

It's All About the Salesperson: Taking Advantage of Web 2.0

*An Oracle White Paper
August 2008*

Oracle Social CRM

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“The enablement of Web 2.0 and social content is changing the first generation value proposition of CRM which was to report more, sell less. It's now about sell more, report less.”

—Anthony Lye, Senior Vice President of CRM, Oracle Corporation

INTRODUCTION

Executives and management have benefitted greatly from Customer Relationship Management (CRM) applications, gaining critical insight into managing their business and driving revenue, productivity, customer satisfaction, and profitability. But, information vital to delivering that insight needs to be entered by individual sales users, many of whom view CRM as simply a surveillance and reporting tool for management to track their activities rather than as a user productivity tool. Consequently, lower user adoption by salespeople results in incomplete data and analysis in such systems.

Similar to how Web 2.0 applications like Facebook and Twitter have changed how people communicate and interact within personal social networks, salespeople need comparable applications that facilitate collaboration within enterprise social networks and increase their sales effectiveness. They need applications that work the way they do and increase their efficacy in the critical activities that underlie their daily business routines. This paper examines the challenges salespeople face, the growing Web 2.0 trend in the enterprise, and the drivers for a new breed of social applications that complement traditional CRM systems to help sales users close more deals quickly.

CHALLENGES FACING SALESPEOPLE TODAY

Selling roles have changed. Buyers, with a wealth of information available on the Internet, are savvier than ever and expect more from their sales representatives. For many businesses, selling is more about relationship-building and less about transactional order activities.

While more enterprises are investing in CRM applications because they deliver results, these systems are only as good as the data that is entered. And, unfortunately, salespeople don't necessarily have the time or inclination to enter critical data. The reasons are significant:

- ***Selling has become harder.*** Companies are finding it more expensive to reach prospects, effectively pursue deals, and close business. Warm, well-qualified leads are difficult to unearth, and salespeople are spending more time chasing any lead they can get to make quota.

- ***Gaps exist between what applications deliver vs. what salespeople need.*** Very few, if any, tools exist to make an individual salesperson more effective in their daily lives. CRM takes a “top-down” approach to automate business processes, collect information, and analyze data. Rather than conforming to the way a sales representative works, the application makes the sales representative change his or her activities to match the way the application works.
- ***There is no effective way to leverage collaboration.*** Successful selling is based on business relationships, not only with customers, but with others within the company as well. Whether you have a new-hire or a seasoned top-selling field account manager, all salespeople need to leverage the experience and insight of others in order to succeed. And these interactions are not well captured and managed in any existing CRM solution.
- ***Most applications are not intuitive.*** When a tool is not intuitive, it is not likely to be used. Salespeople do not have time to read through manuals, attend training, or call a helpdesk. If it takes more than a few seconds to enter data, a salesperson will find little incentive to spend precious time tracking his or her activities. Lower adoption results in less information in an organization’s CRM repository, consequently giving management less insight into how the business is doing and what potential opportunities and problems to pursue and address.

As a result, the cost of sales for an organization is rising while sales effectiveness is decreasing. In a 2006 CSO Insight survey, deals longer than 3 months increased from 42% to 51% from the previous year, and salespeople spent approximately 20% of their time prospecting for qualified leads.¹

Traditional CRM is very good at managing transactional activities and providing management insight into what is happening in the business – for example, what regions are underperforming, at what sales stage deals are languishing, and what the health of the sales pipeline is. But these features require salespeople to enter data without reaping any direct reward.

What sales representatives do use is e-mail to gather and share information. While effective for one-on-one communications, e-mail does not leverage the collective intelligence or memory of a group to foster ongoing collaboration or innovation. Sales representatives today do not benefit from what other salespeople sold unless they know them personally.

Unlike workers in a transactional environment, such as a contact center where activities are high volume and easily automated, relationship-focused sales representatives need tools that help them work smarter, think differently, and make better decisions – in addition to the advantages organizations derive from a traditional CRM system.

