**Customer Life Cycle Management — J.D. Edwards'
Unique Solution Provides the Keys to the Puzzle**
— J.D. Edwards

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Introduction

The world has shifted to a "relationship" economy; one where competitive advantage is measured by a company's willingness to go the extra mile to fulfill a customer's need. Sometimes even miniscule differences in fulfillment efficiency can tilt the balance in favor of a competitor. Companies that are unable to holistically embrace the reality of the new customer-centered economy will continue to lose market share to competitors that have placed customers at the heart of their business strategy and their value chain. There is a growing realization that customer satisfaction can be affected by inefficiencies throughout the organization, even by processes not traditionally considered customer touch points, such as accounting and order fulfillment. The customer must permeate the organization. This customer-pervasive mindset has fueled the introduction of a class of software application called CRM (Customer Relationship Management).

Traditionally, CRM applications have stood alone, outside a company's ERP, SCM, and financial systems. Companies that run CRM applications in stand-alone mode are unable to leverage the investment in previous technology investments and the invaluable information they contain. Since these applications separate customer and order information from the fulfillment process in the company's back-office systems, there is no single source of information to provide a 360° view of the customer. Even when a company takes on the burden of integrating disparate applications, the full benefit of a solution designed to manage the end-to-end customer life cycle may not be realized because of incompatible data or processes. In addition, the company assumes the added burden of developing and maintaining the interfaces to the myriad of customer touch points in the face of each application's release cycle. Furthermore, delaying the "time-to-benefit" for a CRM application, as well as creating and maintaining these interfaces adds dramatically to the cost of the overall solution. This approach may also reduce the efficiency of many business processes by introducing lag time for frequent synchronization of information.

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CRM is as much a journey as it is a technology, but unless a CRM application is able to quickly leverage the investment in existing systems and information, you may not achieve the results you expected from a CRM investment. And since virtually every business process encompasses steps that are traditionally defined as both "front-office" and "back-office," a more effective strategy than stand-alone CRM applications is a solution that encompasses all phases of

customer life cycle management through integration with ERP, SCM, and financial systems. Ideally, such a system would support a "modular" approach to implementation, allowing a company to leverage existing systems through pre-built integrations and data model independence. This offers the company the best combination of short and long-term flexibility by allowing applications to be integrated with existing systems, or implemented over time as resources allow. Furthermore, thinking through all customer touch points and then adding value through collaborative functionality across the enterprise goes well beyond the simple exchange of emails that many CRM systems call collaboration.

A solution that offers a complete picture of a customer throughout the entire life cycle, that provides integration between front and back-office applications, and that leverages existing information through pre-built integration is called CLM, or customer life-cycle management. An effective CLM solution enables you to deploy the solution modules that address your current business needs and offers the peace of mind that comes from knowing that you can later deploy additional solutions as required without fear of compatibility or integration issues.

True CLM solutions, as opposed to just CRM applications, are characterized by:

▶ Functionality addressing all process touch points that impact customer relationships

▶ Faster return on investment through shorter implementation times and quick elimination of "silos" of information

▶ Better customer service through the entire customer life cycle by providing easier, faster access to both front and back-office information

▶ Increased revenues through targeted, integrated marketing messages

▶ Lower total cost of ownership by providing pre-wired integration points written and maintained by the vendor resulting in reduced maintenance and hardware fees, and lower integration costs

Many CRM applications claim to support the entire customer life cycle, but have defined the customer life cycle to fit their own offerings. It is impossible for a stand-alone CRM application to support your entire range of business processes by itself. Tight integration to ERP and SCM solutions, where much of the required information and business logic resides, is required to support your end-to-end business processes. Given the necessity for integration, your business will clearly achieve better results by implementing a solution with packaged integration whenever possible. An excellent example of this type of solution is J.D. Edwards CRM.

