRM | KNOVA Service Resolution Management Suite | 7.1 | March 2007 |
| Consona CRM | Onyx CRM | OEP 6.0 | September 2006 |
| eGain | eGain Service | 8.0 | April 2008 |
| Entellium | eSalesforce, Rave, eCustomer Center | Rave 50/50 release | April 2008 |
| FrontRange Solutions | GoldMine Enterprise Edition | 6.05 | February 2008 |
| Genesys Telecommunications Lab | Customer Interaction Mangement Platform | 7.5 | Q2 2007 |
| Infor | Infor CRM Epiphany | 7 | May 2008 |
| InQuira | Customer Experience Platform | 8.0.3 | January 2008 |
| KANA Software | KANA Suite | 10.2 | Q1 2008 |
| LivePerson | Enterprise Platform | 8.x | September 2007 |
| Maximizer Software | Maximizer CRM | 10 | February 2008 |
| Microsoft | Microsoft Dynamics CRM | 4.0 | December 2007 |
| NetSuite | NetSuite | Version 2008 Release 1 | March 2008 |
| Numara Software | Numara FootPrints for Customer Service | Version 8 | September 2007 |
| Oracle | Oracle CRM On Demand | Release 15 | March 2008 |
| Oracle | E-Business Suite CRM | R12 | 2007 |
| Oracle | PeopleSoft CRM | 9.0 | August 2006 |
| Oracle | Siebel | 8.1 | 2008 |
| Pegasystems | Customer Process Manager | 5.2.3 | April 2008 |
| RightNow Technologies | RightNow CRM | February '08 | February 2008 |
| Sage Software | Sage SalesLogix | 7.2.2 | March 2008 |
| Sage Software | SageCRM | 6.1 | October 2007 |

Source: Forrester Research, Inc.

**Figure 4** Evaluated Vendors: Product Information And Selection Criteria (Cont.)

| Vendor | Product evaluated | Product version evaluated | Version release date |
|---|---|---|---|
| salesforce.com | salesforce | Summer '08 | May 2008 |
| SAP | SAP CRM | SAP CRM 2007 | March 2008 |
| SugarCRM | Sugar Enterprise | 5.x | December 2007 |
| Sword.ciboodle | ciboodle | 2.7 | April 2008 |
| Talisma | Talisma CIM | 8.0 | April 2007 |

**Vendor selection criteria**

| |
|---|
| The vendor/product was the subject of an inquiry, discussion, client evaluation, or other contact between Forrester clients and analysts during the past 12 months. |
| The vendor has hundreds, if not thousands, of customers and significant revenue from customer service licenses and users. |
| With few exceptions, the vendors and products can handle the breadth of customer service management needs. Those products that are lacking in functionality in specific areas likely have a partnership strategy to cover the needs and are nevertheless included due to strong market presence or a high degree of client interest. |

Source: Forrester Research, Inc.

Forrester included 14 vendors in the assessment of record-centric customer service software: Entellium, Infor, Maximizer Software, Microsoft, NetSuite, Oracle CRM On Demand, Oracle E-Business Suite CRM, Oracle PeopleSoft CRM, Oracle Siebel, SageCRM, Sage SalesLogix, salesforce.com, SAP, and SugarCRM. Each of these vendors has:

- **A customer service solution that is part of a broader CRM offering.** These vendors tend to be large, relational-database-driven applications that can crunch a lot of data and access back-end office applications. However, what a company would gain by having this type of functionality must be weighed against the trade-offs, which include extensive customization in order to provide the customer service functionality that is necessary to offer an outstanding customer experience.

- **A tool set in which the customer record is at the heart of all processes.** This central customer repository allows the products in this group to support customer service as well as other customer relationship processes, CRM, marketing, order management, billing, and so on.

### THE RESULTS: CUSTOMER SERVICE APPS' LEGACY FOOTPRINTS STILL SHINE THROUGH

Forrester expects that the next generation of customer service apps won't just focus on one of three heritage footprints — providing multichannel interactions; automating multiple business

processes; or accessing multiple customer databases and data sources — they will integrate all three capabilities. Some vendors have made some strides toward this vision over the past 18 months, but the fact that the landscape of customer service solutions still requires this delineation into three groups (interaction-, process-, and record-centric) is evidence that not much has changed since the 2007 Forrester Wave evaluation of customer service software. Our review of the three groups shows a collective offering in need of expansive creativity, ingenuity, and inventiveness in order to provide a one-vendor solution that will deliver great customer experiences.[13]

## Interaction-Centric Products Excel At Multichannel Customer Interactions

Interaction-centric customer service solutions focus on customer-facing interactions, offering deep functionality for agent, agent-assisted, self-service and eService on multiple customer interaction channels (e.g., agent, chat, email, IVR, etc.). Some require integration with a record-centric CRM-type system to have access to customer records. In particular, companies managing more complex relationships that need to access customer entitlement information (i.e., HR benefits) may want to complement the interaction-centric product with a record-centric CRM solution. This evaluation uncovered a market in which (see Figure 5):

- **eGain, KANA Software, RightNow Technologies, and Talisma lead with breadth.** All of these vendors excel at knowledge management (KM), providing one or more of the latest KM capabilities as well as advanced search capabilities like intent and natural-language-based processing. eGain's customer interaction hub centralizes customer data, knowledge management, business rules, fulfillment, and feedback management, providing consistent service across all interaction channels. KANA, one of the original email response management vendors, has made its mark with highly scalable multichannel customer service solutions that combine eService, knowledge management, case management, process management, and Web collaboration. RightNow's roots and strength lie in providing an integrated SaaS suite of self-service and CRM capabilities, and it's made its mark with strong KM and artificial intelligence capabilities. Talisma makes it into the Leader category with a customer service solution that integrates email, chat, real-time collaboration, and telephony applications with a multichannel interaction management platform, analytics, and a fully integrated, systemwide knowledge base and customer database.

- **LivePerson, Genesys, KNOVA, and InQuira offer competitive options.** Genesys Telecommunications Laboratories, a telephony vendor, complements its strong agent/customer interaction hub with workforce management and business process routing capabilities that extend the contact center to branch offices and virtual experts. InQuira, whose roots are in enterprise search, supports intent-driven customer experiences, in particular through Web sites and contact centers with integrated intelligent search, knowledge management, and analytics. KNOVA, a vendor with a knowledge management heritage that was founded in the merger of ServiceWare and Kanisa, was acquired by Consona in early 2007 and joins the Consona CRM

product line. KNOVA focuses on SRM (service resolution management) by providing a solution that has connected incident routing (CTI) and the management of case and customer records (CRM) with core customer service business processes and systems to a unified knowledge backbone that includes intelligent search and a KM platform. LivePerson, a hosted application, still excels at providing highly relevant and personalized online experiences and now also offers sound support for phone agent customer service and knowledge management.

- **Numara Software and FrontRange Solutions extend their footprints.** FrontRange Solutions has extended its internal customer support heritage by providing a tool for external customer support. The product has good support for phone-based agents but is more limited for self-service, email management, and chat. Numara FootPrints' heritage is rooted in service desk solutions with a keen focus on help desk automation. Numara FootPrints for Customer Service, a version of Numara FootPrints that was adapted for external customer support automation, is 100% Web-based and is quick to deploy, configure, and use.

