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e-businesssuite

Introduction to Oracle's CRM

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E-Business Solutions

Agenda

- CRM Definitions & Terms

- CRM Market Today

- Oracle E-Business Suite

- Oracle CRM Product Families

- Trading Community Architecture

- Business Flows

- Benefits

Definition

- ## CRM is
  - A *business strategy* to select and manage the most valuable customer relationships

- ## CRM requires
  - A customer-centric business *philosophy and culture* to support effective marketing, sales and service

- ## CRM applications
  - *Can enable* effective customer relationship management, provided that an enterprise has the right leadership, strategy and culture
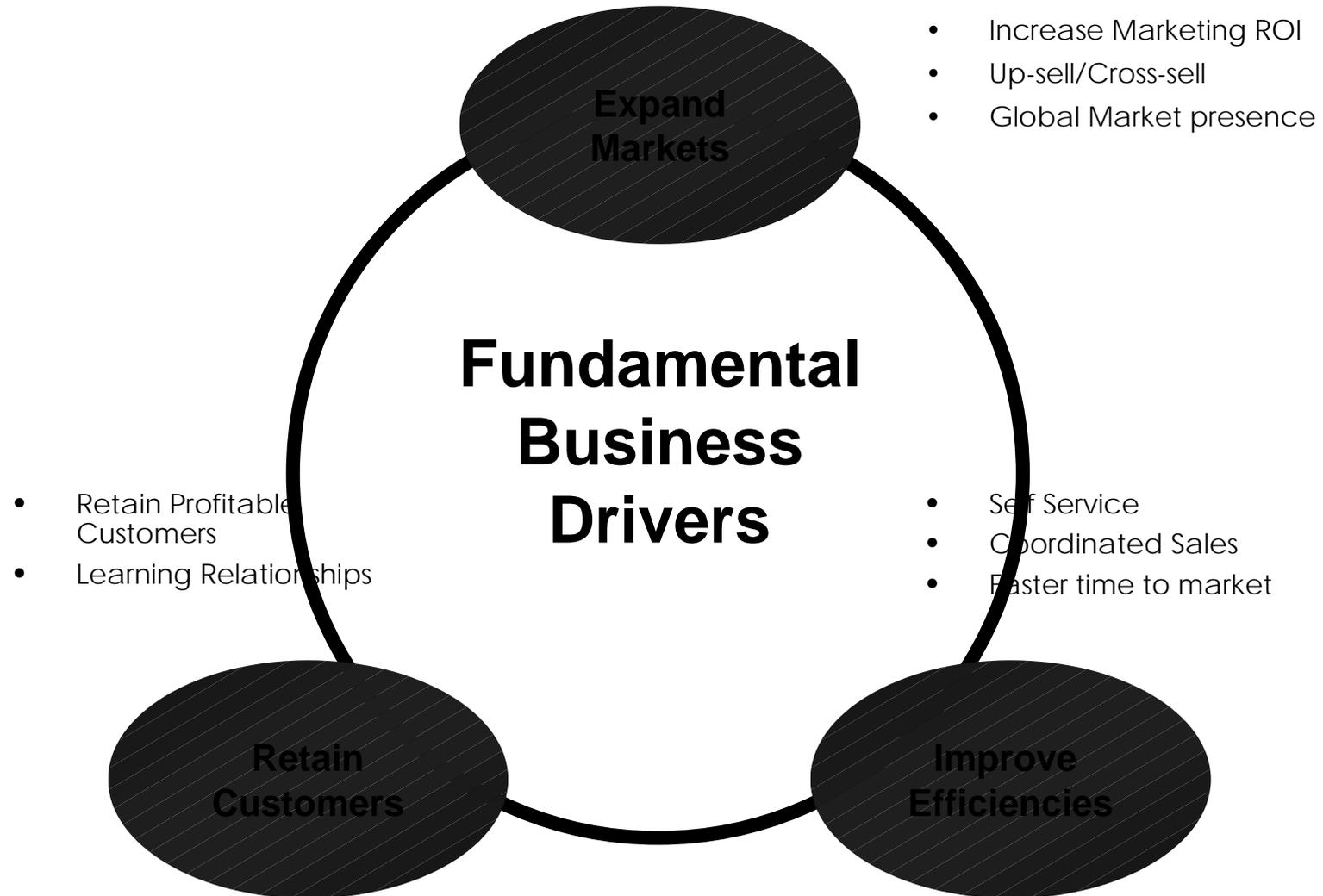
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CRM technology echosystem

- ## Operational (Process Automation)
  - Transactional Technologies/Applications used by an organization to interact with its customers

- ## Analytical (Intelligence)
  - Analytical technologies to get the full (360 degrees) view of the organization

- ## Collaborative (Customer Interaction)
  - Optimize interaction with internal/external customers

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Source : META Group Inc.

CRM Key Points

- ## Customer

  - Simple: Single Customer Model vs. Multiple Customer Models

- ## Relationships

  - Complete: 360-degree view, Front and Back Office

- ## Management

 - Global: Multi-Channel Interaction Capabilities

Why CRM

Fundamental Business Drivers

Expand Markets
- Increase Marketing ROI
- Up-sell/Cross-sell
- Global Market presence

Retain Customers
- Retain Profitable Customers
- Learning Relationships

Improve Efficiencies
- Self Service
- Coordinated Sales
- Faster time to market

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CRM Market Today

IT spending plans – Priorities for 2002

	Responses	Rank
Application Integration	126	1
Connecting to customers over the Internet	97	2T
Windows 2000 upgrade - Server	97	2T
Security software	96	4
Building out network capacity	74	5T
Windows 2000/XP upgrade - desktop	74	5T
Connecting to suppliers over the Internet	66	7
New custom development	59	8
Business Intelligence Tools	58	9
ERP software	56	10
Wireless initiatives	54	11
MS Office upgrade	52	12
CRM software	51	13
Storage software	47	14
SCM software	37	15
New line of business applications	29	16
Mainframe software	23	17
Procurement software	22	18
Consulting	10	19

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Source : Morgan Stanley CIO Survey, Feb 2002

CRM Market Today

- CRM Services Market Revenue (billion $)
  - 2000   19.9
  - 2001   22
  - 2002   25.3
  - .
  - 2006   47

- "In the coming year, the focus of CRM initiatives is expected to turn from operational and tactical CRM initiatives to CRM _analytics and business intelligence_, with Web-based customer support stabilizing, though still quite important"

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Source : Dataquest Inc.

CRM Market Penetration
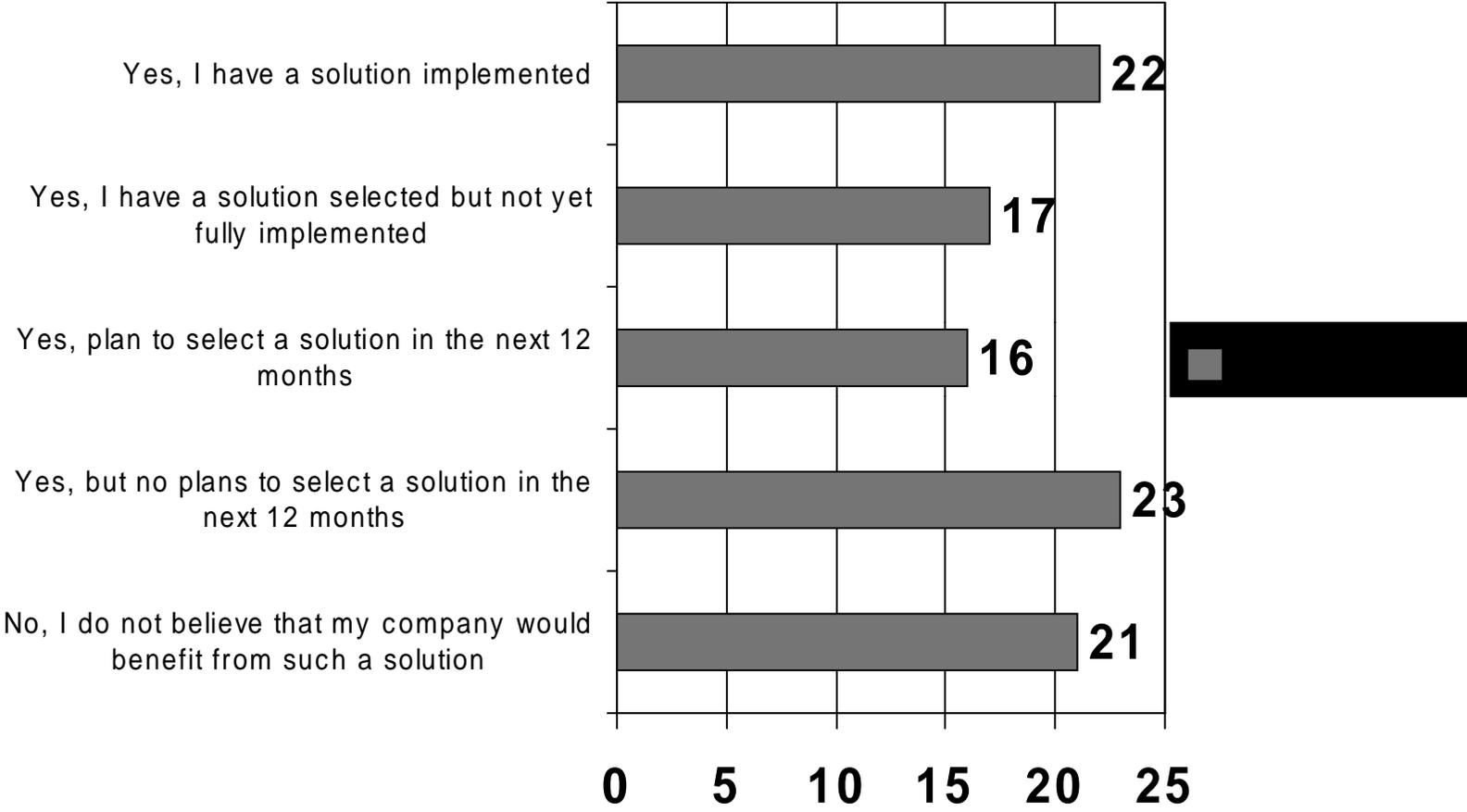
Source : InformationWeek Survey, Jan 2002

CRM Market Today

- Major Players
  - Siebel
  - Oracle
  - SAP
  - Peoplesoft
  - Onyx
  - Pivotal
  - Interact Commerce
  - E.piphany
  - Amdocs (ex Clarify)

Oracle E-Business Suite

CRM Market Issues

"The _astronomical cost of data and business process integration_ across multi-vendor products represents as much as 10% to 30% of the IT Budget. Buying an ERP, a CRM, and an SCM product and sorting out which system updates customer data is often a multimillion-dollar project that leaves the CIO feeling cheated."

