

CRM in EMEA: SaaS Has Caught On

The region of Europe, Middle East and Africa (EMEA) has a long-standing reputation for lagging behind North America in Software as a Service (SaaS) adoption, particularly for CRM. Recent Aberdeen research contradicts this, showing that EMEA's SaaS CRM usage levels are even with North America's. In fact, only 10% of EMEA respondents indicated that they will not consider a SaaS CRM deployment. This report examines the similarities and differences in CRM delivery decision-making and implementation between the two groups and makes recommendations for EMEA firms to reap the most benefits from SaaS CRM.

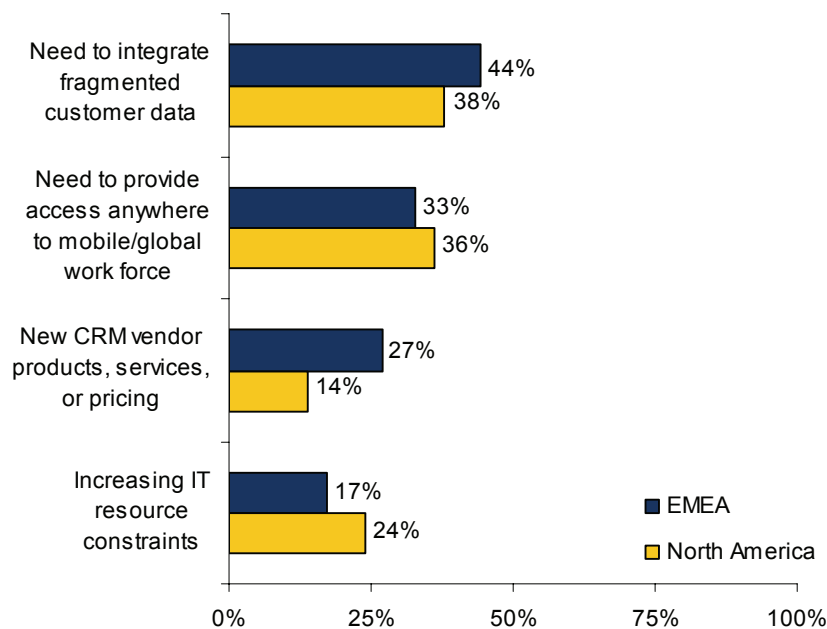
Sector Insight

Aberdeen's Sector Insights provide strategic introspective and analysis of primary research results by industry, market segment, or geography

Overview: Top Pressures and Actions

Similar to their North American counterparts, firms in EMEA are highly pressured by the need to integrate fragmented customer data and provide CRM access to a mobile and global work force (Figure 1). Aberdeen research shows that EMEA organizations are nearly twice as likely as North American firms to be influenced by new products, services or pricing from CRM vendors, who have been making efforts to increase SaaS adoption in EMEA.

Figure 1: Top Pressures



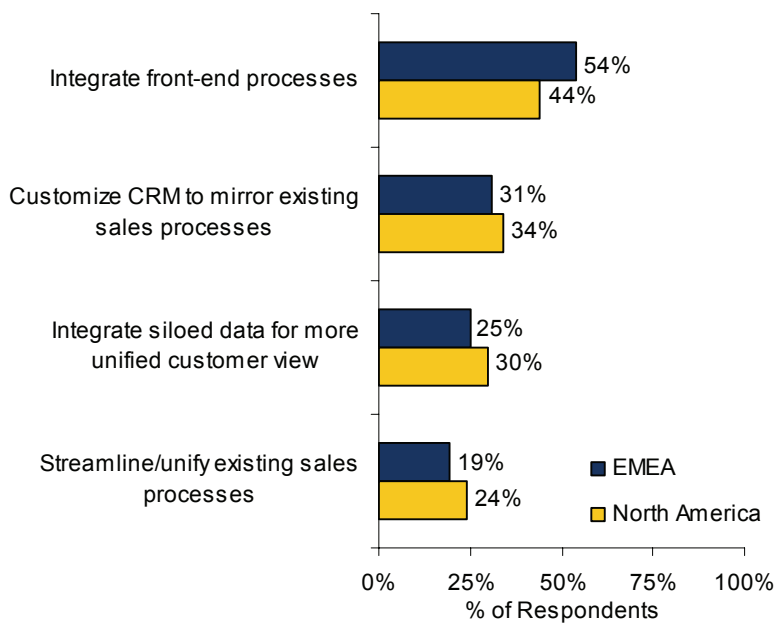
Source: Aberdeen Group, January 2008

Sector Definition

In January 2008, Aberdeen surveyed 298 companies on their CRM delivery model. Of those respondents, 190 were headquartered in North America and 58 were headquartered in EMEA.