**Figure 5** Forrester Wave™: Interaction-Centric Customer Service Solutions, Q4 '08
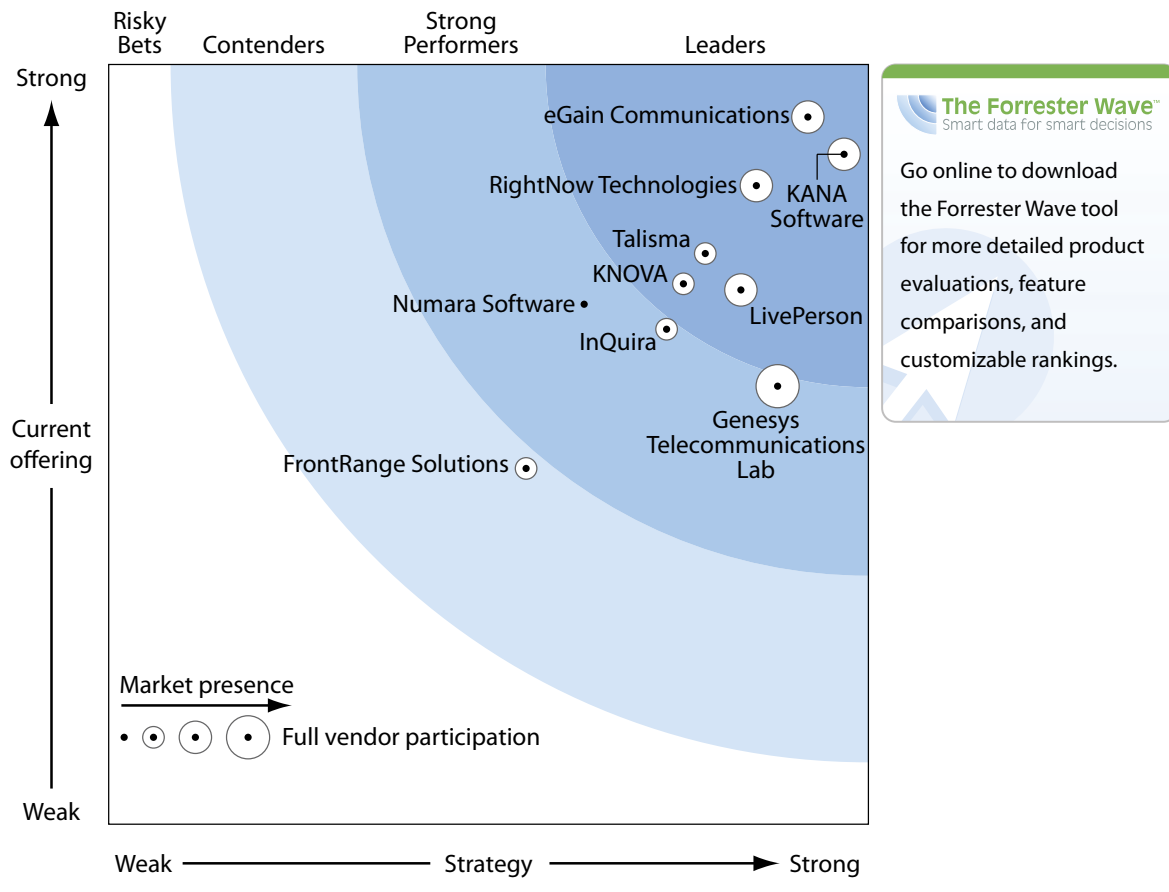


Source: Forrester Research, Inc.

**Figure 5** Forrester Wave™: Interaction-Centric Customer Service Solutions, Q4 '08 (Cont.)

| | Forrester's Weighting | eGain Communications | FrontRange Solutions | Genesys Telecommuncations Lab | InQuira | KANA Software | KNOVA | LivePerson | Numara Software | RightNow Technologies | Talisma |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CURRENT OFFERING | 50% | 4.65 | 2.35 | 2.88 | 3.26 | 4.41 | 3.56 | 3.52 | 3.42 | 4.20 | 3.76 |
| Customer service | 50% | 4.70 | 1.90 | 2.82 | 3.11 | 4.30 | 2.95 | 3.46 | 3.12 | 4.30 | 3.91 |
| Internationalization | 5% | 4.67 | 2.03 | 4.67 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 4.34 | 4.67 |
| Industry business process support | 5% | 4.75 | 2.25 | 1.75 | 3.75 | 4.50 | 4.00 | 5.00 | 3.75 | 4.50 | 4.00 |
| Architecture and platform | 15% | 4.74 | 2.95 | 3.42 | 3.69 | 4.62 | 3.85 | 3.13 | 3.29 | 4.05 | 3.29 |
| Usability | 15% | 4.37 | 2.87 | 2.23 | 2.97 | 4.77 | 4.30 | 2.77 | 4.17 | 3.57 | 3.14 |
| Cost | 10% | 4.66 | 3.17 | 3.00 | 2.72 | 3.76 | 4.10 | 4.07 | 3.00 | 4.66 | 4.04 |
| | | | | | | | | | | | |
| STRATEGY | 50% | 4.60 | 2.75 | 4.40 | 3.67 | 4.84 | 3.78 | 4.16 | 3.13 | 4.26 | 3.93 |
| Time-to-value | 30% | 4.00 | 3.00 | 5.00 | 5.00 | 5.00 | 4.00 | 5.00 | 4.00 | 5.00 | 5.00 |
| Product strategy | 30% | 5.00 | 3.50 | 3.00 | 2.75 | 5.00 | 5.00 | 4.25 | 2.75 | 4.25 | 2.75 |
| Corporate strategy | 40% | 4.75 | 2.00 | 5.00 | 3.35 | 4.60 | 2.70 | 3.45 | 2.75 | 3.70 | 4.00 |
| | | | | | | | | | | | |
| MARKET PRESENCE | 0% | 3.20 | 2.20 | 4.30 | 2.75 | 3.10 | 2.20 | 3.95 | 1.60 | 3.65 | 2.75 |
| Customer base | 60% | 3.00 | 2.00 | 5.00 | 2.00 | 3.00 | 2.00 | 4.00 | 2.00 | 4.00 | 3.00 |
| Employees | 20% | 4.00 | 1.00 | 3.00 | 2.75 | 4.00 | 3.50 | 2.75 | 2.00 | 3.25 | 2.75 |
| Financial performance | 20% | 3.00 | 4.00 | 3.50 | 5.00 | 2.50 | 1.50 | 5.00 | 0.00 | 3.00 | 2.00 |

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

Source: Forrester Research, Inc.

## Process-Centric Products Enable E  cient Repeatable Processes

As organizations are realizing the importance of truly integrating end-to-end customer-facing processes from front office to back office, they are turning to solutions with native BPM capabilities that can support highly unique — and flexible — process flows. Business-process-centric platforms allow the development, deployment, and management of applications that automate decisions using rules-processing algorithms and tools. The result can be speedier and more flexible decision-making and information processing, compliance with corporate policies, and application change at a low cost. However, specific industry process experience varies by company, emphasizing the need to check customer references with similar requirements and vertical industry experience (see Figure 6).

- **Sword ciboodle leads with core workflow and business process management technology.**
  Sword ciboodle, (formerly Graham Technology), a relatively new player in the United States,

has advanced workflow capabilities coupled with deep professional services expertise in utilities and finance. Sword ciboodle's business process approach manages contact creation, routing, escalation, and management according to business rules and specific customer-related triggers. The product provides strong support for high-volume email management and includes natural-language functionality and email parsing to determine contextual information about an email before routing it to an agent or providing an auto response. agent247, an add-on product for Sword ciboodle, provides a natural-language interface for case management and can be used for customers to access product information and fulfill services by voice, chat, and email. However, natural-language search is typically managed by external tools. The product supports chat, IM, co-browsing, and page pushing.

- **Pegasystems, Chordiant Software, and Consona CRM are Strong Performers.** To orchestrate multichannel interactions, Chordiant Software — whose heritage is call centers — offers a process-centric platform combined with a real-time, centralized decision hub that is learning-based and predictive. Chordiant has an SOA-based architecture, provides CTI with screen-pops to agent desktops, and has experience in providing solutions for financial services, insurance, and telecom. For companies looking to integrate their CRM, SFA, marketing, and customer service groups, the Consona CRM product offers a unique combination of Onyx and KNOVA in an integrated customer service and support product suite for financial services, healthcare, insurance, banking, credit unions, and telecommunications. Consona CRM's strategy is to focus on SRM (service resolution management) by automating routing via CTI, providing case management, and automating service resolution by providing an intelligent search and knowledge management platform that includes self-service and forums. Pegasystems, one of the first business process automation vendors, appears to be returning to its roots as a customer service automation platform with strong depth in financial services, insurance, healthcare, and media. Pegasystems' workflow and business-process-driven approach is especially powerful for large organizations with repeatable service events.

- **Amdocs offers a competitive option for telecom and media companies.** As the key provider of billing and software for telecom and media companies, Amdocs is often the source of truth about an individual customer. As these industries are notable for highly repeatable business processes, Amdocs, using the customer service technology it acquired from industry pioneer Clarify, has a solid position in these industries for services such as provisioning, billing, mediation, and settlement. As a full customer service suite, the products are lacking in multichannel and self-service support tools, although third-party solutions can be integrated.