- Incomplete Customer Information

- Incomplete Business Flows

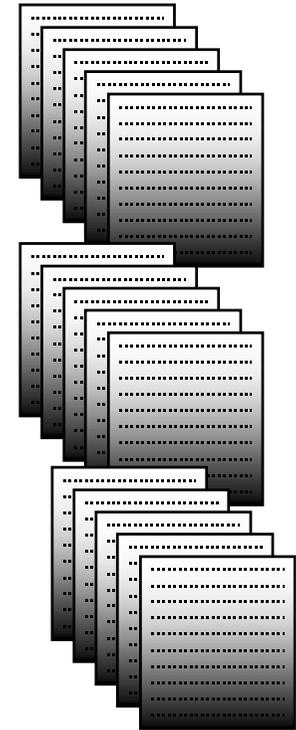- Integration Issues

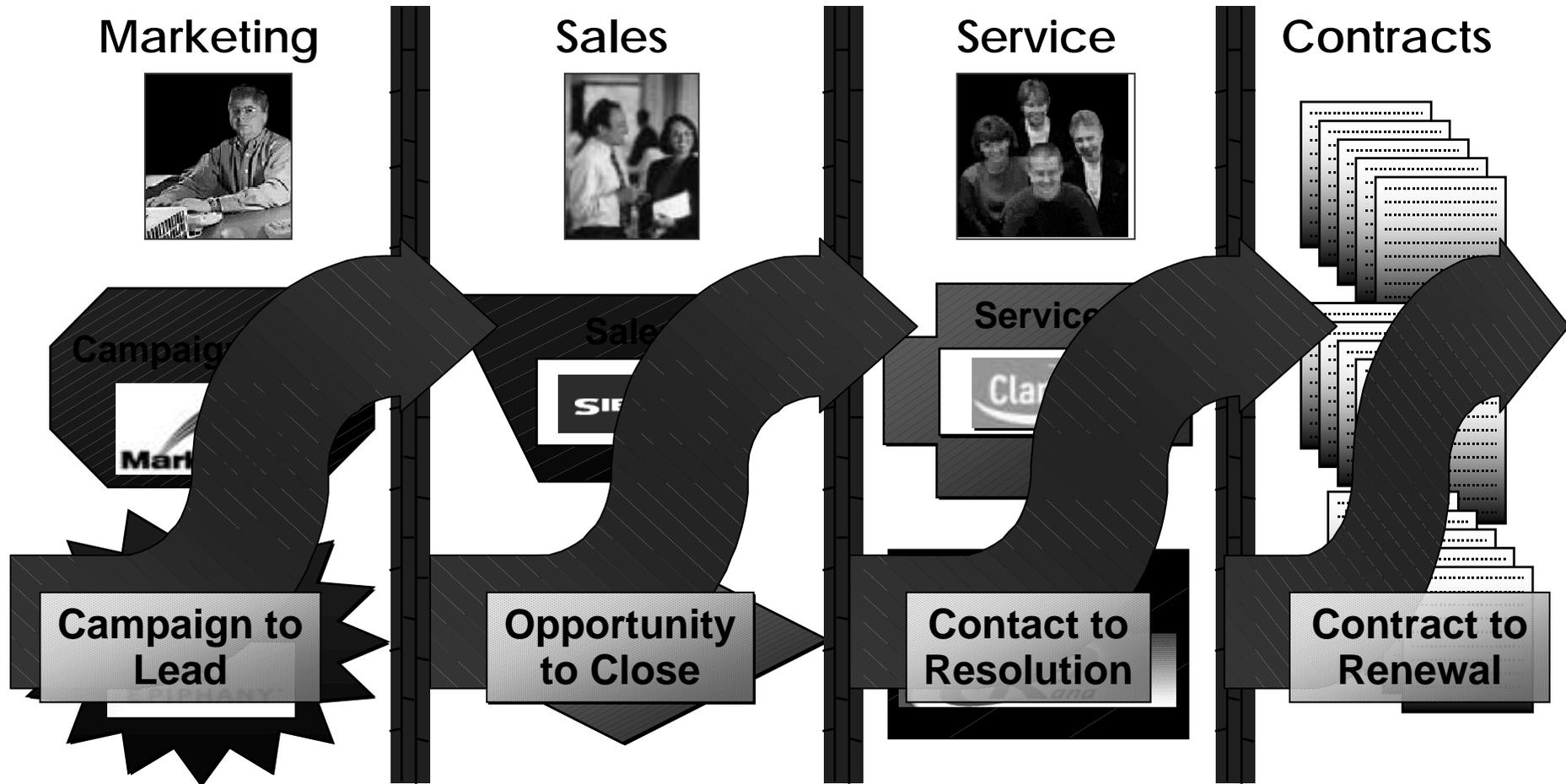- Financial Return must be Recognized

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Corporations Today

Marketing

Campaign Mgmt
MarketFirst™

Marketing Analytics
E. EPIPHANY™

Sales

Sales
SIEBEL

Web Store
BROADVISION®

Service

Service
Clarify

E-Mail Mgmt
Kana
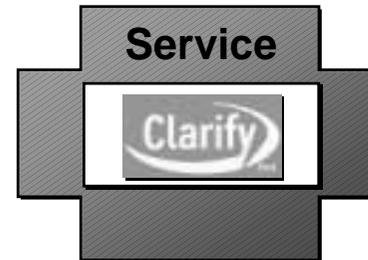
Contracts

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The Real Issue: No Data Or Flow Integration

Marketing	Sales	Service	Contracts

Campaign to Lead

Opportunity to Close

Contact to Resolution

Contract to Renewal

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Information is Everywhere

Information silos abound.

Sales force information

Customer service

Market information

Policy Admin

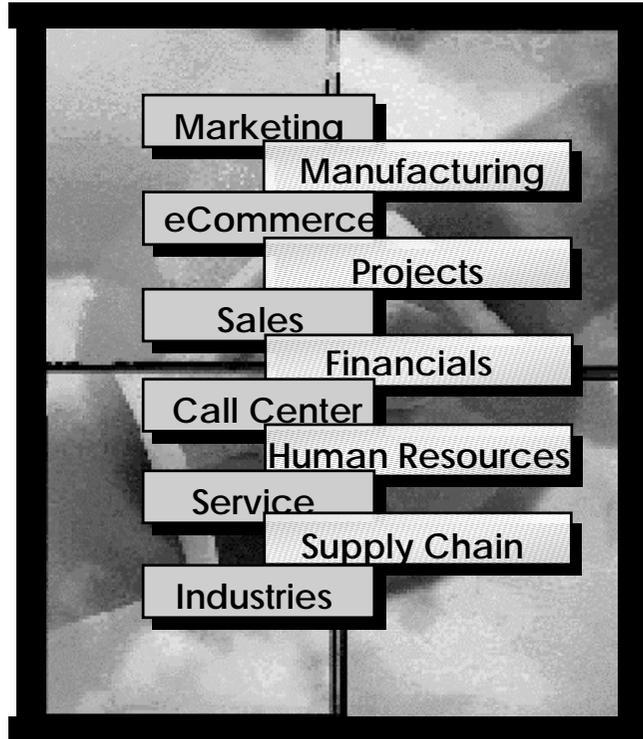Claims

Marketing database
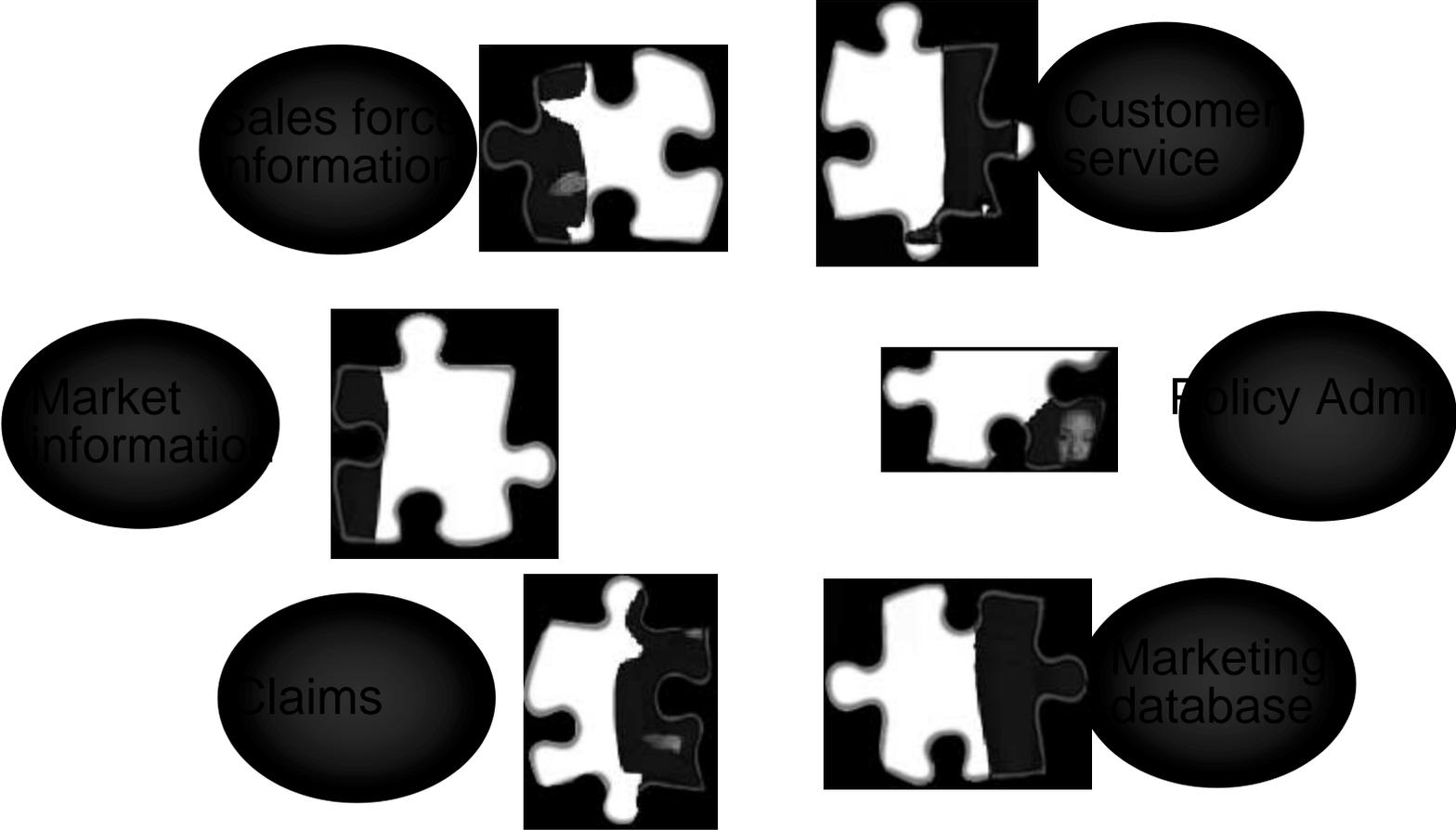
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Oracle Unified Information Architecture

