



Maximizing Your Salesforce.com Investment through Integration

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White Paper

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Benefits of On-Demand CRM

[Salesforce.com](https://www.salesforce.com), an on-demand customer relationship management solution, is a Software-as-a-Service (SaaS) style solution that is experiencing phenomenal growth and acceptance in the marketplace. With recent reports of 47,100 customers, 1.1 million subscribers, and 170 million transactions daily, salesforce.com is more than just the flavor of the month.

The advantage of CRM lies in its ability to automate many of the previously labor-intensive tasks involved in running a company's sales, marketing and customer services. CRM also centralizes customer data – enabling a sales team to focus less on administrative tasks and more on helping their customers achieve profitability. For a monthly charge, a business of any size can now leverage the power of CRM.

Some of the main advantages of the on-demand CRM model include:

- **Instant access** – because on-demand CRM is Web-based, all data - whether it's customer information, marketing collateral or analytics - are available anytime, anywhere. A salesperson can provide information to his/her customer at the touch of a button, with no need to call back later.
- **Live data** – Once a salesperson speaks to a client, the next time the customer account is viewed, any employee is immediately aware of the previous conversation with the client. Updates to marketing collateral are made instantly available, as are price lists, analytics or campaign results.
- **Lower risk** – With on-demand CRM, companies have a choice in how they want their CRM to be delivered. They can base their decision according to their particular needs and company size, thus reducing the risk of purchase. If these decision criteria changes as the company grows, then they are free to change the model of delivery.
- **Faster ROI** – on-demand CRM models tend to bundle together all software, hardware, and system configurations into one package designed to fit the customers' specific needs which results in a low capital investment for the customer. In addition, because the software and hardware is all based at a centralized, remote location, there are no installation and maintenance costs to worry about. The customer's costs are directly related to usage rather than deployment and capital investment. This result in a much quicker time-to-market, lower overall cost and faster ROI.

Growing Adoption

When one looks at the wealth of solutions offered today in the area of on-demand CRM services, vendors such as Salesforce.com are building the demand for integration with on-premises back-end systems such as enterprise resource planning systems (i.e. SAP, Oracle, JD Edwards, etc.). The growth of the on-demand CRM model may well be a precursor of what's to come as it

represents the quintessential prototype of a SaaS solution with wide appeal and a high rate of adoption, even by multiple departments within a single company. What company (or department, for that matter) — regardless of industry — would not want to adopt a proven, off-the-shelf solution that can be quickly configured, with minimal investment and setup, to match its needs?

Businesses adopting Salesforce.com see it as an opportunity to meet their business needs quickly, avoiding familiar IT constraints of bottlenecks and priorities. In addition, on-demand CRM adopters also perceive that they have:

- Saved money by avoiding expensive, up-front development costs
- Experienced very fast implementation
- Garnered immediate business value rather than waiting through a longer application development or implementation lifecycle
- Increased their business agility

Salesforce.com foregoes the traditional on-premises application model, leaving some in IT nervous and fearful that what has previously been their turf is now being challenged—and quite successfully—as department after department bypasses (or more likely didn't even think about consulting) IT in selecting the applications.

The Challenge: Integration and Security

Despite the benefits of on-demand CRM, industry analysts are in agreement that the main challenges to implementation in the minds of potential users, are integration and security — and to some extent, both of these concerns have validity. It is important to note, however, that even when a company (most likely the IT department) is voicing these concerns, adoption of on-demand CRM applications is still happening at the departmental level, driven by the business users, often without the knowledge or oversight of IT. It is IT that is justifiably raising these concerns when viewed from the perspective of the entire organization.

There is no question that the increase in the number of on-demand applications today raises security concerns. But when salesforce.com brings out its proven security certifications, many IT departments are forced to admit that their own facilities do not meet the same high standards. But, while security concerns can, to a large extent, be allayed with some dispatch, integration is a different story.