**Figure 6** Forrester Wave™: Process-Centric Customer Service Solutions, Q4 '08
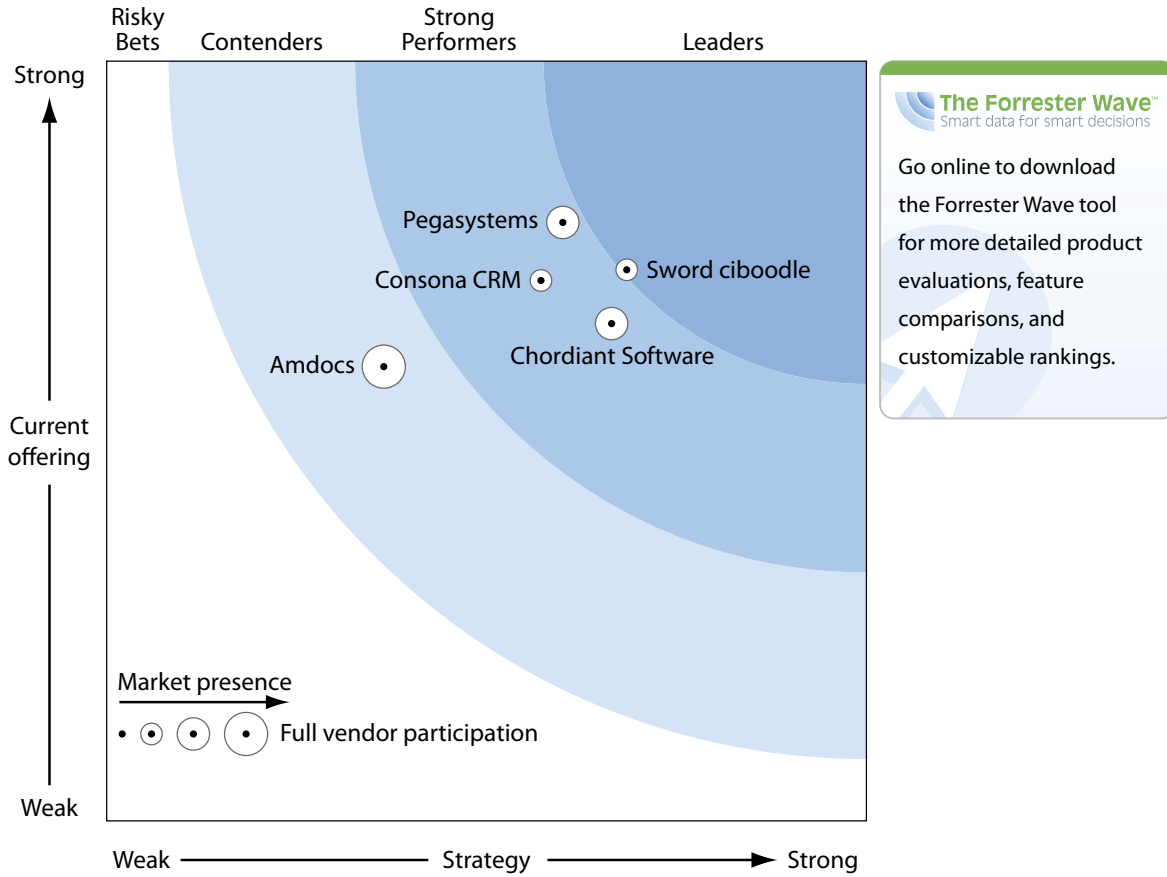


Source: Forrester Research, Inc.

**Figure 6** Forrester Wave™: Process-Centric Customer Service Solutions, Q4 '08 (Cont.)

| | Forrester's Weighting | Amdocs | Chordiant Software | Consona CRM | Pegasystems | Sword ciboodle |
|---|---|---|---|---|---|---|
| CURRENT OFFERING | 50% | 2.99 | 3.27 | 3.56 | 3.94 | 3.63 |
| Customer service | 45% | 2.76 | 3.64 | 3.62 | 4.14 | 3.76 |
| Field service | 0% | 2.69 | 0.00 | 1.09 | 0.00 | 1.49 |
| Internationalization | 15% | 3.35 | 2.00 | 3.68 | 4.01 | 3.02 |
| Industry business process support | 5% | 4.75 | 4.50 | 4.00 | 3.00 | 4.50 |
| Architecture and platform | 15% | 3.31 | 3.71 | 3.56 | 4.66 | 4.29 |
| Usability | 10% | 2.83 | 2.63 | 3.83 | 3.27 | 3.73 |
| Cost | 10% | 2.25 | 2.85 | 2.60 | 3.00 | 2.45 |
| | | | | | | |
| STRATEGY | 50% | 1.82 | 3.32 | 2.86 | 3.00 | 3.42 |
| Time-to-value | 30% | 1.00 | 3.00 | 3.00 | 3.00 | 5.00 |
| Product strategy | 30% | 2.25 | 3.00 | 3.00 | 3.00 | 3.00 |
| Corporate strategy | 40% | 2.10 | 3.80 | 2.65 | 3.00 | 2.55 |
| | | | | | | |
| MARKET PRESENCE | 0% | 4.60 | 3.05 | 2.10 | 3.30 | 2.55 |
| Customer base | 60% | 5.00 | 3.00 | 2.00 | 3.00 | 2.00 |
| Employees | 20% | 5.00 | 3.25 | 2.00 | 3.50 | 3.25 |
| Financial performance | 20% | 3.00 | 3.00 | 2.50 | 4.00 | 3.50 |

All scores are based on a scale of 0 (weak) to 5 (strong).
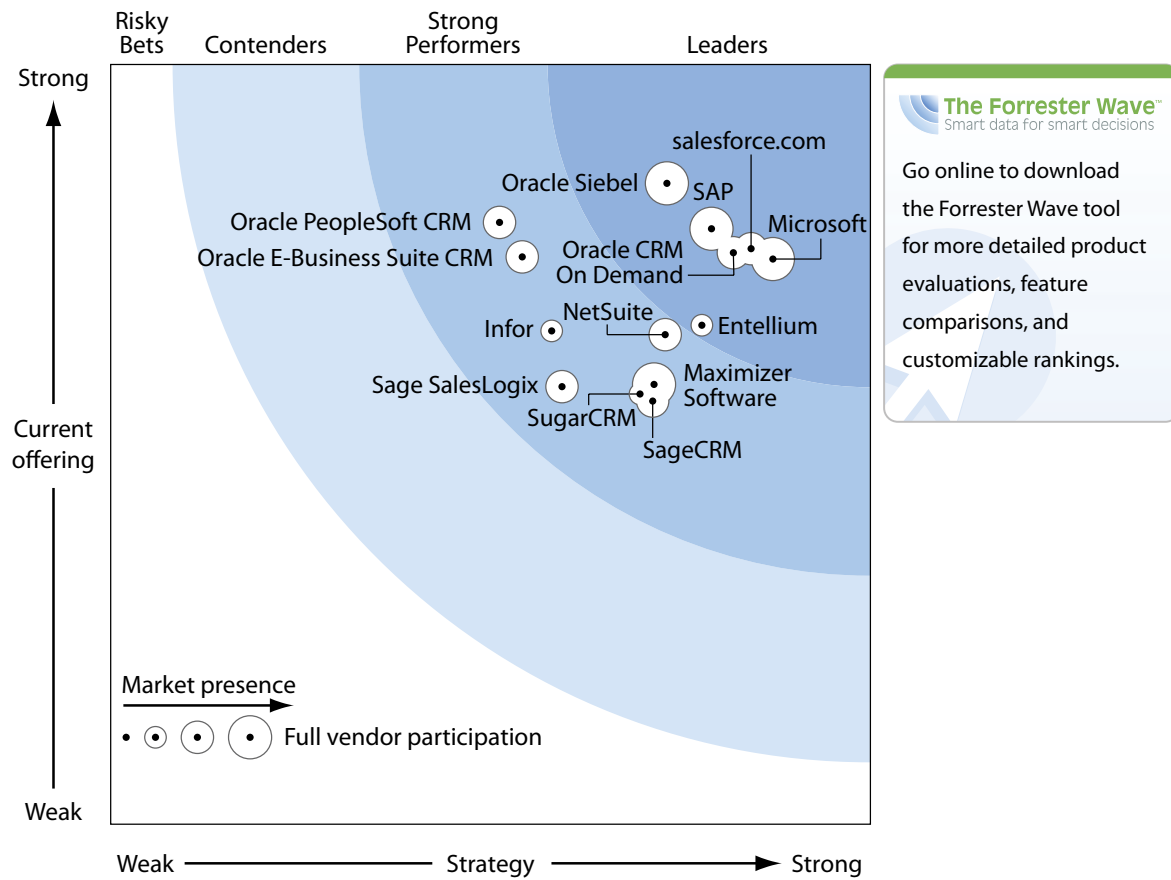
Source: Forrester Research, Inc.