- A single, complete data model

- Data modeled one way - just 1 customer definition

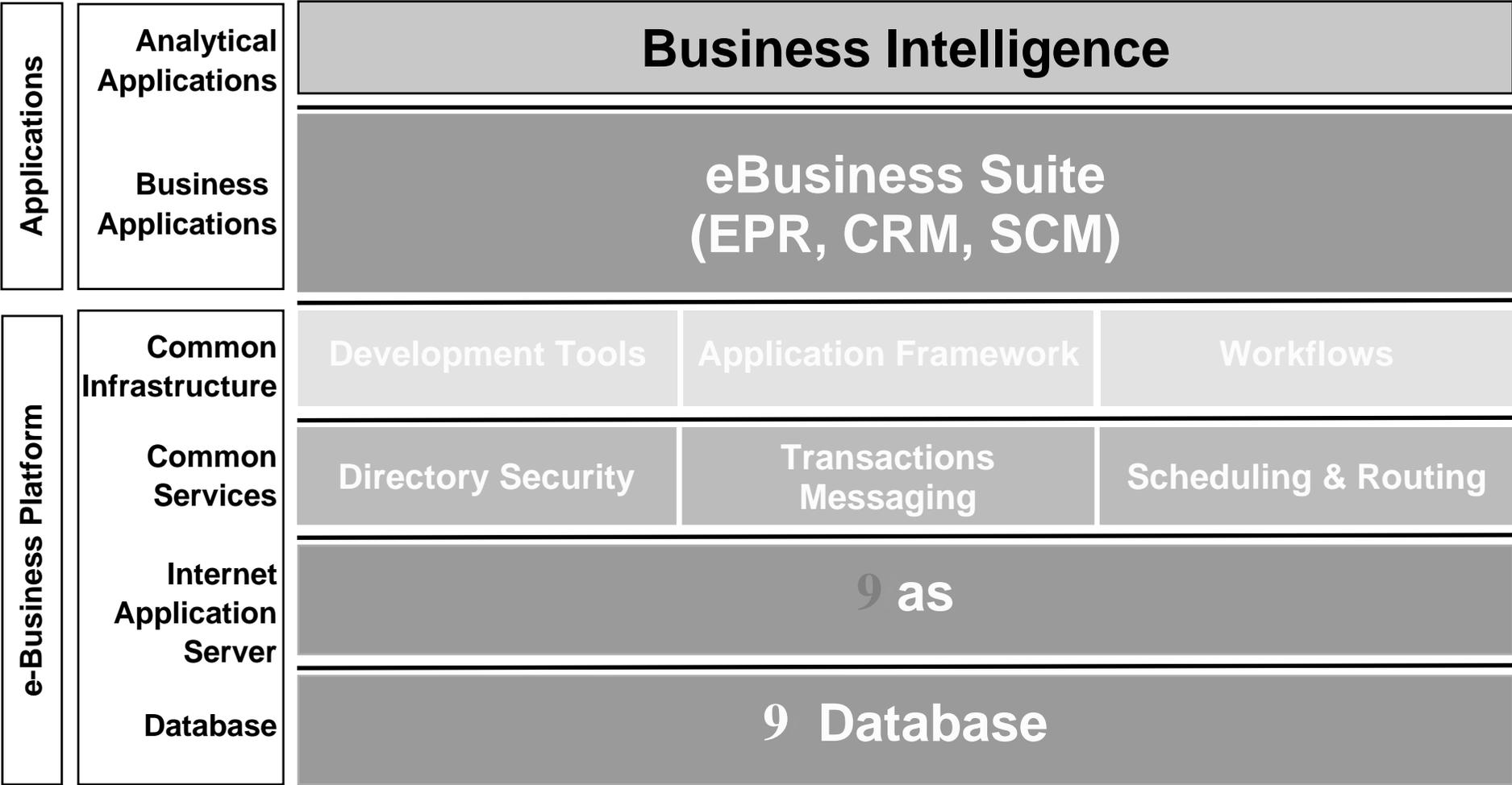- Data stored in 1 place - single instance is possible

Supply Chain
Marketing
Sales
Procurement
Customers, Products, & Everything Else!
Service
HR
Financials
Order Management
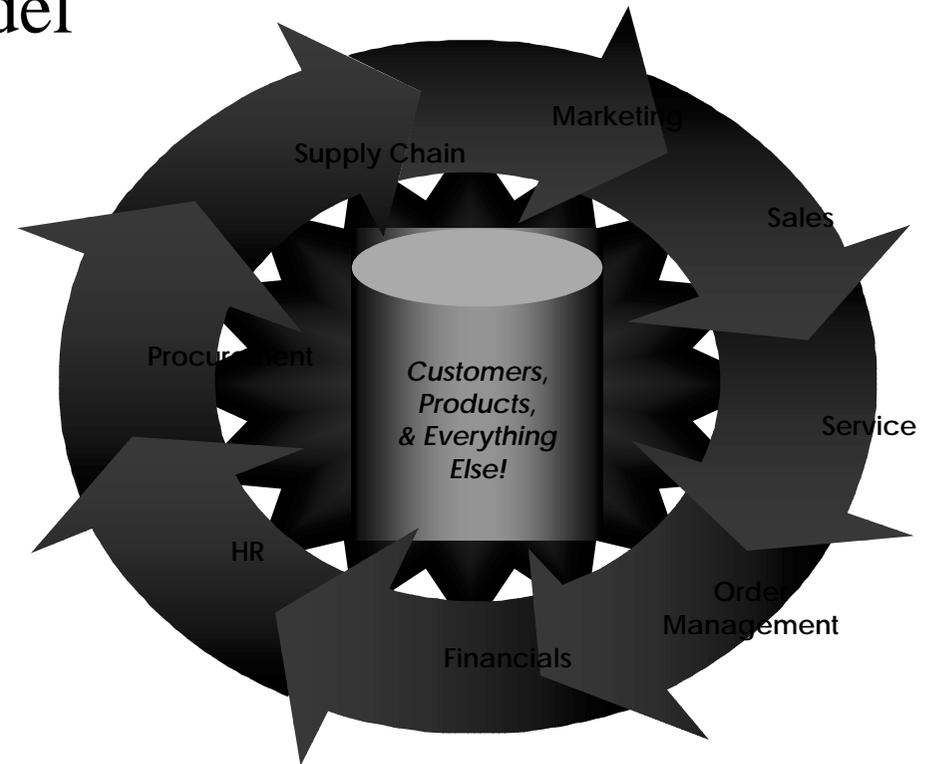
Simple and effective
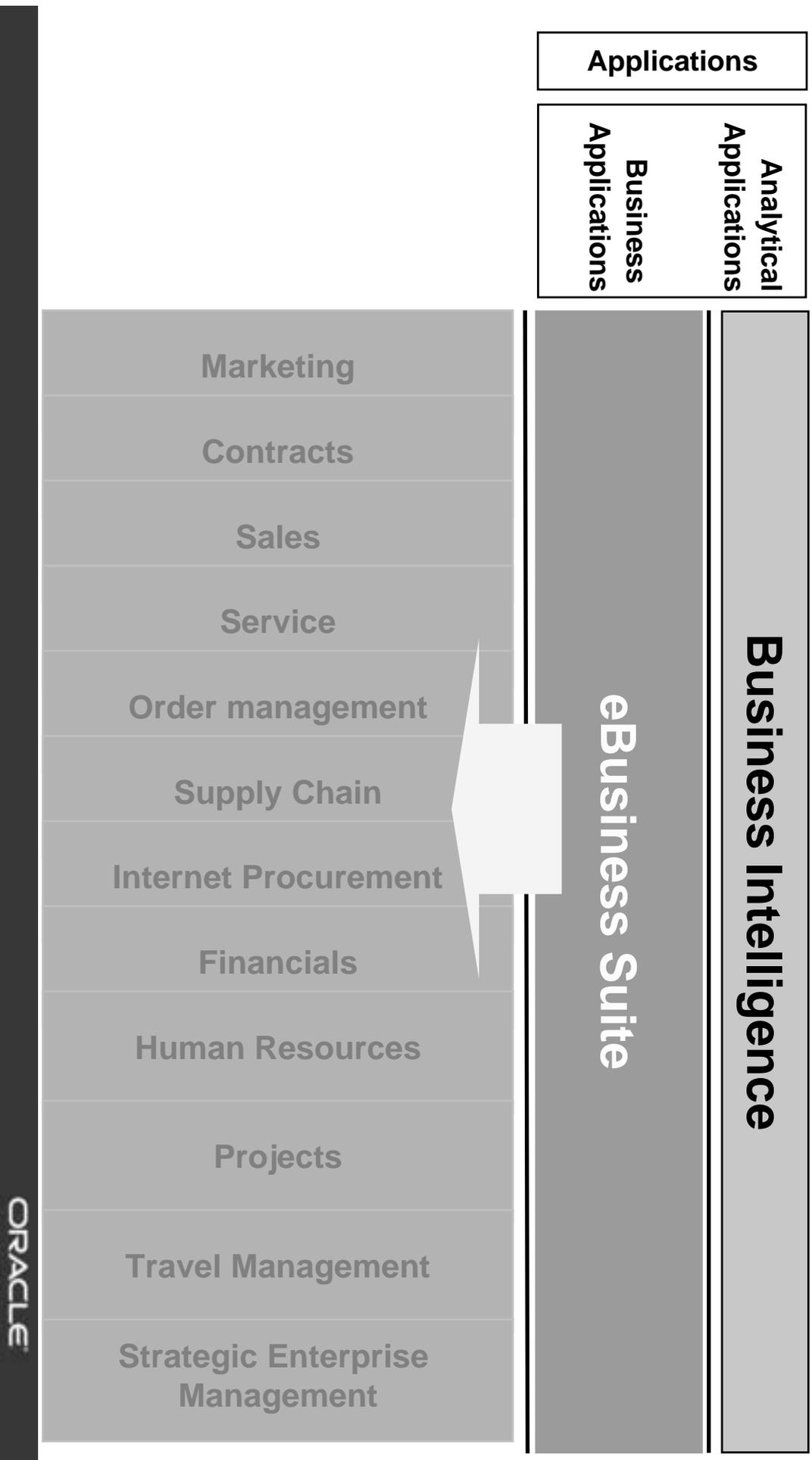
Oracle E-Business Suite

