

Customers taking the online plunge

To date, customer relationship management (CRM) is the business process that has benefited most from cloud delivery, writes **Ian Campbell**

Judging by the success of Provident CRM, the local channel partner for SugarCRM, Irish businesses are buying into the idea that customer relationship management is a business process that can be delivered effectively as a service from the cloud. Though it started from a relatively small customer base, Provident saw a 300 per cent leap in sales in Ireland last year, and established itself as Sugar's number two partner in Britain. The buzz around CRM grew louder again last month, when Microsoft launched Dynamics CRM Online from its Irish data centre. All this activity suggests a tipping point has been reached for a software-as-a-service (SaaS) proposition that has been around for over a decade.

It was in 1999 that Salesforce.com not only defined online CRM, but set a benchmark for SaaS and put principles in place that have defined cloud delivery. Capital expenditure was replaced with pay-as-you-go software that was managed and upgraded by the service provider.

But why the sudden flurry of interest in Ireland? "Irish businesses have survived a horrendous 18 months, and are starting to plan for the future," said Gary Cullen, sales and marketing director at Provident CRM. "They have consolidated and cut costs, and got to the point of looking at how to grow."

He said that last year was the watershed, when the cloud

concept gained acceptance in Ireland, at the same time as sales management tools were identified as a crucial tool for recovery. "If they didn't have a tool, or if the tool they had was getting old, they went to market for something to help organise their customers and new opportunities," he said.

But how does a firm differentiate in a market of commodity services? Cost is inevitably a big part of the equation. At €22 per user per month, SugarCRM claimed to offer the best value, but also argued that its single tenant solution was a big factor.

"Microsoft uses the same type of architecture, but Salesforce has a multi-tenant approach which limits what a customer can do with it," said Cullen.

Sugar CRM is hosted on the Amazon EC2 platform and is run out of five data centres around the globe, including one in Ireland. This can also be useful, especially if you have a client with global offices. One Provident customer has a call centre in China which accesses a local Amazon data centre during working hours. When it's daytime in Europe and the middle of the night in China, the service is delivered from a European data centre. "People always use the data centre that's closest to them," said Cullen.

Microsoft has been tip-toeing around online CRM for a number of years, with partners like Datapac selling it out of a European data centre. The company's commitment to the market is expected to ramp up as it hosts the latest iteration of the software, CRM 2011, in its

own Dublin data centre.

The company is launching the hosted software before the onsite version becomes available later this month, indicating Microsoft's commitment to the cloud. Prices will start at €31 per user per month.

Karl O'Leary, business manager at Microsoft Ireland, said he had no doubt about the appeal of online CRM. "People want to deliver better quality and consistent customer service at a low cost of ownership. They want to deliver it quickly and they want it to be flexible, so it can change as their business changes."

He said Microsoft was not late in coming to the cloud, pointing out that the company had been delivering services like Hotmail over the web for 14 years. For a company with its roots and revenues in on-premise software, it will come as no surprise that there are no plans for a total exodus to the cloud. "Our intention is to offer cloud solutions of all our software, but we will support both environments. There will always be a mix," he said.

In the current climate, O'Leary said that CRM was becoming mission-critical for businesses. No longer a complicated beast to roll out, it can be done relatively quickly at relatively low cost, with none of the risks associated with a traditional IT project.

CRM is a natural candidate for SaaS because it makes a complex process easier and addresses diverse business needs, according to O'Leary. He said the big differentiator with Microsoft was the ability to integrate CRM with the rest of its products, whether in the cloud or on-premise. "You can build out from our platform into any division within the organisation. It also gives you the flexibility to build on standard processes."

Dynamics CRM can be cus-



Gary Cullen, sales and marketing director at Provident CRM

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tomised to fit a business with a handful of users or thousands; it can be bought as a standard 'vanilla' option or tailored to meet specific business requirements. Microsoft uses its mature channel partnerships to

provide what it calls 'software plus services', another major differentiator, according to O'Leary.

The sweet spot for Dynamics CRM is an organisation with lots of mobile

workers, supporting customers across different geographies.

"They want a single view of the customer. This was the holy grail of enterprise that has now become attainable for SMEs," said O'Leary.

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Cloud apps just a click away

Dropbox

Allows users to store and share files and folders over the web, syncing files online and across multiple computers. Put your files into your Dropbox folder on one computer and they'll automatically appear on other desktops where the software is installed. Even works with smartphones.

Google Docs

It started with Gmail and evolved to Google Docs, a suite of free office software. Businesses can upgrade and pay for Google Apps if they want tech support and peace of mind.

Evernote

Online tool for keeping track of files on your desktop. Text, pictures and audio can be

categorised and indexed for instant retrieval. Supports all major operating systems though some features, like drag and drop, work with some, but not all.

GoToMyPC

A Citrix web app that facilitates fast, easy and secure remote access to a Mac or PC through any web browser. You can work on your office computer anywhere, whether you are at home or travelling, with constant access to the same desktop.

Mozy

Online backup service that automatically saves your data to the cloud. Files are encrypted and stored in a secure, remote location that's only accessible to the user who has downloaded the Mozy software to their hard drive. Saving time, it only backs up parts of a file that have changed.