## Record-Centric Products Trade Depth For Breadth

This vendor category comprises solutions that are primarily targeted toward large organizations with revenues of more than $1 billion per year and/or more than 1,000 employees. They are best suited for enterprise-class organizations that require large relational databases, a range of functionalities that scale to thousands of users, as well as access to other enterprise processes and databases. These giants have breadth and often fall within established enterprise application strategies. Often when these vendors are chosen for customer service, it is in part for consistency with the enterprise CRM tech app road map. While that consistency provides benefits, organizations can expect the need for more customization for customer service functionality and typically much longer implementation times than with interaction- or process-centric vendors. Overall, this evaluation uncovered a market in which (see Figure 7):

- **Entellium, Microsoft, and salesforce.com lead with quick-hit solutions.** Entellium, Microsoft, and salesforce.com all offer sufficient technical capabilities to handle simpler customer service requirements and package these features in low-cost solutions that are quick to implement. Entellium offers a low-cost hosted application, with good usability and customization capabilities that should meet most midmarket customer service needs. A strong workflow engine, flexible routing and queuing capabilities, and an escalation and notification engine create a solid customer service infrastructure that can be modified to match a company's look and feel for customer self-service. Although not as functionally rich in core customer service capabilities, Microsoft Dynamics CRM compensates via its usability, providing an easy-to-use administrative interface that allows business administrators to create and change fields, add whole new business objects, and design forms and views with a simple point-and-click interface. Nontechnical personnel can define interfaces and data attributes, and can also define and share business processes. Salesforce.com's SaaS deployment option provides customization tools in easy-to-use point-and-click wizard-like formats. This means that business users in a customer service environment can retain control of the application and tailor customer records to meet the needs of the business quickly and easily.

- **Oracle Siebel, Oracle CRM On Demand, and SAP lead with broad functionality.** Oracle Siebel leads with broad and deep functionality, much of which is available to users of the Oracle CRM On Demand offering. The breadth of functionality includes interaction management, field service, and workflow with all customer interaction being guided by underlying entitlements and corporate relationships. Oracle Siebel is very strong across field service management capabilities — core field service and mobile in particular. SAP has broadened its customer service functionality to include self-service and field-service, and it's a good choice for organizations that want to tie customer service to other business processes in a global organization. Core field service capabilities are very strong, particularly across forward and reverse logistics, asset visibility, SLA and contract management, third-party services management, and automated charges.

- **Oracle E-Business Suite CRM and Oracle PeopleSoft CRM deliver improved features.** Recent improvements to Oracle PeopleSoft enterprise customer service and Oracle E-Business Suite (EBS) have improved the customer service functionality in both. Oracle PeopleSoft improved self-service, chat, email, knowledge management, and customer service agent tools. Oracle EBS provides best-of-breed field service capabilities, deep customer analytics capabilities, and extensive call center infrastructure.

- **NetSuite and Maximizer Software score high grades for usability, cost, and time-to-value.** NetSuite offers a very strong admin user interface and help library, guided process flows, and an intuitive UI. The product is offered in a SaaS deployment option and the total cost of ownership (TCO) is low. Maximizer's user interface is very strong for both administrators and users. The product offers very strong help features to make navigating and using the application easier. The TCO is low.

- **Infor, Sage Software, and SugarCRM offer competitive solutions for targeted needs.** Infor, Sage Software, and SugarCRM each have attractive features that, given the right set of needs, could be a good match. Infor provides good capabilities where integrating cross-sell and upsell into the service process is important as well as situations where field service is integral to customer service. The mobile capabilities of Sage SalesLogix also makes it a good choice when there is a highly mobile field sales organization that needs to manage customer service issues as part of the sale process. Sugar CRM provides an edition that is free for 10 users or less, with larger deployments needing to pay for the Professional or Enterprise addition. It also has a very active community of more than 5,000 developers and partners providing technology add-ons and implementation services. It is a good fit for smaller firms seeking the benefits of an open source environment.

**Figure 7** Forrester Wave™: Record-Centric Customer Service Solutions, Q4 '08



Source: Forrester Research, Inc.

**Figure 7** Forrester Wave™: Record-Centric Customer Service Solutions, Q4 '08 (Cont.)

| | Forrester's Weighting | Entellium | Infor | Maximizer Software | Microsoft | NetSuite | Oracle CRM On Demand | Oracle E-Business Suite CRM |
|---|---|---|---|---|---|---|---|---|
| CURRENT OFFERING | 50% | 3.29 | 3.25 | 2.89 | 3.72 | 3.22 | 3.76 | 3.74 |
| Customer service | 45% | 2.74 | 2.76 | 2.34 | 2.97 | 2.51 | 3.10 | 3.73 |
| Field service | 0% | 0.41 | 0.07 | 1.25 | 2.32 | 1.91 | 0.83 | 4.52 |
| Internationalization | 10% | 3.02 | 4.01 | 3.00 | 5.00 | 4.01 | 4.01 | 4.67 |
| Industry business process support | 10% | 3.00 | 4.50 | 3.00 | 4.00 | 3.50 | 4.00 | 4.00 |
| Architecture and platform | 15% | 3.53 | 3.39 | 2.88 | 4.16 | 3.37 | 4.41 | 3.68 |
| Usability | 10% | 4.30 | 3.50 | 4.20 | 4.80 | 3.77 | 4.47 | 3.60 |
| Cost | 10% | 5.00 | 3.00 | 3.80 | 3.80 | 4.60 | 4.60 | 2.80 |
| | | | | | | | | |
| STRATEGY | 50% | 3.89 | 2.90 | 3.58 | 4.36 | 3.65 | 4.10 | 2.71 |
| Time-to-value | 30% | 5.00 | 3.00 | 5.00 | 5.00 | 5.00 | 5.00 | 1.00 |
| Product strategy | 30% | 3.50 | 3.00 | 3.00 | 5.00 | 3.50 | 4.25 | 3.50 |
| Corporate strategy | 40% | 3.35 | 2.75 | 2.95 | 3.40 | 2.75 | 3.30 | 3.40 |
| | | | | | | | | |
| MARKET PRESENCE | 0% | 2.60 | 2.65 | 4.05 | 4.10 | 3.90 | 3.20 | 3.50 |
| Customer base | 60% | 2.50 | 2.50 | 4.50 | 3.50 | 4.00 | 2.00 | 3.00 |
| Employees | 20% | 2.50 | 3.25 | 2.75 | 5.00 | 3.00 | 5.00 | 5.00 |
| Financial performance | 20% | 3.00 | 2.50 | 4.00 | 5.00 | 4.50 | 5.00 | 3.50 |

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

Source: Forrester Research, Inc.

**Figure 7** Forrester Wave™: Record-Centric Customer Service Solutions, Q4 '08 (Cont.)

| | Forrester's Weighting | Oracle PeopleSoft CRM | Oracle Siebel | Sage SalesLogix | SageCRM | salesforce.com | SAP | SugarCRM |
|---|---|---|---|---|---|---|---|---|
| CURRENT OFFERING | 50% | 3.96 | 4.22 | 2.88 | 2.78 | 3.79 | 3.92 | 2.84 |
| Customer service | 45% | 3.94 | 4.33 | 2.13 | 1.97 | 3.27 | 3.62 | 1.77 |
| Field service | 0% | 2.70 | 4.50 | 1.23 | 0.30 | 2.26 | 4.00 | 0.47 |
| Internationalization | 10% | 4.67 | 4.67 | 3.68 | 3.35 | 3.68 | 5.00 | 4.34 |
| Industry business process support | 10% | 4.50 | 5.00 | 2.50 | 3.50 | 4.00 | 4.50 | 2.00 |
| Architecture and platform | 15% | 4.08 | 4.53 | 3.20 | 2.92 | 4.04 | 4.49 | 3.65 |
| Usability | 10% | 4.16 | 4.27 | 4.33 | 3.75 | 4.87 | 4.17 | 3.77 |
| Cost | 10% | 2.40 | 2.00 | 3.90 | 4.00 | 4.60 | 2.50 | 4.90 |
| | | | | | | | | |
| STRATEGY | 50% | 2.56 | 3.66 | 2.97 | 3.57 | 4.22 | 3.95 | 3.49 |
| Time-to-value | 30% | 1.00 | 1.00 | 3.00 | 5.00 | 5.00 | 2.00 | 5.00 |
| Product strategy | 30% | 3.00 | 5.00 | 3.50 | 3.50 | 4.25 | 4.50 | 2.75 |
| Corporate strategy | 40% | 3.40 | 4.65 | 2.55 | 2.55 | 3.60 | 5.00 | 2.90 |
| | | | | | | | | |
| MARKET PRESENCE | 0% | 3.50 | 4.80 | 3.35 | 3.35 | 4.00 | 4.20 | 2.05 |
| Customer base | 60% | 3.00 | 5.00 | 3.50 | 3.50 | 4.00 | 4.00 | 2.50 |
| Employees | 20% | 5.00 | 5.00 | 3.25 | 3.25 | 3.00 | 5.00 | 0.75 |
| Financial performance | 20% | 3.50 | 4.00 | 3.00 | 3.00 | 5.00 | 4.00 | 2.00 |

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

Source: Forrester Research, Inc.