- Simple and complete

- Architected

- Implement @Internet Speed

Oracle e-Business Platform
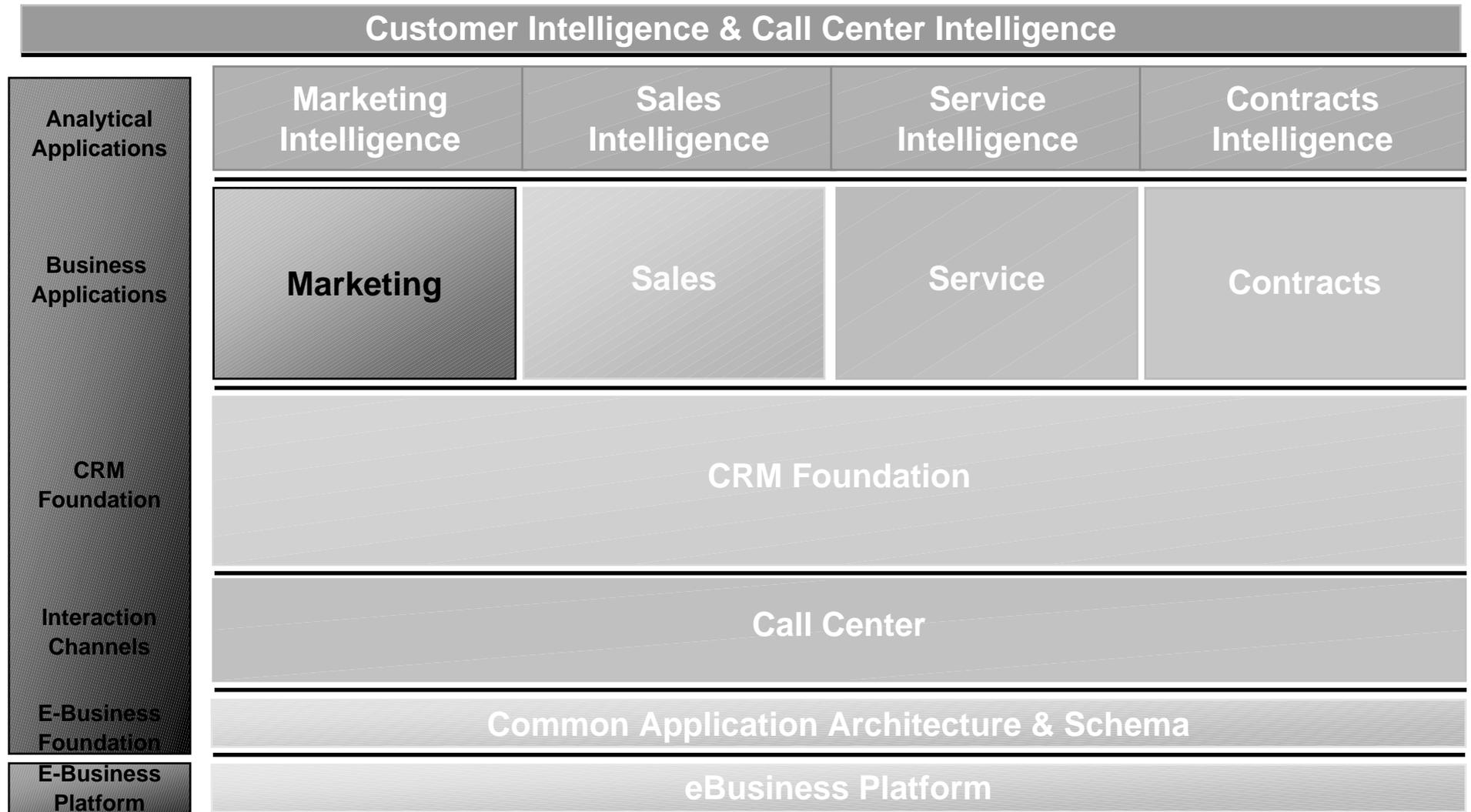
Oracle e-Business Platform

Applications

Business Applications	Analytical Applications
eBusiness Suite	Business Intelligence

- Marketing
- Contracts
- Sales
- Service
- Order management
- Supply Chain
- Internet Procurement
- Financials
- Human Resources
- Projects
- Travel Management
- Strategic Enterprise Management

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Oracle CRM e-Business Suite Families

	Customer Intelligence & Call Center Intelligence			
Analytical Applications	Marketing Intelligence	Sales Intelligence	Service Intelligence	Contracts Intelligence
Business Applications	Marketing	Sales	Service	Contracts
CRM Foundation	CRM Foundation			
Interaction Channels	Call Center			
E-Business Foundation	Common Application Architecture & Schema			
E-Business Platform	eBusiness Platform			

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Oracle CRM e-Business Suite

Analytics	Daly Business Intelligence			
	Interaction Center Intelligence			
	Marketing Intelligence	Sales Intelligence	Contracts Intelligence	Service Intelligence

CRM eCommerce

Marketing Online	Partners Online	iStore	Sales Online	TeleSales	Sales Contracts	Service Contracts	iSupport	Field Service	Depot Repair	Advanced Scheduler
										Quality Online
Advanced Marketing Online / Trade Mgt		iPay	Mobile Sales	Incentive Comp	Project Contracts	Rights Contracts	TeleService	Mobile Service	Spares Mgt	Collections

Shared Components

Customers Online			
Universal Work Queue	Resources	Territories	Assignment Engine
Tasks	Notes	Calendar	1-on-1 Fulfillment
Knowledge Base	Interaction History	Atachments	Escalation Management

Interaction Channels

Telephony	eMail	Web	Web Collaboration	Chat	Wireless	Mobile Laptop	Mobile PDA

eBusiness Foundation

Customer Model TCA	Product Master	Installed Base	Pricing Configurator

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Marketing

- Increase Marketing ROI Through "True" Closed-Loop Marketing

- Expand Marketing Reach through Multi-Channel Execution

- Effectively Target Customers through 1 to 1 Marketing.

Marketing Online   Customers Online
Adv. Marketing Online   Trade Management
Marketing Intelligence   Customers Intelligence

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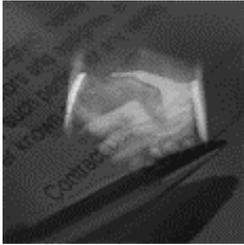
Sales Family

- Grow Revenue with Real-Time Customer and Sales information

- Improve Productivity and Effectiveness with the Right Sales Tools

- Increase Sales Reach and Boost Profitability by Synchronizing Your Sales Distribution Channels
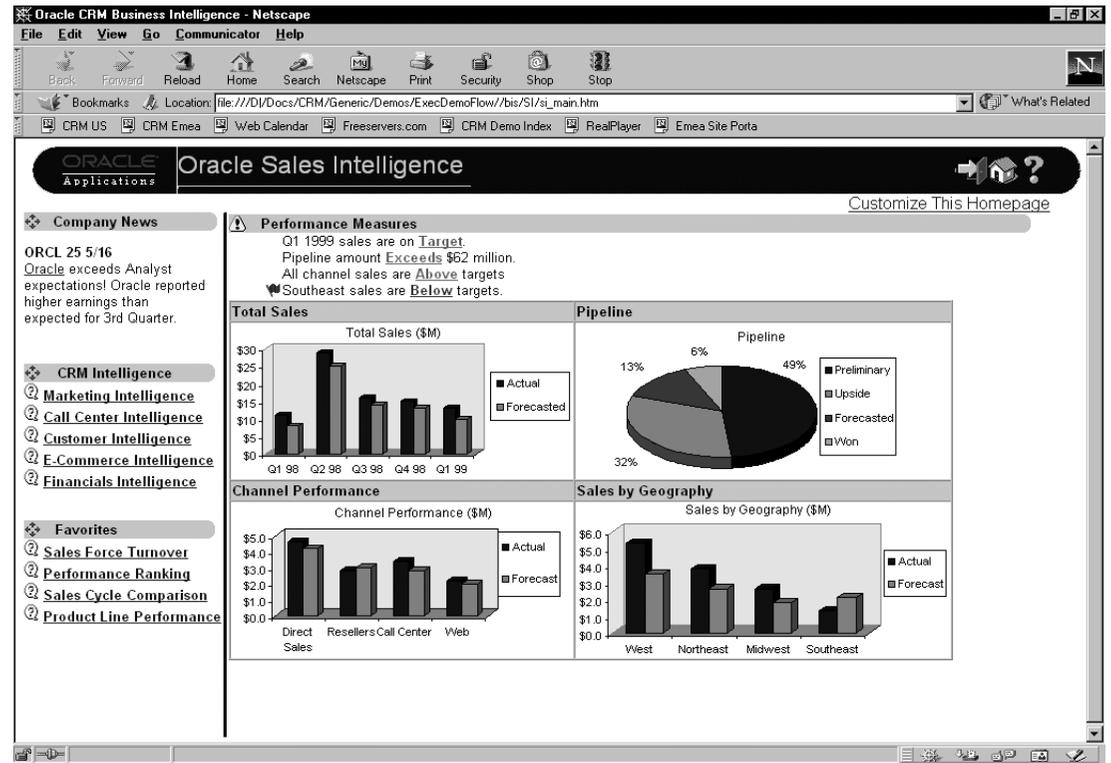
Customers Online	Sales Online
Partners Online	TeleSales
Configurator	Quoting
Incentive Compensation	Collections
Sales Intelligence	Mobile Field Sales