Integration, and beyond that, Business Process Management (BPM), is an even more important area for potential action. [Forrester Research](#) concurs that one of the reasons some organizations

give for not adopting SaaS is the difficulty that they have integrating on-demand solutions with their in-house applications, especially when real-time integration is necessary.

Integration may not be much of a concern during the initial evaluation stage, when the on-demand CRM will run stand-alone without touching the company's other systems or databases. However, taking a broader view of the solution that will become a strategic component of the corporation forces us to confront the integration challenge head-on. One of the benefits of CRM is supposed to be a 360-degree view of customer information, and that simply cannot be achieved without integration. But CRM is also supposed to enhance the overall customer experience by providing a holistic approach to the business process surrounding that customer – and this cannot be achieved without an integrated business process management solution that enhances and extends the capabilities of the CRM solution.

Salesforce.com is no exception. Integration and more importantly, business process management, is essential to truly achieve a 360-degree view of the business and be able to react more quickly to changing needs.

Solving the Integration Challenge through an Overall Business Process Management Approach

While one of the primary benefits of Salesforce.com is its low up-front cost, the initial costs of integration projects using traditional integration tools may threaten to outweigh the benefits before a project gets off the ground. How can we resolve these seeming dichotomies? Those companies who have resisted an integration effort should take another look at the integration software marketplace. There's good news—with products and solution accelerators tailored specifically to Salesforce.com and legacy and on-premise application integration.

The state-of-the-art approach to integration is based on business process management – the ability to orchestrate end-to-end business processes in real-time as well as incorporate human workflow. Quite often, the beauty of business process management implementations is their ability to manage the exceptions to the normal procedure as well as the standard or ideal business process itself.

A major concern of those looking at making Salesforce.com a strategic component of the company IT plan is the degree to which an integration project will be costly, risky or require a vast store of resources not available to most businesses. However, the integration process does not need to be long or costly. One should look for solutions that allow users to continue to use their on-premise applications with no change while seamlessly integrating with their on-demand CRM model.

Many Business Processes - One Integration Suite

Organizations are often running different applications such as on-premise ERP (i.e. SAP, Oracle, JD Edwards), email systems (i.e. MS Exchange, Lotus Notes) and Salesforce.com as individual and isolated business process "islands". By bridging the islands with a pragmatic approach to business process integration, these organizations can share data and business processes across systems and bring combined added value to the organization through greater sales productivity and enhanced customer loyalty.

To understand better the importance of business process integration in the SaaS environment, let's look at a typical scenario.

Customer A is running a blend of old and new applications including:

- On-premise ERP system
- An email and calendar application
- On-demand CRM system – Salesforce.com

Using a code-free, hardware-free business integration suite, such as [Magic Software's iBOLT](#), Customer A can supply its sales reps with a 360-degree view of customer-facing processes through a comprehensive work environment that will enable straightforward work processes, eliminating errors and wasted time. Such a solution enables business analysts and architects to achieve full integration for their users in a matter of days with no need for complex coding and no need to install additional hardware into the server room. Data from the accounting system is easily retrieved and services exposed from the legacy environment are wrapped as Web Services that enable synchronous, easy-to-use integration between Salesforce.com and Customer A's internal systems. These services are then easily reused for any future interface with practically zero overhead.

In short, this integration process:

- Enables a smooth sales operation, regardless of which back-office application was managing which activity
- Allows the re-use of existing systems without any change to the user experience
- Cuts down on processing time and the amount of manual work required
- Reduces errors, with a positive influence on both customer service and a decrease in operational costs