## INTERACTION CENTRIC VENDOR PROFILES

### Interaction-Centric Leader Profiles

- **eGain transforms traditional call centers into multichannel customer interaction hubs.**
  eGain's product strategy includes addressing the customer-facing needs of the market such as
  unified multichannel customer service, delivering distinctive customer experiences, ensuring
  compliance in customer communications, improving agent productivity (in-house, outsourced,
  or hybrid), and controlling service costs. The delivery methods include on-premise, on-demand
  (SaaS and private hosting), and managed service.

  eGain Service provides integrated incident creation, management, and resolution across all
  channels: phone, email, Web, and SMS. The product supports integration with CTI systems
  to manage screen pop-ups to quickly bring up the caller record on the agent's desktop. eGain's

search technology provides natural-language processing capabilities in 45 languages including double-byte languages. This natural language capability is part of the basic and advanced searching and also in conversational search interfaces. eGain also provides strong capabilities for chat, collaborative co-browsing, and Web 2.0 tools, applications, and technology. eGain is an application best suited for large multichannel contact centers that require a scalable solution and complete suite of customer service and contact center software that sits on top of a common architecture and infrastructure.

· **KANA, a best-of-breed eService provider, continues to evolve its breadth and depth.** KANA Software's strategy is to help the world's leading brands deliver service experiences that drive customer retention and loyalty and differentiate them from the competition by blending technology, services, and strategy. Originally an email response management vendor, KANA has evolved into a robust, capable customer interaction solution provider. Deployment options include on-premise, hosted, and managed service models.

   Incident management in the KANA Suite can be created via any channel: email, Web, chat, or phone. Routing of the incidents is done in conjunction with KANA's workflow to process an incident to completion. For inbound phone calls, the system is enabled for CTI integration to allow for key fields such as account number and caller ID to identify the customer and route it to the proper agent's desktop, as well as suggesting a response to that agent. With respect to natural-language search capabilities, KANA has an embedded search engine that supports all major languages in the KANA product set. The product provides a complete range of self-service capabilities, including natural-language search, guided (interactive) search, intent-based search, and preferred answers. The KANA solution provides support for chat and Web 2.0 applications, tools, and technologies. KANA is an application best suited for B2C organizations with large customer bases and high interaction volumes like financial services, telecommunications, and retail organizations.

· **RightNow remains focused on improving the customer experience for B2C enterprises.** RightNow Technologies' mission is to help companies grow their businesses by delivering improved customer experiences while lowering operating costs. This core concept of enabling customers to compete on customer experience has been RightNow's guiding principle since inception. Its low upfront application costs are also attractive to business buyers. Although the vast majority of customers select RightNow CRM in SaaS deployment, the product is also available in on premise deployment and the code base is the same — allowing buyers the flexibility to migrate from one deployment method to another.

   With respect to incident management, the system answers most queries with its self-service and knowledge management processes, avoiding agent phone interactions. Incidents can be automatically created at any time from all channels and routed to the appropriate agent via rules and queuing. The CTI screen-pops to the desktop eliminate agent searching and data entry.

RightNow SmartAssistant helps agents find and suggest possible solutions to a question or issue based on advanced natural language analysis. The product provides dynamic branch script capabilities for inbound and outbound call centers. SmartGuide assists in resolving customer issues through supporting decision trees. In addition, RightNow's new Contextual Workspaces automatically tailors the content and functionality on the agent desktop to address the issue at hand. The product offers strong support for Web 2.0 tools, applications, and technology, and chat. B2C organizations in need of a customer-service-centric CRM suite solution with a rapid

enters keywords or uses natural language to search the self-service knowledge base, the search engine attempts to match the resource in three ways: by finding resources whose keywords match the user's entry, by searching resource titles for a match with the entry, and by searching resource content. The product's intelligent natural-language searching features enable users to enter straightforward English queries. The KB also recognizes words at the root level, regardless of irregular or variant word/phrase spellings. The product supports chat and can collect prechat data to route the incident to an agent with the right skill set. LivePerson includes support for Web 2.0 tools, applications, and technologies. LivePerson, a third-generation engagement solution developed to drive cost efficiencies in the contact center by identifying customers who are struggling with self-service interactions and proactively connect them to a live customer service agent, is best suited for organizations with sophisticated online interactions.

## Interaction-Centric Strong Performer Profiles

- **Genesys builds reputations via smart routing and integrated self- and agent-assisted service.** Genesys Telecommunications Laboratories' mission is to be the leading supplier of enterprise software and best practices that enable best-in-class customer service, including sales, through interaction management. This is based on proactive management of three pillars: creating rich interaction experiences, virtualizing resources, and providing end-to-end service entailing screen-pops, click-to-call, and business process routing. Genesys offers hosted, SaaS, and on-premise options supported through partners.

  With respect to incident management, Genesys' customer interaction management platform (CIM Platform) uses agent, user, system alert, and email to create incidents. Contacts can be routed on a wide variety of parameters using traditional methods such as group skills, queues as well as agent, media type, call type, customer segment, call value, and cost-based parameters. In addition, it offers a speech-enabled self-service (IVR), which accesses customer data from across the organization with business logic. The product supports more than 35 CTI protocols from 21 vendors. With a standards-based open approach, CIM Platform provides integration capabilities with leading telephony infrastructures, back-office integration with enterprise applications and broad functional extensibility through partners. The product must partner to provide CRM customer record access and knowledge management capabilities. The product does not offer Web 2.0 tools and apps, but it does support Web 2.0 technologies and chat. Genesys is suited for organizations that are interested in internationalization because they have large-scale, global, multilanguage deployments and can provide local support for country specific requirements.

- **KNOVA, originally known as a knowledge base provider, continues to expand its suite.** KNOVA's vision is to maximize the value of interactions by seamlessly blending knowledge delivery, business process support, and transactional integration. KNOVA's suite of applications automates the service resolution process across multiple channels, including all eService channels. KNOVA offers SaaS, hosted, and on-premise solutions. The majority of KNOVA's customers, given their size, tend to prefer the on-premise model.

With respect to incident management, KNOVA Service Resolution Management Suite guides self-service end users through the process of resolving a problem, and if the question is not answered, KNOVA provides recommended answers prior to escalation to an agent. CTI is provided by a companies' CRM system to manage, assess, assign, and match calls/emails to the caller's record. Now owned by Consona, KNOVA's strengths in knowledge management reflects its ServiceWare heritage. KNOVA's search capabilities are driven by state-of-the-art natural-language processing (NLP) technology. In addition, it uses ontology components and customer-specific dictionaries to further enhance the search experience. KNOVA also uses implicit indicators and explicit feedback to rank search results by resolution success and reputation to ensure that the most relevant information is presented first. The product offers weak support for Web 2.0 tools and applications and sound support for Web 2.0-enabling technologies. Chat is accomplished through third-party partners. KNOVA is most appropriate for some of the more technical industries because its strength lies in guided problem resolution to address complex service resolution issues in industries like high-tech, telecommunications, retail banking, brokerages, industry, and/or need to support help desks.

· **InQuira leads the way with state-of-the-art knowledge management.** InQuira's vision is to enable organizations to provide outstanding customer experience through the intuitive delivery of knowledge and tools. They enable organizations to deliver the right knowledge to the right person at the right time, through the right channel/method. InQuira delivers the software and expertise that improves the customer experience in Web sites and contact centers by providing three tightly integrated technologies — natural-language search, knowledge base management, and analytics — that work in harmony to deliver compelling solutions for Web self-service, agent-assisted support, and knowledge management. The product only supports on-premise deployments.

Incident management and CTI integration typically happens with the use of a CRM application and not within InQuira's Customer Experience Platform. With respect to knowledge management, the product's natural-language capabilities can understand the concepts in the user's query at a semantic level using a set of ontologies, rules, and prepackaged dictionaries. The product offers strong support for Web 2.0 applications, tools, and technologies. Chat functionality must be provided by a third-party application. For buyers looking to reduce costs and deliver quality agent-based support services while better optimizing agent efficiency as well as better self-service, InQuira is a good fit.

· **Numara Software provides implementation ease.** Numara Software's strategy is to deliver highly productive customer experiences for their clients and clients' customers with a practical approach to service management via a highly flexible and unique Web-based workflow platform to managing customer service delivery. They are focused on empowering organizations with an integrated solution that includes rich self-service capabilities, knowledge management, email management, customer surveys and deep workflow — all with no programming required. Numara is a global provider of service desk management solutions, including help desk software,

for IT and support professionals. Numara FootPrints for Customer Service, acquired from UniPress Software, was originally developed as an internal customer service solution. However, the ease of deployment and customization has led about a third of its customers to deploy it for external customer service.