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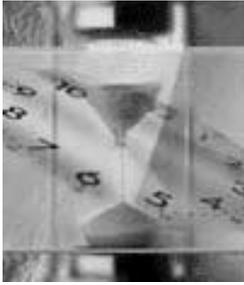
Service Family

- Support all service business processes

- Address diverse customer needs using multiple channels

- Increase customer satisfaction

- Identify and retain profitable customers

- Reduce service costs

- Leverage complete customer information to create upsell and cross-sell opportunities

Service Online	Adv. Service Onliine
TeleService	Quality Online
Mobile Fld Service	Wireless for Service
Advanced Scheduler	Service Contracts
Provisioning (SFM)	Spares Management
Service Intelligence	iSupport

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Interaction Center *Multi-Channel Operations*

- Enable execution of telephone-based sales, service and marketing activities

- Track and measure agent performance

- Bring Customer Intelligence to the Call Center Agent

- More Productive Call Center Agents

- ANI,DNIS and IVR Data Based Screen pops

- Call Routing, Scripting
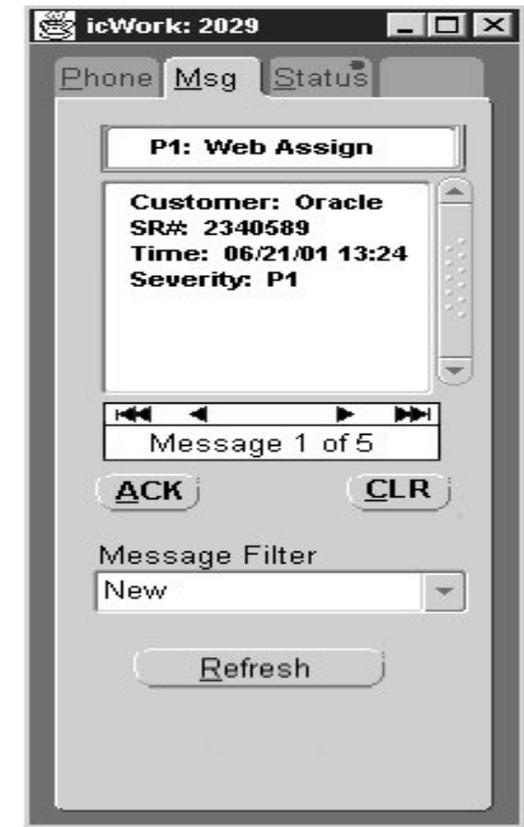
Advanced Inbound	Advanced Outbound
E-Mail Center	IC Intelligence
iMeeting	Scripting / Survey

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Contracts *Manage Contractual Agreements*

- Automate the entire contract lifecycle

- Improve Efficiency

- Reduce legal & financial risks

- Increase ROI

- Create better and smarter relations

- Communication, Coordination, Compliance, Control

Contracts Core	Lease Management
Contracts for Sales	Contracts for Projects
Contracts for Service	Contracts for Rights
Contracts Intelligence	

E-Commerce

- Sell & Service B2B and B2C globally

- Integrate Web with traditional channels

- Reduce complexities and costs

Customers Online	Marketing Online
Configurator	Quoting
iStore	iSupport
iPayment	iMeeting

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Complete E-Commerce Offering
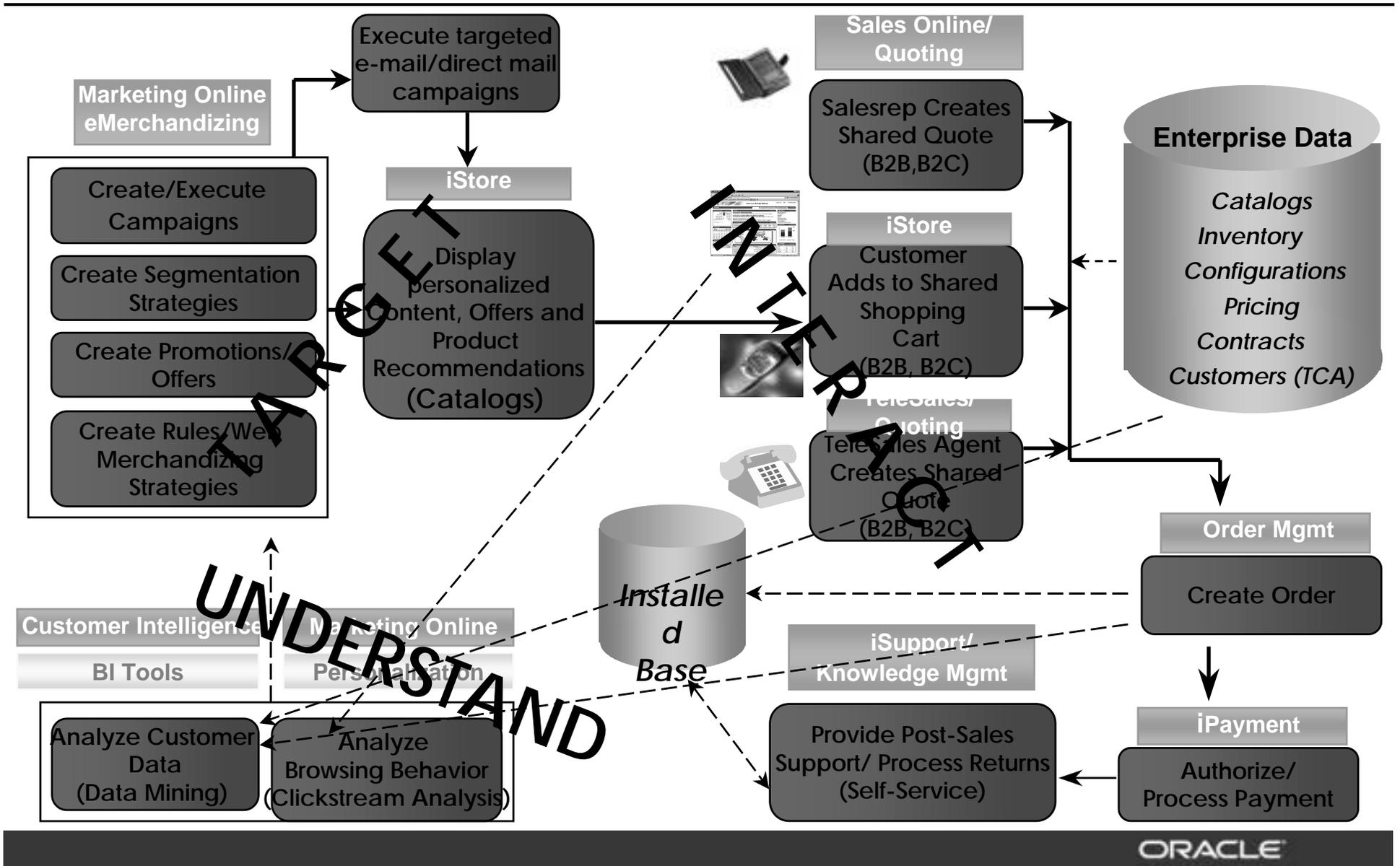
CRM Business Intelligence

- ## Customer Information
  - Revenue
  - Gross Margin
  - Loyalty
  - Satisfaction
  - Acquisition
  - Activation
  - Retention
  - Lifecycle
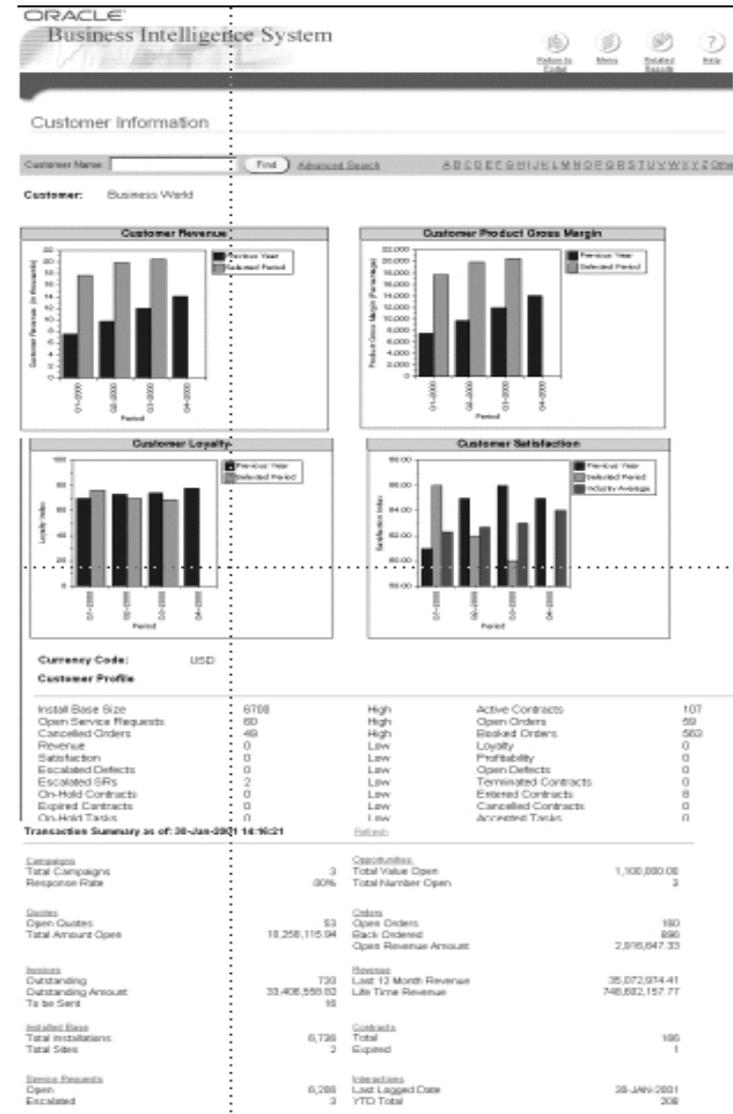
CRM Business Intelligence