¹ Barry Trailer and Jim Dickie, “Understanding What Your Sales Manager Is Up Against,” *Harvard Business Review*, July-August 2006

What salespeople need are:

- Tools that support the social nature of selling relationships
- Contextual information at their fingertips
- Focused, easy-to-use applications that serve a singular purpose

“Social networking is increasing the velocity of trusted information exchange and, in doing so, drives revenue acceleration, organizational efficiency, risk reduction, and constituent satisfaction.”

**—Rachel Happe, Research Manager,
Digital Business Economy, IDC**

THE BUSINESS OPPORTUNITY: ENTER SOCIAL CRM

As Web 2.0 has significantly changed the online behavior of consumers, a new evolution is similarly occurring in the enterprise. Users expect contextual information to be a click away, whenever and wherever they need it. Applications need to be easy to use, and they need to conform to the way users work. These new users depend on the experience of peers in many aspects of their daily lives – whether looking for advice, purchasing a product, maintaining a social network, or sharing information. The ease of information flow and collaboration enabled through such popular consumer technologies and applications – such as blogs, wikis, gadgets, Amazon.com, Yelp, Ning, Flickr, and Wikipedia to name just a few – dictate the need for the same benefits in the business world.

More than just new technology, Enterprise 2.0 is the business incarnation of Web 2.0, enabling the enterprise to become more “social” and connected via a new wave of applications that appeal to the individual sales user. These social applications break down organization and system barriers to help not only with collaboration but inspire new ideas. According to Forrester Research, 74 percent of CIOs cite improving efficiency as the key driver for adopting Web 2.0 technologies; sixty-four percent list keeping up with competitive pressures as second. Clearly, enterprises are seeing the potential value Enterprise 2.0 can bring to the bottom line through improved user productivity, enhanced user effectiveness, and decreased costs. Oracle refers to Enterprise 2.0 in a sales, service, or marketing context as “Social CRM,” enabling individual sales users to easily interact with customer information and uncover business insight that was not readily available before.

Social CRM can offer the following benefits:

- ***Business Collaboration At Its Best***

Employees are the most important assets companies have, and the collective wisdom these people bring to bear can be a key competitive differentiator. In order to fulfill the business need to do more with less, salespeople need to work smarter, not harder, by leveraging others to continuously improve results. Typically, collaboration is done via e-mail, either one-to-one or across distribution lists, or over the telephone via conference calls. While e-mails can be shared and saved, the benefits of any interaction are primarily limited to the list of recipients for that given moment in time. Any opportunity to retain, leverage, and build upon what was learned is lost.

By leveraging the collective intelligence of the community, enterprises can foster previously untapped opportunities for collaboration and innovation. With this

“network effect,” business users are empowered to develop content that meet the changing needs of the business and share these with the community. Social networks, ratings, reviews, and tags change the way communication flows across the organization. Valuable information is shared by users of the community, not controlled by a centralized management authority.

New insight can be easily communicated with others, to be tagged, rated, and improved upon. For example, if a sales rep finds a better way to position a key product against a competitor, that advantage can be shared and multiplied across the organization. Linked by a common goal to connect, interact, and share, social applications get better the more people use them. And, they break down organizational, physical, and regional boundaries to encourage inter- and intra-company collaboration that is often missing with today’s remote and global workforce.

With better collaboration, organizations can retain and build upon intellectual content, empowering ordinary salespeople with insight from the very best in their business network and, in doing so, enhance the collective intelligence and productivity of the overall community.

- ***Focused, intuitive, and easy to use applications***

Just as consumers have single-focused tools targeted at specific activities, salespeople need stand-alone applications that help them identify the best prospects, conduct sales campaigns, and deliver the most compelling sales presentations. To be useful, these applications require virtually no data entry and must be equipped and ready to deliver benefits instantaneously, without the need for training or a user manual. Instead of requiring users to enter data, social enterprise applications model sales activities and capture data as sales users go about their daily tasks, rather than requiring users to enter data afterwards.