Companies can centrally manage all incoming customer incidents via phone, email, Web, chat, and wireless devices. The CTI integration provides screen pops with prefilled contact data of the caller based on the phone number or any other predefined information passed from the CTI system. With respect to knowledge management, full-text, Boolean, search within FAQ sub-category results, and advanced searches with combinations of field criteria are all supported. The product does not have natural-language search capabilities. The product has weak support for Web 2.0 tools (discussion threads, wikis, blogs, RSS, podcasts, etc.) and applications and sound support for Web 2.0 technologies (XML, AJAX, mashup makers, etc.) and chat. The product's ITIL project templates support best practices in IT service support discipline of ITIL, which includes ITIL project templates for incident, problem, change, and release management, integrated with a configuration management template. Numara FootPrints for Customer Service is best suited for companies that want to deliver effective, multichannel customer support and 24x7 self-service within a very short implementation time frame.

### Interaction-Centric Contender Profiles

- **FrontRange Solutions stays the course for simple implementations for internal help desks.** FrontRange Solutions, initially deployed in midsize enterprises as an internal customer support product, has found an additional home as an external customer support tool. The solution neither offers SaaS deployment capabilities nor a hybrid model.

  GoldMine Enterprise Edition has good support for phone-based agents, but it is limited for self-service, email management, chat, and other interaction media. The product's customer service module allows agents to create an incident, and with VoIP capability, the call can be routed by incident type, VIP accounts, skill level, and many other characteristics. The product can also add interaction management capabilities including screen-pops, click to dial, and intelligent routing. The product's knowledge module, if added, can support very basic knowledge management capabilities. The product offers weak support for Web 2.0 tools and applications and strong support for Web 2.0 technologies. The product is best suited for B2B enterprises with internal help desks.

## PROCESS CENTRIC VENDOR PROFILES

### Process-Centric Leader Profiles

- **Sword ciboodle offers BPM strengths for orchestrating customer interactions.** Sword ciboodle, formerly Graham Technology, was acquired by the Sword Group in April 2008. Under its former name, the company had achieved a growing reputation as a leader in the field of customer

interaction management, with a focus on contact centers. Sword ciboodle's current strategy is to focus on the intersection of business process modeling with customer service and customer interaction, and to become the preeminent provider of such software for financial services, telecommunications, utilities, and retail. The solution does not offer a SaaS deployment option.

With respect to incident management and CTI, routing is handled by enterprise-grade applications, and Sword ciboodle has recently refreshed its Avaya, Cisco Systems, and Genesys Telecommunications Laboratories certification for this purpose. Sword ciboodle does not have knowledge management capabilities within the core product, but agent247, a natural language front-end interface to external search tools and case content, can be added. The product supports chat and also provides Web 2.0 tools, applications, and technologies. Sword ciboodle is a good fit for buyers who are looking for workflow and business process management with full support for arbitrarily complex, hierarchical, and concurrent workflows, flexible business rules, and logic definitions with graphical process definition and management.

## Process-Centric Strong Performer Profiles

· **Pegasystems offers a dynamic business process platform.** Pegasystems, one of the early entrants in the business process management (BPM) tool market, has a strong offering for oras  suChord-5(t)ant Software provides tuned-industry solutions. As an early evangelis in the

customers to realize their integrated customer management strategies through becoming agile, aligned, and customer-centric. As the telecommunications service provider market experiences more consolidation, greater competition from new entrants, and the increasing complexity of quadruple-play offerings, Amdocs continues to grow its offering of modular, integrated software and services across BSS and OSS. Amdocs does not offer a SaaS deployment option.

Incidents are created, placed in queues, and can be worked by individual agents or teams. With respect to incident routing, it relies on CTI applications from leading vendors such as Aspect, Avaya, and Genesys. CES Customer Management does not natively support Web 2.0 tools and applications. With respect to tools, the product offers sound support for Web services standards and XML but lacks native support for AJAX, Flash/Flex, and mashup markers. For industries where the trend is toward direct customer initiation and back-office automation of repeated processes, Amdocs is a good choice. The company has a large professional services organization to customize the solution for complex customer environments. Amdocs is best suited for high-transaction, consumer-intensive industries with complex customer service requirements — specifically, telecommunications service providers.

## RECORD CENTRIC VENDOR PROFILES

### Record-Centric Leader Profiles

- **Microsoft Dynamics CRM shines by offering its infrastructure to enterprise organizations.** Microsoft's strategy for growth is to offer buyers a choice of both on-premise and SaaS service deployment, a flexible user interface, a choice of payment options, and a strong partner community. Buyer interest in Microsoft Dynamics CRM is high in the SMB market and is growing in the enterprise segment. Deployment options include on-premise, SaaS, hosted, or hybrid.

  Cases can be created via standard touchpoints, including phone call, in-person, email, Web, or mobile. Calls can be routed in simple (e.g., next available person) or sophisticated (skills-/value-based enabled through workflow) ways to an individual, team, or queue. CTI is supported by integrating with an enterprise CTI provider. Search capabilities include decision trees and filtering. Natural-language capabilities can be added through third-party integrations. The product supports chat and Web 2.0 tools, applications, and technologies. Although not as functionally rich in core customer service capabilities, Microsoft compensates through architecture, integration, and usability, and its product is best suited for enterprise buyers who have made a commitment to a Microsoft infrastructure.

- **Salesforce.com proves the credibility of SaaS for enterprise-class organizations.** Salesforce.com is growing quickly by making CRM solutions available through the SaaS deployment model. The company's strategy for growth in the customer service solutions sector is to focus on helping companies that want to roll business solutions out quickly while minimizing

their overall IT risks and implementation costs. The application is built on top of a modern architecture, allowing for robust scalability, reliability, availability, and openness to connect to other applications via Web services. However, the product is only available in SaaS deployment, so organizations selecting salesforce must be committed to the SaaS deployment model.

While salesforce does not have CTI capabilities, it does provide a complete CTI tool kit, which partners have used to deliver connectors to more than 70 different telephony systems so that customer information can be popped to the agent desktop. The CTI integration allows for the assignment of calls and emails with a combination of call and business data, such as ANI and call attached data from the IVR. Emails are routed through a similar fashion, using addresses, account information, and context to create cases and assign to appropriate queues. For knowledge management, customers can access and search knowledge base content using a multilingual, intuitive language search. The product leads in providing Web 2.0 communication tools which enable a free flow of feedback and ideas in all directions — company-to-customer, customer-to-company, and customer-to-customer — making requests transparent. Salesforce is an application best suited for businesses that are looking for an easy to use, rapidly deployable sales management, customer service and CRM applications, and who are committed to the SaaS as deployment approach.

- **Oracle Siebel provides leadership for CRM and customer service.** Oracle Siebel's customer service solution is especially suited for B2B customer service environments where access to customer relationship management capabilities is key. Deployment options include hosted, packaged, and SOA-based component applications.

  With respect to customer service, incident management can be created by phone agents, field agents, customers using IVR, self-service Web sites, or automatically. Calls and emails can be routed using an assignment rules engine based on workflow policies, employee skills, current workload, and territory or account team definitions. There is a multichannel toolbar that leverages CTI functionality and supports complete work queue management. With respect to knowledge management, search includes decision trees and filtering. Natural language capabilities can be added through third-party vendors. Oracle Siebel provides support for chat and Web 2.0 tools, applications, and technologies. The application's complexity, high cost, clunky user interface, and lengthy implementation schedules have been draw backs in the past but are beginning to be addressed in the latest release. The product is best suited for buyers that value advanced functionality tailored for specific industries and plan to use the other components of the Siebel product line to manage sales, marketing, and other CRM functions.

-

ERP, SAP can offer an end-to-end contact center solution and support communication-enabled business processes with SAP CRM as the hub of customer interactions and with SAP's Business Communication Management (SAP BCM). SAP CRM offers some deployment flexibility through its SaaS CRM solution. However, the SaaS product supports only a limited subset of capabilities as compared to the on-premise version.

SAP CRM's strength lies in its ability to tie customer service to other back-office processes, including manufacturing, distribution, finance, and marketing. The product is designed to handle high-volume global requirements. As fits its heritage, the underlying workflow engine can be used to automate repetitive tasks. Although the company is broadening the customer service product with additional self-service capabilities, organizations with a high proportion of electronic or self-service interactions may want to consider integrating third-party products through the NetWeaver architecture. Cost, complexity, and lengthy implementation schedules have been drawbacks in the past for the customer service aspects of the product. However, the SAP CRM 2007 product is a step in the right direction to address these issues. SAP CRM is best suited for global buyers committed to SAP and its ERP platform who need to support end-to-end industry processes.