- ## Sales Intelligence

  - Sales-Force Performance

  - Sales Effectiveness

  - Revenue Management

  - Customers

  - Pipeline

  - Products

  - Sales Channels
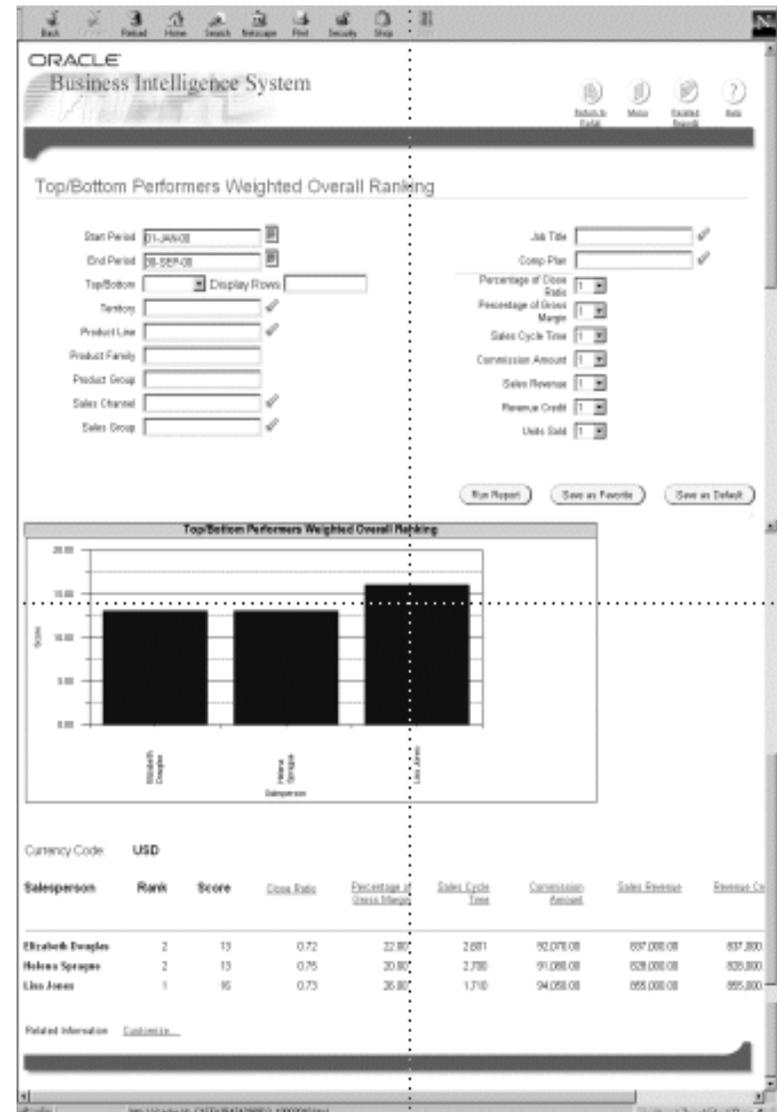
CRM Business Intelligence

- **Interaction Center Intelligence**
  - Abandon Rate
  - Call Activity
  - Transaction Times
  - Transfer Rate
  - Occupancy
  - Utilization
  - Calls Answered
  - Speed to Answer
  - Inbound Summary
  - Productive vs. Non-Productive Time
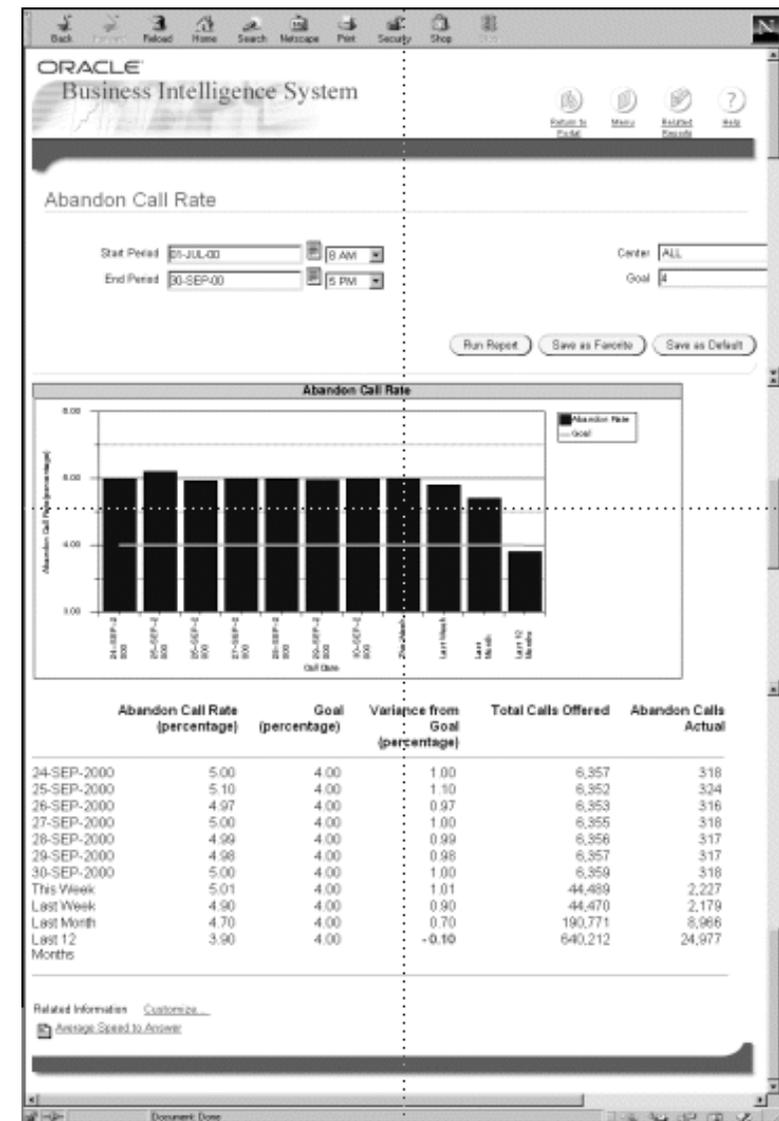
CRM Business Intelligence

- Marketing Intelligence
  - Campaign Analysis
  - Sales Channel Analysis
    - Sales Channel Performance
    - Product Gross Margin by Sales Channel
    - Sales Cycle by Sales Channel
  - Lead Analysis
    - Lead Aging
    - Lead Conversion
  - Product Analysis
    - Product Gross Margin
  - Customer Analysis
    - Market Segment

VELOCITY ELECTRONICS, INC
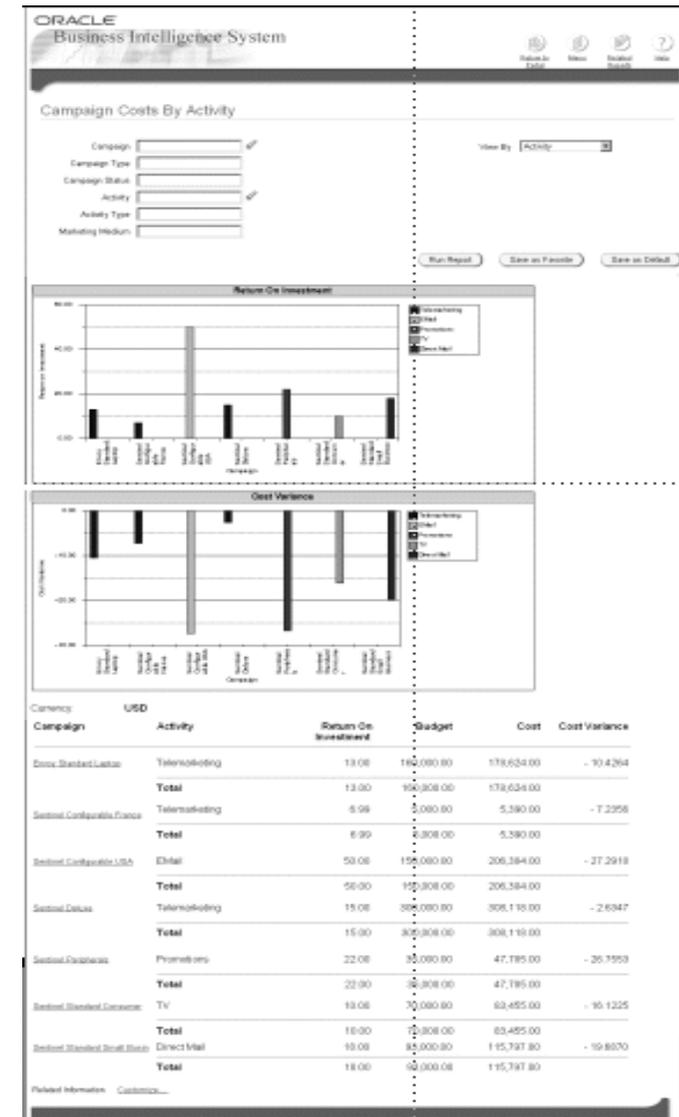
Customize   Navigate   Account Info   Help

My Pages
Customize

E-Business Transformation Scorecard
Order to Cash
Problem to Resolution
Contract to Renewal
HR Management
Cost Center Management
Revenue Management

Key Performance Indicators
Customize

Name	Value	Change
✓ Current Headcount	1,890	4% ▼
✗ Expenses/Employee	2.7	1% ▼
✓ QTD Product Revenue	81%	- ▲
✓ QTD Services Revenue	78%	- ▲
✓ QTD Expenses/Budget	70%	- ▲
✓ Qtr Forecast	40,000	- ▲
✓ QTD Expenses (000's)	32,340	2% ▲
		12-Jan
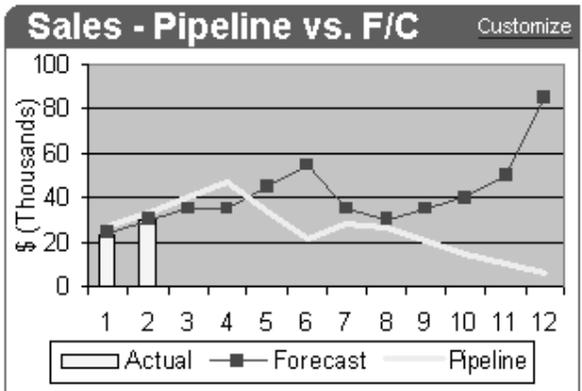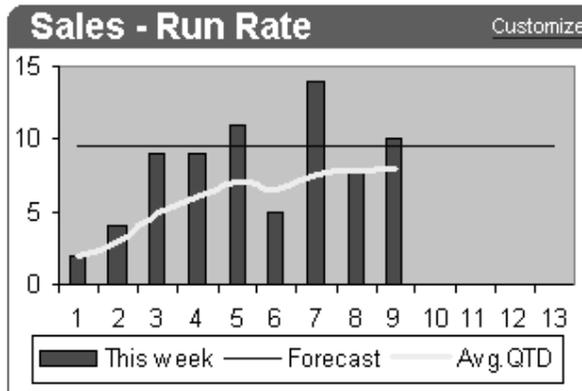
Key Financial Ratios
Customize