A deeper look at Before/After snapshots shows a marked difference:

| Prior to Integration | Results after Integration |
|---|--|
| Operational issues | |
| <ul style="list-style-type: none"> • Accounting data is not in synch with Salesforce.com data • Users are updating data in different systems • Invoices are sent to the wrong destinations • Manually administered batch jobs are required | <ul style="list-style-type: none"> • Automatic synchronization between Salesforce.com and ERP, with email workflow approval, is in place • Changes are populated from one system to another • Updates are executed in real-time without administrator intervention • Sales staff and operations staff have common customer naming and language, and the manual updates, mistakes, and workflows are gone • Sales and accounting audit checks run smoothly |
| Account Management Issues | |
| <ul style="list-style-type: none"> • Salesforce.com users are not online with customers' current financial status and history • Mistakes exist in account management processes and in the manual processes of gathering information • General faults in sales automation | <ul style="list-style-type: none"> • Salesforce.com users view the complete financial status and history of the customer within their Salesforce.com interface • Sales reps are empowered while talking with the end customer • Salesforce.com users can create sales processes based on financial data |
| Collaboration Issues | |
| <ul style="list-style-type: none"> • The "all" process of the calendar is performed manually • There are problems with the accuracy and concurrency of the calendars • Email users are not part of the collaboration | <ul style="list-style-type: none"> • All the calendars are synchronized online with internal users using their Salesforce.com interface • External sales partners and field sales staff are coordinated • Overlapping meetings are minimized |

Common Business Process Integration Scenarios

As a solution that requires no special hardware and can work with business processes on both sides of the firewall, iBOLT Special Edition for Salesforce.com is increasingly being adopted as the salesforce.com business process integration suite of choice.

While many simple integration solutions for salesforce.com only work when they are applied using strict templates, iBOLT Special Edition truly allows you to visually design, manage and maintain business processes using a proven drag, drop and configure approach according to your business rules. Typical business process integration scenarios that can be managed by iBOLT Special Edition include:

- Converting salesforce.com opportunities to quotes and quotes to orders within an **ERP or accounting system**
- Provisioning for new salesforce.com users with automated integration to **HR** systems
- Automating business processes and information exchange between salesforce.com and your company's **eCommerce website**
- Managing salesforce.com business processes as they relate to **warehouse management systems**
- Providing salesforce.com visibility and interfaces to small package delivery, freight management and other **logistics/shipping systems**
- Facilitating processes involving **catalog management** systems and **product configuration or custom quoting** systems
- Building processes that automate needed connections between salesforce.com and **manufacturing or MRP** systems
- Integrating various **payment processing** scenarios including **credit card processing** systems
- Extending the information reach between salesforce.com and **retail or point-of-sale systems**
- Connecting existing 3rd-party **call center management** software with salesforce.com
- Processing **email** and managing alerts, alarms and escalations connected to your custom business processes
- Incorporating **mobile, SMS, IM** and various **Web 2.0** related contact, activity and profile data in an automated fashion
- Handling unanticipated new and changed business processes that span **multiple business systems** both in the Internet "cloud" and within the on-premise systems managed directly by your IT department

From Challenge to Reality

These are very challenging times for IT departments facing the task of bringing order to an increasingly chaotic enterprise software environment. While on-demand CRM offers benefits to organizations that cannot be ignored, careful security considerations and deliberate integration approaches are required in order to ensure smooth-running business processes and consistent information flow across the organization.

Make no mistake. On-demand CRM, including Salesforce.com, will play a major part in tomorrow's reality. And integration will not be an option for those who wish to keep pace – it will be an integral part of that reality. Fortunately, integration need not be difficult to achieve, even (or perhaps especially) for medium-sized businesses who until recently had no affordable integration alternatives.

About Magic Software Enterprises

Magic Software Enterprises Ltd. (NASDAQ: MGIC) is a leading provider of multiple-mode application platform solutions – including Full Client, Rich Internet Applications (RIA) or Software-as-a-Service (SaaS) modes - and business and process integration solutions. Magic Software has offices in 10 countries and a presence in over 50, as well as a global network of ISV's, system integrators, value-added distributors and resellers, and consulting and OEM partners. The company's award-winning code-free solutions give partners and customers the power to leverage existing IT resources, enhance business agility and focus on core business priorities. Magic Software's technological approach, product roadmap and corporate strategy are recognized by leading industry analysts. Magic Software has partnerships with global IT leaders including SAP AG, salesforce.com, IBM and Oracle. For more information about Magic Software Enterprises and its products and services, visit www.magicsoftware.com.

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