- **Oracle CRM On Demand offers expanded functionality and early CRM 2.0 capabilities.** Oracle CRM On Demand competes with other SaaS vendors, providing faster time-to-value, good usability, and lower upfront costs. Oracle CRM On Demand is innovating with new capabilities such as Social CRM (Fusion Edge applications) to increase collaboration, innovation, and adoption of CRM within organizations. The product is available in enterprise-grade SaaS, hosted, packaged, and SOA-based component applications.

  Oracle's 2006 acquisition of Telephony@Work broadened the product's capability for phone agent service. As with many record-centric customer service products, its strength lies in the ability of customer service agents to act in relation to aspects of the CRM database. Incidents can be created by an agent (phone), email, voicemail, chat (via Call Center Anywhere, Oracle's underlying telephony platform), and the Web (via Web service integration). Inbound interactions are routed to work groups and queued according to priority for the next available agent. The vendor provides CTI with screen-pops. With respect to knowledge management, natural-language processing and intent-based queries are only supported through third-party integration. Chat type capabilities are weak. Oracle CRM On Demand is best suited for businesses wanting a SaaS deployment method for a customer service solution and who are committed to the Oracle platform and Oracle technologies.

- **Entellium focuses on a low-cost hosted application and usability.** Entellium's vision is to focus on creating "Right for Me" offerings that enable easy deployment and higher adoption and ensure their long-term success. They provide a range of solutions for one to 500 users, each scaling with additional functionality. The product is only offered in SaaS deployment.

Customer service incidents can be created manually by an agent or automatically using inbound emails and Web forms. Calls may be routed into an unlimited number of queues according to business rules. Items are routed to queues based on user-defined rules that are tied to the value of fields such as incident type, customer type, product line, etc. With computer telephony integration (CTI), customer records are matched via a caller ID and/or email address and presented to the agent. The product's knowledge management capability is limited to keyword searches. The product supports chat and some Web 2.0 tools, applications, and technologies. Entellium is best suited for organizations that require a strong workflow engine, flexible routing, and queuing capabilities in a low-cost SaaS deployment.[14]

## Record-Centric Strong Performer Profiles

• **NetSuite provides a front- and back-office solution.** NetSuite's strategy is to help its customers achieve a 360-degree view of the customer through its emphasis on front- and back-office integration and focus on personalization and customization without constraints. The product is only available in a SaaS deployment.

NetSuite's customer service modules are tightly integrated with the enterprise resource planning (ERP) and eCommerce modules, allowing customer service to take full advantage of customer orders, interaction history, and other processes. Companies can use CTI to automatically identify inbound callers and handle outbound calls. With respect to knowledge management, the product provides simple text searching. With respect to Web 2.0 capabilities, the application has some strengths but also weaknesses. Chat is supported through third-party integration with partnerships such as LivePerson and Valero. NetSuite is best suited for organizations needing an all-in-one business application that spans the front- and back-office functions of CRM, ERP, eCommerce, and financials.

• **Oracle PeopleSoft CRM keys on integration advantages.** Oracle PeopleSoft's strategy is to focus on its primary buyers: existing PeopleSoft CRM customers and mid- to upmarket PeopleSoft ERP, Campus Solutions and HR customers that value the suite play, single-vendor approach and want to extend their investment in the PeopleSoft platform. PeopleSoft CRM offers SOA for standards-based messaging to ease integration and lower costs. The solution does not offer a SaaS deployment option.

Incidents can be created manually from emails, chats, change requests, and other interactions. With respect to managing incoming interactions, the product's CTI Integration product provides an API for integrating to any third-party CTI software vendor. For example, Genesys delivers a connector called the G-plus adapter for CTI. Genesys and PeopleSoft have partnered to provide universal queuing of PeopleSoft Email and Chat with inbound calls using the Genesys routing capability. Both the chat feature and knowledge base search use natural-language search, if licensed. The customer-to-agent chat is very strong, but the proactive chat capabilities are very weak. The product offers weak support for Web 2.0 tools, applications,

and technologies. PeopleSoft CRM is well suited for existing PeopleSoft customers that need a broad-based CRM platform to build on and for the public sector, particularly education, as well as for the utilities and telecommunications sectors.

• **Maximizer Software focuses on SMB organizations' CRM requirements.** With a solid customer base, Maximizer Software continues to demonstrate its abilities to support SMB organizations' customer service requirements. Maximizer Software conducts business partner and customer surveys and interviews on a regular basis. In addition, Maximizer Software has built a customer community of accounts in order to understand and shape future versions of the product. The product is only available as an on-premise deployment.

The system is TAPI-compliant and will handle screen-pops of customer records for incoming calls as well as automated outbound calls. Emails are automatically linked to the corresponding contact record using email address and may be imported against the contact and/or case at the discretion of the user. With respect to knowledge management, the product does not support natural-language- or intent-based searches. The product supports Web 2.0 capabilities, but it has some strengths and weaknesses and does not support chat. Maximizer CRM is appropriate for smaller firms and divisions of large organizations seeking an on-premise CRM suite with a low price tag.

• **Oracle E-Business Suite CRM delivers integration benefits.** Oracle E-Business Suite CRM offers a full-featured customer service application, inheriting the global capabilities of the E-Business Suite product line. Oracle is investing heavily in a next-generation product strategy, Fusion Applications, to fully modernize its technology architecture and so that it can integrate with other Oracle products. The solution offers on-premise or on-premise hosted deployment options. It does not offer a SaaS deployment alternative.

Incidents can be created by the agent or by an automated system such as email or system alerts. The application provides a screen-pop of the customer information and also sets the right context for the agent to quickly capture the incident and resolve the problem. When assigning the service request, agent skills and loads are matched with the customer value and service-level agreements with the customer. The product does not natively provide CTI, but it does support more than 20 automatic call distributor (ACD) switches, provides a software development kit (SDK) to allow customers to integrate with their preferred CTI solution and with integration can provide agent desktop screen-pops. With respect to knowledge management, the product must be integrated with Oracle's Secure Enterprise Search in R12 for the natural-language search capabilities. Chat is supported through third-party integration. The product offers some support for Web 2.0 capabilities: It supports discussion threads, wikis, blogs, RSS, mashups, and podcasting, but it lacks native functionality for social bookmarking and widgets. Oracle E-Business Suite CRM is best suited for buyers who are committed to Oracle for platform and applications and need comprehensive, multinational capabilities.

- **SageCRM focuses on strong usability and a low price tag.** SageCRM's strategy is to regularly survey both customers and partners and conduct regular research on the buyer's needs and evolving state of the market. Additionally, partner and customer councils affect the product's strategic direction. SageCRM is part of the Sage family of CRM products, which includes ACT! and Sage SalesLogix. It is quick to deploy and offers an intuitive administrative UI, has strong performance capabilities, and offers strong product help. In addition, the product integrates well with other Sage back-office software products like Peachtree and Sage ERP. SageCRM is offered in both on-premise and SaaS deployments.

  With respect to incident management, assignments and assessments are done at the switch (outside of the system functionality) and once allocated to an agent, the system then provides the screen-pop to that agent. With respect to knowledge management, the product only supports basic text searching. The product's capabilities for Web 2.0 functions are weak. Chat is not a standard feature of the product. SageCRM is a good fit for midmarket organizations that already use other Sage back-office products and that have limited technology budgets.

- **SugarCRM focuses on offering an open source solution.** SugarCRM's strategy is to rely on its open source development community to drive add-on capabilities or deep vertical editions. SugarCRM's open source CRM solution allows firms to leverage free code to manage basic sales, service, and marketing activities. The open source model allows organizations to take a basic CRM platform application and build on it using their own IT resources or to add on modules that are available through SugarCRM's partner and developer communities. SugarCRM's Professional CRM and Enterprise CRM editions are available for a fee. The application is offered in SaaS and on-premise deployments. Because the application is based on open source technologies, technical skill sets required to support the application tend to be homogenous, thereby lowering resource support costs.

  Sugar Enterprise allows creation of cases manually and automatically through emails. Calls can be automatically assigned, and partners and customers can customize Sugar to auto-attach call records to accounts. With respect to knowledge management, the product has full text searching, but no interactive/prompted search or natural-language processing capability. The product does not support chat, but it does support Web 2.0 tools, applications, and technologies. Sugar Enterprise is a good, low-cost choice for organizations that want deep customization flexibility in a packaged CRM application.