Name	Value	Change
✓ Margin PAT/Sales	32,340	2% ▲
✓ Leverage Assets/Equity	40,000	- ▲
✓ Asset Turnover	81%	- ▲
✓ Forecast Growth	78%	- ▲
✓ QTD Expenses/Budget	70%	- ▼
✗ Expenses/Employee	2.7	1% ▼

Today's P&L
Customize

	QTD Actual	QTD Budget Variance	QTD Expectations Variance
Revenue	21,337	2,134	4,267
Margin	8,108	243	(162)
Margin Percent	38%	3%	(2%)
Expenses	9,175	275	642
Operating Income & Expense	841	84	84
Other Income	530	5	(343)
Net Income	311	79	427

Sales - Run Rate
Customize

This week ▬   Forecast ──   Avg.QTD ──

Sales - Pipeline vs. F/C
Customize

Actual ☐   Forecast ■   Pipeline ──

Days Sales Outstanding
Customize

Prior Year, Budget, Current Year

Cash Flow Projections
Customize

Prior Year, Budget, Current Year

Done, but with errors on page.   Internet

Trading Community Architecture

The Problem with Today's Customer View

Real World Customers

Retail Bank Database

Mortgage Database

Credit Card Database

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View with CRM

Real World Customers

Retail Bank Database

Mortgage Database

Credit Card Database

Single Customer 360 Degree View

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More than 'Customer' – A Trading Community
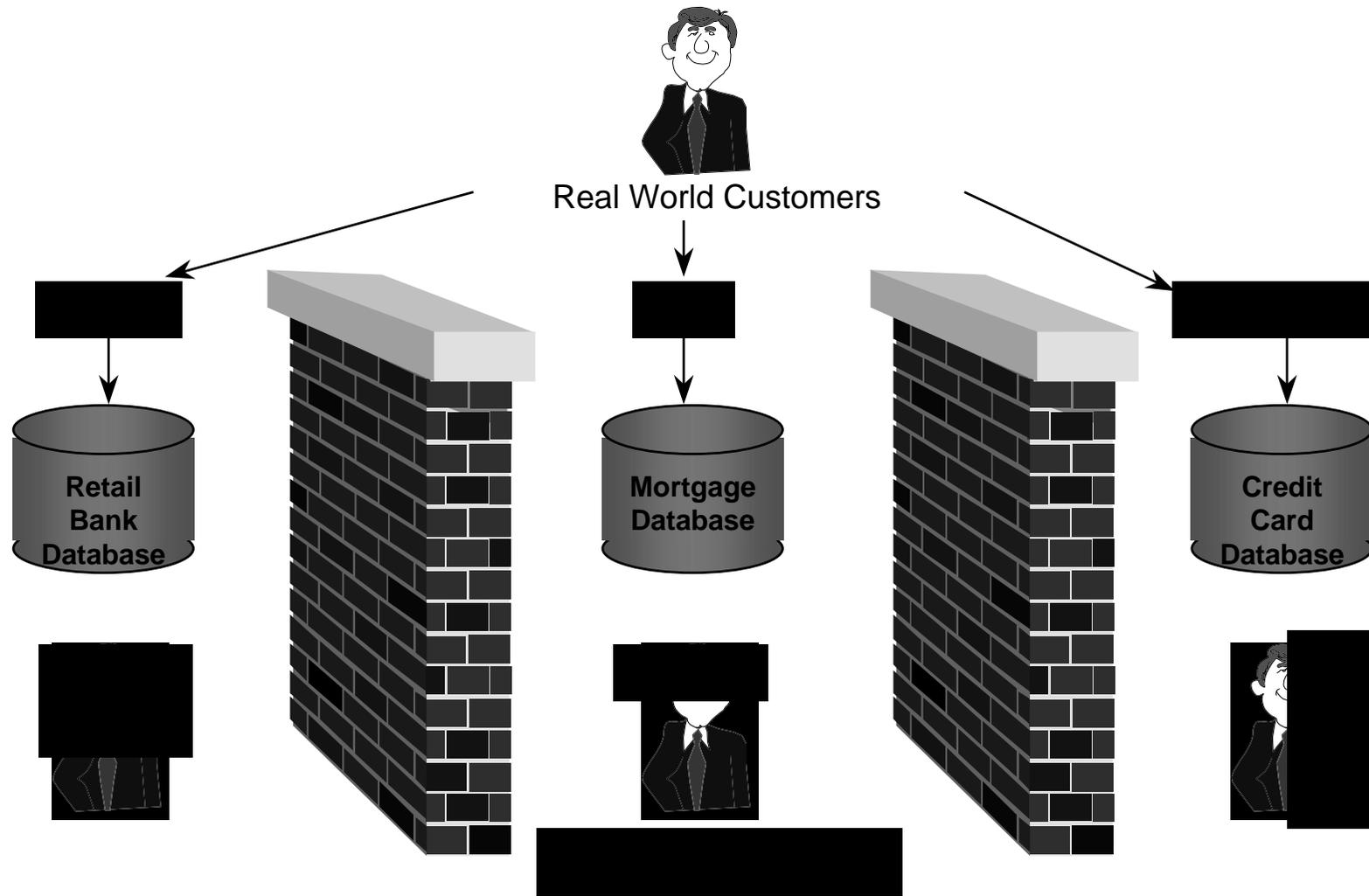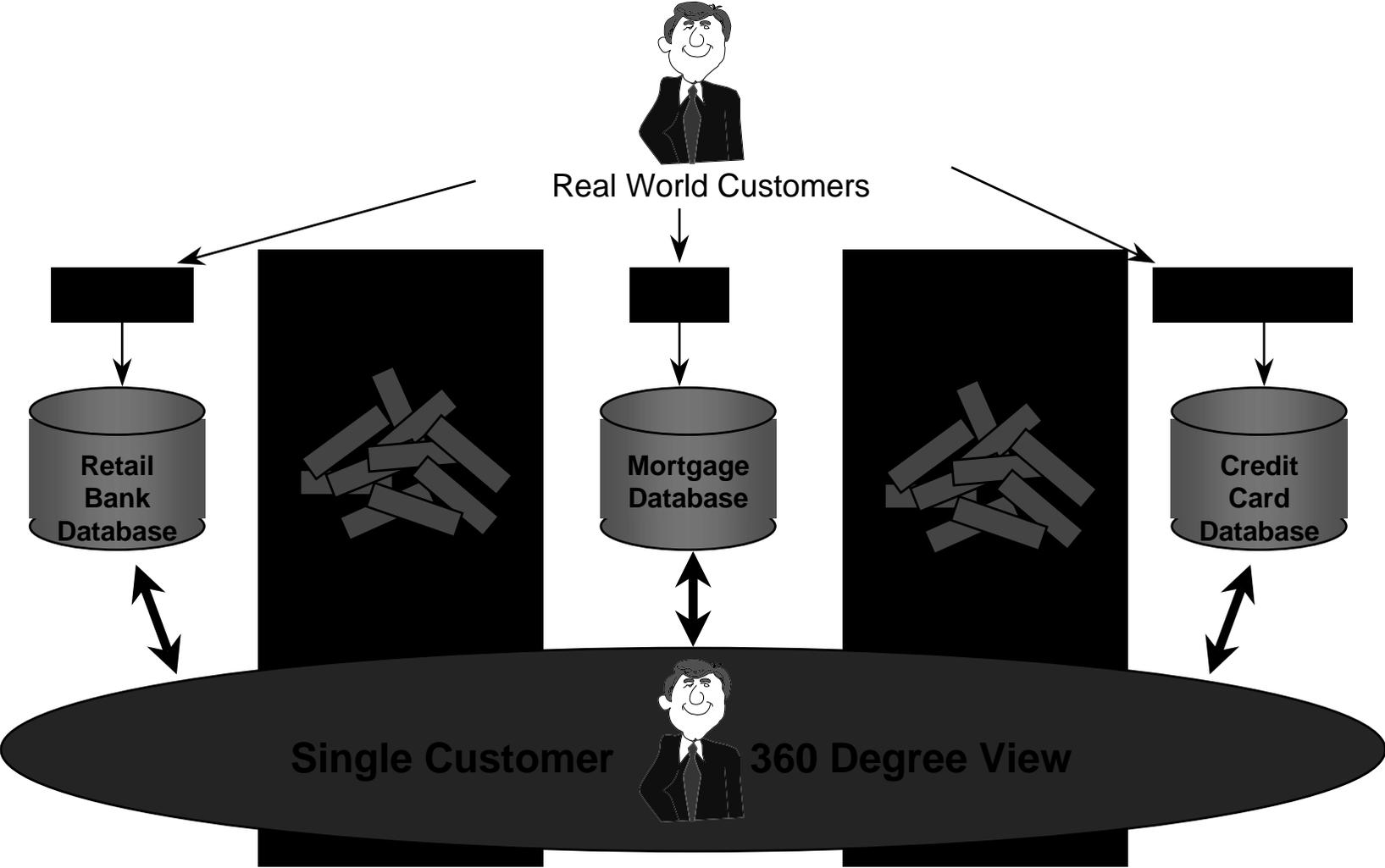
Trading Community Architecture (TCA)