These applications should integrate with any CRM or ERP system and are version agnostic, leveraging an organization’s applications investments and minimizing impact on IT departments.

- ***Contextual data a fingertip away***

Sales representatives can now have data they need when and where they need it. Mashups allow business users to assemble innovative, composite applications from many available sources – spanning Internet and enterprise content – to pull information from RSS feeds, blogs, widgets, or other services and embed them into an application or portal. For example, a mashup of data mined from an internal customer repository system combined with information gleaned from external business systems can provide sales representatives looking for upsell opportunities with insight into what products were typically purchased by similar customers. By providing contextual information within a single

application, sales representatives increase productivity and improve the way they work.

"Enterprise 2.0 is accelerating a fundamental shift in how people work individually and collaboratively within organizations and across enterprises."

—Rahul Patel, Vice President of Server Technologies, Oracle Corporation

BRIDGING THE GAP TO EMPOWER THE SALES INDIVIDUAL

Recognizing the need for a new class of applications that complement the benefits of a traditional CRM system, Oracle's next generation sales-focused productivity tools – Oracle Social CRM Applications –mirror the social activities for each stage of the sales cycle – from generating leads to the final steps needed to close a deal.

- ***Find better qualified leads, quickly and easily.*** By analyzing purchasing patterns of existing customers and mining information across the enterprise and public domain, Oracle Sales Prospector identifies what products and services to sell for white-space and greenfield opportunities.
- ***Convert leads to opportunities with more effective campaigns.*** Oracle Sales Campaigns empowers individual sales representatives to create and manage their own professional e-mail marketing campaigns, as well as leverage successful campaign templates of peers that have been shared and rated by the broader community – without compromising contact or lead information.
- ***Find the right message to win the deal.*** By harnessing the collective intelligence of the community, Oracle Sales Library gives sales representatives a competitive edge by leveraging sales materials that have been highly rated by others to quickly close business.

Oracle Social CRM Applications enhance the value CRM brings to both management as well as end users. Delivered as a service, these standalone applications connect seamlessly with CRM and ERP systems to leverage previous investments in business intelligence and data mining. Quick to deploy with no IT involvement required, Oracle Social CRM Applications integrates social networking with a company's application backbone to empower sales users with the information and collaboration they need to close a deal. And, built on standards-based Oracle Fusion Middleware, Oracle Social CRM Applications integrate easily with other business applications and provide the security and scalability enterprise organizations require.

“Web 2.0 capabilities within the enterprise...have the potential to change corporate behavior to a greater extent than any application has hither-to been able to enact within the organization and between the organization and the customer.”

**—Mary Wardley, “Social Conventions Infiltrating Enterprise Applications: Oracle CRM On Demand 15,” March 17, 2008, IDC
Link**

CONCLUSION

Many businesses wonder how they can tap into the social software trend to connect people and information via networks of expertise within their organizations without incurring the risks commonly associated with early adopters. Although these nascent tools are quick to deploy with no IT involvement, it is critical that any enterprise Web 2.0 rollout align business needs with the organization’s IT strategy for scalability, security, and integration.

Approximately three-quarters of CIOs surveyed by Forrester Research indicated a desire for Web 2.0 applications to be provided by a single vendor, preferably from a “major incumbent vendor” for business stability and ease of integration.² With over 30 years of experience and numerous accolades in the database, middleware, and applications business, Oracle provides the expertise, integration, security, reliability, and accelerated innovation enterprise organizations expect in a business partner.

For more information, please visit www.oracle.com/socialcrm or contact your local Oracle Sales Representative.

² “CIOs Want Integrated Web 2.0 Tools,” CIO Insight, May 5, 2007



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Oracle Corporation
World Headquarters
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Worldwide Inquiries:
Phone: +1.650.506.7000
Fax: +1.650.506.7200
oracle.com

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