Like the top pressures, the top actions North American and EMEA firms are planning are very similar (Figure 2). Front-end process integration is the front-runner, as companies need some way to share customer data when systems are not integrated. When companies integrate processes to facilitate knowledge sharing, they will discover the areas of largest need for technology integration. This allows budgets to be better allocated when planning another top action, integrating siloed data for more unified customer view.

Figure 2: Both EMEA and North America plan process improvements



Source: Aberdeen Group, January 2008

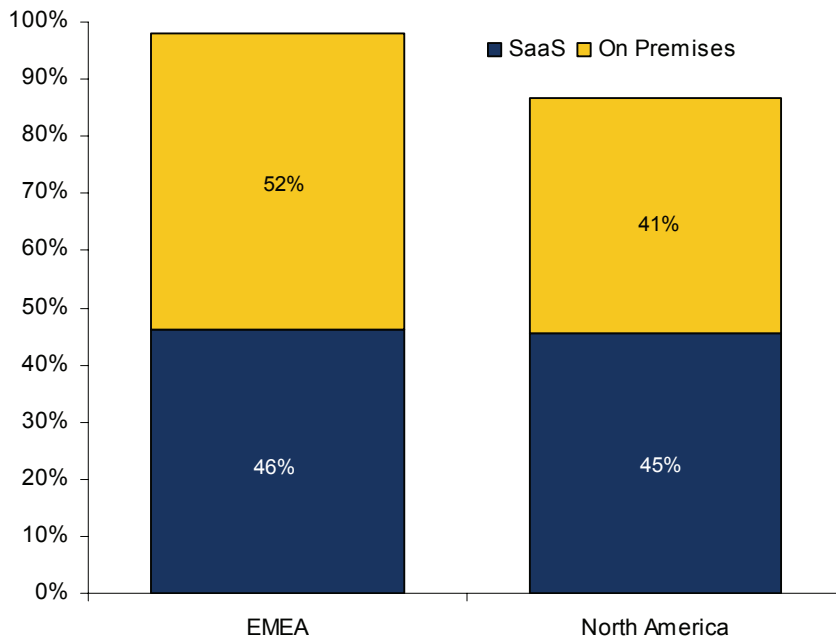
Both EMEA and North American organizations plan to customize their CRM solutions to mirror existing sales processes, which illustrates a mature understanding of CRM capabilities. Adopting CRM doesn't fix broken processes; Aberdeen research ([Sales Effectiveness: Getting Sales Back to Selling](#), July 2007 and [Sales Effectiveness: Leveraging Content to Close Deals](#), November 2007) reveals that sales methodologies need to be well established before technology can be successfully integrated into a sales force's daily routine. By customizing CRM to mirror existing integrated front-end processes, companies achieve a more customer-centric culture which increases performance in key metrics such as average customer value and customer retention.

SaaS versus On-Premises

EMEA and North American firms are equally likely to deploy their CRM via SaaS (Figure 3), however North American firms have had a SaaS implementation for a longer period of time (Table I). Furthermore, EMEA

firms are nearly as likely as North American to be willing to consider a SaaS solution (90% versus 95%).

Figure 3: CRM Delivery



Source: Aberdeen Group, January 2008

Table I: Length of use of SaaS CRM

	EMEA	North America
More than two years	17%	28%
Between one and two years	17%	8%
Less than one year	12%	10%
2008 planned implementation	10%	11%
Won't consider SaaS	10%	5%

Source: Aberdeen Group, January 2008

As Table I demonstrates, EMEA caught up to North America in SaaS CRM implementations more than one year ago. Thirty-four percent (34%) of EMEA respondents have had SaaS CRM in use more than a year, compared to 36% of North American respondents. Additionally, implementations planned for 2008 are roughly even at 10% and 11%, respectively.