- **Infor provides strength with integration to ERP capabilities.** Infor CRM Epiphany's (formerly Epiphany) solution is primarily based on the functionality of Epiphany. Infor CRM Epiphany targets the manufacturing and service industries and provides sound capabilities for customer service. The product has sound capabilities for phone agent support and call center infrastructure. However, it is weak in self-service-to-live-service transitions and agent collaboration tools. The product does not offer a SaaS deployment option, but it does offer a

hosted option. The product provides strong customer service analytics. The product's data mart includes extract, transform, and load (ETL); OLAP; data mining; list management; and campaign management. There are prebuilt solutions for contact centers and insight for sales.

For CTI capability, the product provides out-of-the-box connectors to Avaya, Cisco Systems, and Genesys, and it can integrate with others using a CTI connectivity kit. With respect to knowledge management, the product only provides keyword searches. The product provides weak capabilities in social Web interactions. It uses Web-based technology that offers several points of integration that embrace Web services allowing social Web capabilities such a as portals, wikis, and blogs to be embedded into the framework of the application, but they are not a native part of the application. The product offers weak support for Web 2.0 enabling technologies. The solution provides strength in supporting XML and Web services standards. However, it does not support AJAX, Flash/Flex, or mashup makers. It has very weak capabilities in proactive chat, automated chat dialogs, and page push and co-browsing. Infor, a $2 billion global company, has made investments in the product to increase the ease of integration with Infor's ERP solution. Infor is best suited for companies that have invested in other Infor technology suites (CRM or ERP) and want a consistent technology road map.

• **Sage SalesLogix focuses on usability and cost.** Sage SalesLogix also is part of the Sage family of CRM products, Sage SalesLogix's strategy is to regularly survey both customers and partners and conduct regular research on the buyer's needs and evolving state of the market. Additionally, partner and customer councils impact strategic direction. The product is offered in hosted on-premise and on-premise deployments, but is not offered as SaaS deployment.

Incidents can be created manually by an agent or automatically using inbound emails and Web forms. Calls may be routed into an unlimited number of queues by an unlimited number of status types. The product supports skills-based routing, desktop integration for a customer's telephony system, ACD, or predictive dialer; onscreen call handling for the management of calls and incoming calls displaying customer information in screen-pops with call history logging. With respect to knowledge management, the searching ability includes basic keyword search or phrases in SpeedSearch, and natural-language searching is not supported. Chat is only supported through third-party integrations. The product's capabilities for enabling Web 2.0 technologies is strong, but weaker in providing support for Web 2.0 applications and tools. SalesLogix is best suited for businesses that value solution usability and that have several hundred users.

## SUPPLEMENTAL MATERIAL

### Online Resource

The online version of Figures 5, 6, and 7 are Excel-based vendor comparison tools that provide detailed product evaluations and customizable rankings.

### Data Sources Used In This Forrester Wave

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

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.

- **Vendor strategy briefings.** Forrest conducted briefings with each vendor to learn about the vendor strategy for participating in the market, their espoused key differentiators, and their product development roadmap for the future. During some briefings, Forrester also received demonstrations of vendor's product functionality to validate details of product capabilities.

- **Customer reference survey.** To validate product and vendor qualifications, Forrester also conducted as survey of three to five of each vendor's current customers. The total number of customers surveyed was 165.

### The Forrester Wave Methodology

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

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

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

## ENDNOTES

[1]  Executives know that customer experience is important, but they can't always tie it directly to business results. So Forrester examined the correlation between the customer experiences delivered by 112 US firms and the loyalty of their customers. The analysis shows that good customer experience correlates more purchases over a long period of time. See the March 24, 2008, "The Business Impact Of Customer Experience" report.

[2]  In a survey of 287 customer experience decision-makers from large US firms, 91% said that customer experience would be either very important or critical to their 2008 efforts. This was a significant jump over the previous survey. While customer experience is deemed important, less than half of the respondents have a senior executive in charge of customer experience. The two major obstacles were identified: the lack of a clear strategy and the lack of cooperation across organizations. We recommend that firms infuse the voice of the customer, assign a customer experience executive leader, and chart a course toward Experience-Based Differentiation (EBD). See the February 7, 2008, "Obstacles To Customer Experience Success" report.

[3]  Companies are looking for another "edge" to stand out from the competition and are turning to experience-based differentiation (EBD) strategies. IT's role as conveyor, sustainer, enhancer, or possible destroyer, of brand identity is often overlooked. To become EBD leaders within their organizations, IT executives must build EBD alignment with business executives, close business process expertise gaps, strengthen communication and influence skills, understand customer management packaged solutions, and leverage knowledge about the most current IT architectures. See the May 1, 2006, "Using Technology To Improve Your Customer Experience" report.

[4]  The advent of business technology (BT) reflects the increasing pervasiveness of technology within firms' strategies for products and services, their competitive positioning, and their operating models. However, delivering on the potential of BT is practically impossible when the underlying IT capabilities are fragmented and managed in isolation. BT requires a new IT, one less burdened by legacy organization models, cultures, and approaches to value management. See the May 13, 2008, "Five Essential Best Practices For The IT-To-BT Transformation" report.

[5]  Consumers seeking customer service expect to have their questions answered quickly and directly, regardless of their chosen communication channel. As a result, customer service professionals are looking to expand the breadth and depth of their knowledge management tools and processes. Leading organizations will create a single repository of information that can be accessed by customers, customer service agents, and self-service channels using the most appropriate tools for each constituency. See the January 18, 2007, "Trends 2007: eService Is Customer Service" report.

[6]  The distinction between customer service, an activity delivered through a call center, and eService, delivered through self-service, email, and chat, is disappearing. Integration between channels, common underlying workflows and business rules, and seamless transitions between contact media will become the rule rather than the exception. See the January 18, 2007, "Trends 2007: eService Is Customer Service" report.

[7]  Customer service and 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. First 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 expand your thinking beyond traditional customer service and CRM solutions and consider new ones based on social Web principles. See the March 10, 2008, "The CRM 2.0 Imperative" report.

[8] Smart organizations are evaluating the merits of adding chat and other interactive functions to their Web sites to better engage the customer and potentially increase sales. While chat can add incremental costs to the organization, blindly deciding to avoid these costs is shortsighted. A Total Economic Impact™ (TEI) analysis of interactive chat shows that investment in reactive chat is likely to produce a small positive return on investment (ROI) of 15%, while an additional investment in proactive chat capabilities will produce an incremental 105%. See the February 4, 2008, "The ROI Of Interactive Chat" report.

[9] Easing and improving customer communication across a variety of channels should be on an organization's list of IT priorities. Customer support organizations that plan to support real-time multimodal customer communications are evaluating new channels like video and text messaging. Upgrading computer telephony integration (CTI) applications and looking at session initiation protocol (SIP)- enabled solutions gives you more flexibility in serving the current and future needs of your customers. See the March 20, 2008, "CTI Contact Center Applications Migrate To SIP" report.

[10] As of late 2007, SaaS adoption by large enterprises is now at 16%, up sharply from the previous year's 12%. See the August 29, 2008, "The Forrester Wave™: Enterprise CRM Suites, Q3 2008" report.

[11] Forrester evaluated leading customer service management software vendors across approximately 180 criteria and found that differing requirements within an individual company necessitate a careful evaluation of the specific capabilities and individual strengths of each product and probably require the use of more than one tool to solve the full range of customer service management needs. See the May 24, 2007, "The Forrester Wave™: Customer Service Management Software, Q2 2007" report.

[12] Forrester evaluated leading midmarket and enterprise software vendors for their customer service offerings. See the August 29, 2008, "The Forrester Wave™: Enterprise CRM Suites, Q3 2008" report and see the August 26, 2008, "The Forrester Wave™: Midmarket CRM Suites, Q3 2008" report.

[13] To get answers and to resolve service issues, 45% of consumers prefer to speak with a customer service agent, but most walk away from customer service agent interactions disillusioned, disappointed, and disgruntled. Self-service channels don't always get the job done, and poor channel integration leads to customer frustration. Vendors need to provide a software solution that enables companies to consistently provide extraordinary self-service and agent-assisted customer service experiences. See the August 29, 2008, "Why Talking to Your Customers Is Ruining Your Business" report.

[14] Just prior to the publication of this report, allegations surfaced regarding possible accounting fraud within Entellium. While it is too early to know the overall impact of such news, it could negatively affect Entellium's financial resources and future strategy. Firms considering Entellium should proceed with caution. Source: Camille Ricketts, "Entellium Execs Fudge The Numbers, Face Fraud Charges," *The New York Times*, October 9, 2008. (http://www.nytimes.com/external/venturebeat/2008/10/09/09venturebeat-entellium-execs-fudge-the-numbers-face-fraud-98899.html)

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