- TCA is an architecture designed to support complex trading communities, not just customers
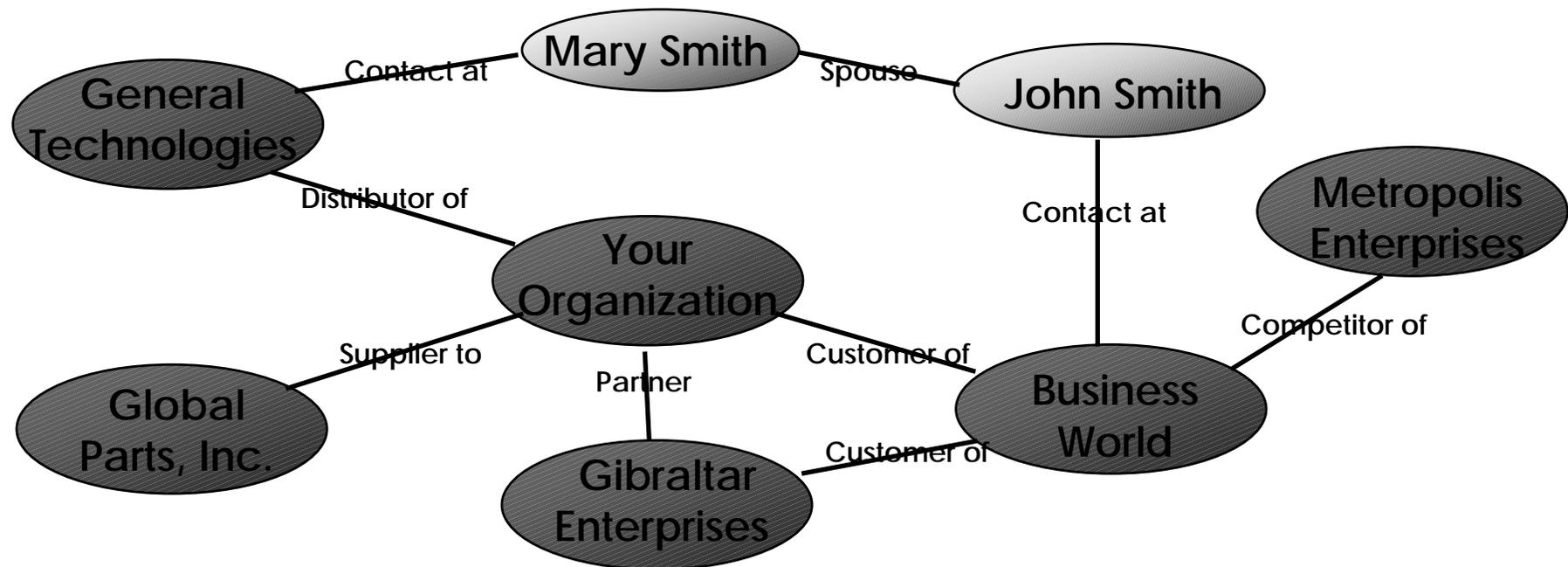
Trading Community Architecture (TCA)

- Provide a Single Source of Truth across the E-Business Suite

- Maintenance of complex, real-world relationships, both current and historical

- Allowing for a many-to-many relationship between Parties and Locations

- Supporting flexible, customizable Customer Classification that can be used for reporting or assigning purposes.

Business Flows

What is a Business Flow?

It's the same as a business process:

- Set of end-to-end activities.
- Measurable.
- Crosses organizational boundaries.

Plus…

- Is aligned with corporate business goals.
- Is measurable and can be *continuously improved*.
- Incorporates best-practices.

What is an Oracle Business Flow?

- Oracle Business Flows are:

    - High level end to end business process flow diagrams representing the E-Business suite standard solution

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Business Processes Cross Silos

Marketing	Sales	Supply Chain	Financials	Service
Market Forecasting	Account Forecasting	Manage Order	Journal Entry	Contract Mgt
Market Research	Lead Mgt	Logistics	Receive Payment	Trouble Mgt.
Advertising	Account Mgt	Materials Handling	Mgt. Reporting	Defect Mgt.
Campaign Devel.	Pricing	Packaging	Payments	Maintenance & Repairs
Campaign Mgt.	Contract Negotiation	Warehousing	Invoicing	Returns
Lead Generation	Order Capture	Inventory Mgt.	Asset Mgt.	Customer Intel.
		Avail. to Promise	Purchasing	Installed Base Mgt
		Shipping		

The Flow Way

Marketing	Sales	Supply Chain	Financials	Service
Market Forecasting	Account Forecasting	**Manage Order**	**Journal Entry**	**Contract Mgt**
Market Research	**Lead Mgt**	Logistics	Receive Payment	Trouble Mgt.
Advertising	Account Mgt	Materials Handling	Mgt. Reporting	Defect Mgt.
Campaign Devel.	**Pricing**	Packaging	**Payments**	Maintenance & Repairs
Campaign Mgt.	Contract Negotiation	Warehousing	**Invoicing**	Returns
Lead Generation	**Order Capture**	**Inventory Mgt.**	Asset Mgt.	**Customer Intel.**
		Avail. to Promise	Purchasing	**Installed Base Mgt**
		Shipping		

Business Flow

One Architecture

No Silo's

Single Customer View

And... One Vendor to pull it all together

Flows Deliver e-Business Integration

Marketing	Sales	Supply Chain	Financials	Service
Market Forecasting	Account Forecasting	**Manage Order**	**Journal Entry**	**Contract Mgt**
Market Research	**Lead Mgt**	Logistics	Receive Payment	Trouble Mgt.
Advertising	Account Mgt	Materials Handling	Mgt. Reporting	Defect Mgt.
Campaign Devel.	**Pricing**	Packaging	**Payments**	Maintenance & Repairs
Campaign Mgt.	Contract Negotiation	Warehousing	Invoicing	Returns
Lead Generation	**Order Capture**	**Inventory Mgt.**	Asset Mgt.	**Customer Intel.**
		Avail. to Promise	Purchasing	**Installed Base Mgt**
		Shipping		

Business Flow

Business Flow Selector

Sell Side | **In Side** | **Buy Side**

Complete Business Flows CRM (CBF)

Online Selling - Campaign to Cash

Field Service

Lead Generation - Campaign to Invoice

Depot Repair

Field Sales - Campaign to Invoice

Internet Procurement *

Spares Management

Field Sales - Sales to Contract

*Procure to Pay in 30 ***

Service Contract

Tele Sales - Campaign to Invoice

Project Management

Warranty Contract

Order to Sales Compensation

Procurement with Request for Quotation

Promotion to Invoice

Call Center - Universal Work Queue

Product Life Cycle

Order to Cash - with tracking

Configuration to Invoice

Mixed Order

Customer Support - Managing Service Requests

Produce to Order

Outside Processing

On Line Selling to Return with Service

Procurement to Supplier Management

Service Call through Resolution

Design to Build *

Ordering - Forecast to Replenishment

Sales Planning to Compensation

Employee Lifecycle

Demand Planning through Procurement, Assembly to Payment

Production - Forecast to Fulfillment

Click to Cash *

Packaged Business Flows *

*Problem to Resolution ***

Mfg/Supply Chain ▪

Statistical Forecasting to Advanced Planning *

CRM ▪

*Demand to Delivery ***

HR/Payroll ▪

*Financials ***

Financial/Projects ▪

*HRMS ***

IT ▪

*Projects ***

Oracle's Business Flow

Campaign to Results   **Click to Order**

| Analyze Opportunities | → | Execute eMail Campaign | → | Login and Register | → | Personalize Content | → | Capture Order | → | Process Payment |

Order to Payment

| Manage Contracts | → | Manage Order | → | Generate Invoice | → | Analyze Customer Patterns and Cross-Sell | → | Manage and Personalize Content |

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Oracle's Business Flow

Sell Online — BroadVision

Sell Online — BroadVision → SIEBEL → **Inventory Mgt** i2 → i2 → **Sell Online** BroadVision → **Customer** SIEBEL

Sell Online — BroadVision

Capture Order:
- Insert Items into Cart
- Analyze Cart
- Customer Comparative Analysis
- Check Inventory
- Price & Place Order
- Check Install Base
- Cross-Sell

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Analyst's Agree

"Upcoming Oracle programs lower the total cost of ownership of CRM implementations, while minimizing enterprise risk and shortening implementation times...an emphasis on *process over technology* - something Gartner has long advocated"

Gartner Group, April, **2001**

"Oracle showed it understands that business isn't about modules and applications, it's about business processes. It took great pains to ensure that all the steps of a complete business process were included in each of its 'Fast Forward Flows.'"

Hurwitz Group, June, 2001

"35% of enterprises in 2000/1 will make no investment in integration of CRM technologies. During the next two years, META Group expects the majority of enterprises to attempt piece-meal integration across the customer relationship cycle. However, given the mission-critical nature of customer-facing processes, more comprehensive integration across the enterprise is sorely needed."

META Group research

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Benefits

CRM Benefits Today – HP

Increased Revenues
$1 billion to $1.2 billion in additional leads generated annually using Oracle CRM applications

Reduced Costs
Operational savings of $12 million in current year

Improved Processes
Collection time of sales forecast reduced dramatically and accuracy greatly improved

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CRM Benefits Going Forward – HP

Increased Revenues
Over next 3 years, over $1 billion in incremental sales anticipated from improved lead generations
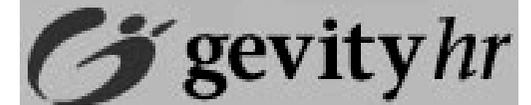
Reduced Costs
Over 3 years, HP anticipates saving $100 million in IT and marketing operating costs

Improved Processes
Sales representative and sales manager time per deal reduced by 10% or more

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CRM Benefits – Gevity hr

Increased Revenues
- Annualized client retention increased by almost 6%
- Improved customer loyalty –No clients churn for service related reasons for first half of 2001

Reduced Costs
- Work time for specific transactions reduced by 27%
- Productivity in call center doubles, saving company $3 million in future expansion costs

Improved Processes
- 41 field offices integrated with instant 24-hour access to customer data
- Integration of Oracle CRM with Oracle ERP

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CRM Benefits - Oracle

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*e-business*suite

Increased Revenues
More than 80% of orders placed online with standard global contract process.

Reduced Costs
$550M annual savings in Sales, Marketing and Support

Operating Margin increased from 21% to 35%

Cost of entering an order decreased 80%

Improved Processes
Sales Force productivity increased 10 to 20%

Issues are now resolved on the first call 70% of the time – up from 20%

QUESTIONS
&
ANSWERS

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e-businesssuite