Case in Point

Take, for example, the case of Datacenter Luxembourg (DCL), a European e-business hub headquartered in Leudelange, Luxembourg. DCL sought a CRM solution that was scalable and easy to use. Steve Glangé of DCL's

International Business Development was tasked with finding the best CRM for the organization. Glangé looked at both on-premises and SaaS solutions, evaluating based on the functionality of the software, but also customer recommendations and experiences posted on blogs and online forums. DCL decided on a SaaS solution, and was pleased with the quick implementation time. "Everything went perfectly during implementation. In fact it was so easy it hardly seemed like an implementation at all. We were just up and running with little effort," says Glangé. Since adopting their new CRM, DCL has seen improvements in proposal follow-up, lead generation metrics, and ROI. Glangé hopes to add additional functionality such as marketing automation in the near future.

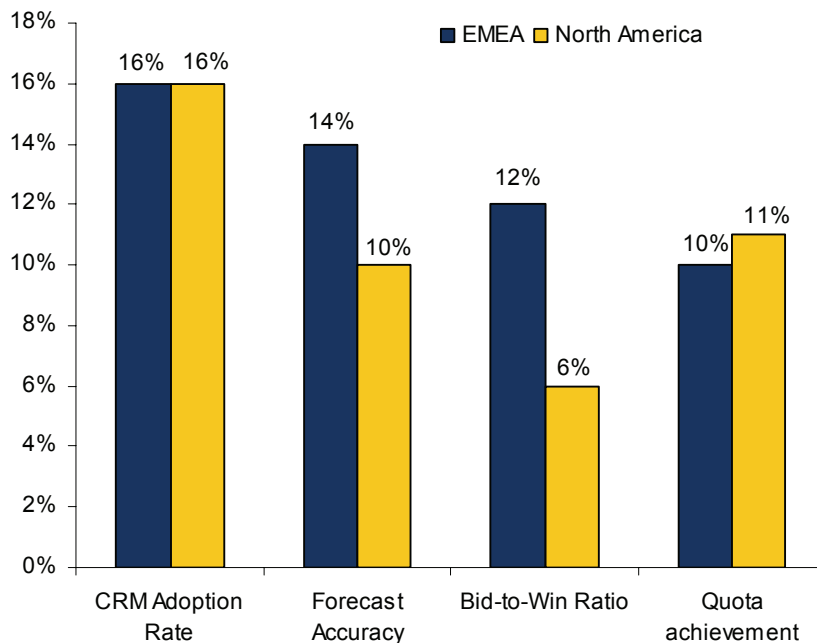
"Our goal was to provide a scalable, cost-effective solution that was easy for end users. I've become a SaaS aficionado as it meets all these needs."

~ Steve Glangé, International Business Development, Datacenter Luxembourg

Performance Results

EMEA and North American enterprises are experiencing similar year-over-year improvement in key metrics (Figure 4). EMEA stands out in year-over-year improvement in bid-to-win ratio, however North America's current performance is still ahead of EMEA (52% versus 41%). Faced with similar pressures, the two groups' parallel strategies and identical CRM SaaS deployments produce comparable results.

Figure 4: Year-over-year Improvement in Key Metrics



Source: Aberdeen Group, January 2008

Based on this study, EMEA can shed its reputation for lagging behind North America in CRM SaaS adoption and performance. The following are specific recommendations for EMEA firms considering SaaS CRM solutions:

- **Document business processes.** EMEA firms plan to integrate front-end processes in order to address their need to integrate

fragmented customer data. Implementing or enhancing CRM to mirror these new processes will go very smoothly when working from existing documentation.

- **Increase availability of remote CRM access.** Even though EMEA firms indicated that needing to provide remote access anywhere to a mobile/global workforce, only 10% indicated that providing remote access is a top strategy. A built-in benefit of SaaS is the ability to log in to the system from any web browser, greatly improving remote access.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

<i>CRM Everywhere: The 2008 Software-as-a-Service Update</i> ; January 2008	<i>Sales Effectiveness: Getting Sales Back to Selling</i> ; July 2007
<i>Demand Generation: Kick-Start Your Business</i> ; September 2007	<i>Delivering Actionable Information to the Enterprise: Does On-Demand BI Solve the Skill Set Shortage?</i> ; July 2007
<i>Sales Effectiveness: Leveraging Content to Close Deals</i> ; November 2007	<i>Software as a Service Buyer's Guide</i> ; August 2006
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