However, integration with back-office systems alone is not the key. Many companies have legacy systems in place that cannot be replaced immediately, or they may require unique homegrown or vertical specific applications to accomplish their business objectives. For these

companies, a CLM application that can be implemented as resources allow and that can co-exist with legacy or other applications is critical. Again, J. D. Edwards' CRM fits the bill.

By providing CRM, ERP, and SCM solutions designed to work together with pre-built integration, J. D. Edwards eliminates the information redundancy inherent in the more loosely coupled offerings of some competitors. This does away with information lag time, and allows all members of the organization to access the same information at the same time — without having to wait for cumbersome batch updates. Today, many organizations are aiming for "zero latency" in their technology systems. Zero latency is the real-time availability of information throughout an organization. It is best achieved when all information systems utilize common data to reduce the need for complex synchronizations that may delay business processes. Not only does pre-wired integration enhance the information flow in an organization striving for zero latency, but it also results in lower total cost of ownership through reduced maintenance fees, reduced hardware requirements, and reduced integration services requirements.

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Many customers prefer self-service if they can be assured of rapid, accurate access to information. When it is necessary for customers to interact with your contact center, the agent has immediate access to up-to-the-minute information about the customer's account, and can resolve issues quickly and cost-effectively. The ensuing reduction in the cost of servicing customers results in a rapid return on your CLM investment.

The reason that this broad packaged solution is so critical is that every step in virtually every business process may affect a customer. For example, inventory management, which is typically not considered a customer facing application, has a profound effect on customer satisfaction. During order entry a customer wants accurate delivery information, and this information is required whether they enter the order themselves over the Internet, or whether the company's service representative takes the order over the phone. The customer has no patience for delays caused by the need to access multiple systems, and even less patience with inaccurate information.

The only way to ensure that every member of your team can provide the accurate information necessary for excellent customer service is to provide every member of your team with the same information, consistently and immediately when it's needed. This requires an integrated information system. The "integration" of several so-called "best-of-breed" applications can

never match the speed and accuracy of a system designed with integration built in. Numerous studies have shown that unless a CRM application provides both data model independence and integration technology, the ongoing costs of maintaining the interfaces between applications with different release cycles will rapidly eclipse the original cost of acquisition. Nor can interfaced best-of-breed applications provide the consistent user interface and terminology necessary for fast implementation and customer self-service.

Every interaction with a customer can have a positive or negative impact on customer satisfaction and loyalty which directly impacts the company's revenue and bottom line. One example of a company that understands the need to meet customer expectations at every step in each business process is J.D. Edwards. Systems from J.D. Edwards provide integrated functionality that rivals best-of-breed applications, but in a fully integrated system. The datamodel independence and integration architecture of the system ensures that not only can the solution be implemented in a modular fashion, as a company's needs and resources dictate, but that it can also be integrated quickly and cost-effectively with most legacy systems.

The Customer Life Cycle

Many companies are surprised to find that customers have a life cycle, similar to the more familiar product life cycle. Most CRM systems address a single phase of the life cycle, such as the customer acquisition process, or after sale support. But customers require care during every step, not just during those phases supported by narrowly defined CRM applications.

As CRM applications become more pervasive throughout an industry, customers come to expect the efficient and pleasurable level of service they enjoy at truly customer-oriented companies. No company's customers will tolerate the inefficiency and annoyance of having to repeatedly provide information to customer service representatives when they know that the information already exists in the company's information systems. This means that no company can effectively service their customers without streamlining and integrating all phases of the customer life cycle. As customer-oriented companies realize the benefits of integrated CRM technology, they push their technology vendors to add more customer-oriented functionality, and to address a greater part of the customer life cycle. Yet CRM vendors that provide applications in support of only some segments of the customer life cycle can never support the streamlined vision these companies need.

The customer life cycle actually consists of five phases: learn, communicate, acquire, fulfill, and service (see Figure 1 and 2). While this paper discusses each phase as though they occurred sequentially, in the real world the phases are more like a circle or an endless continuum.
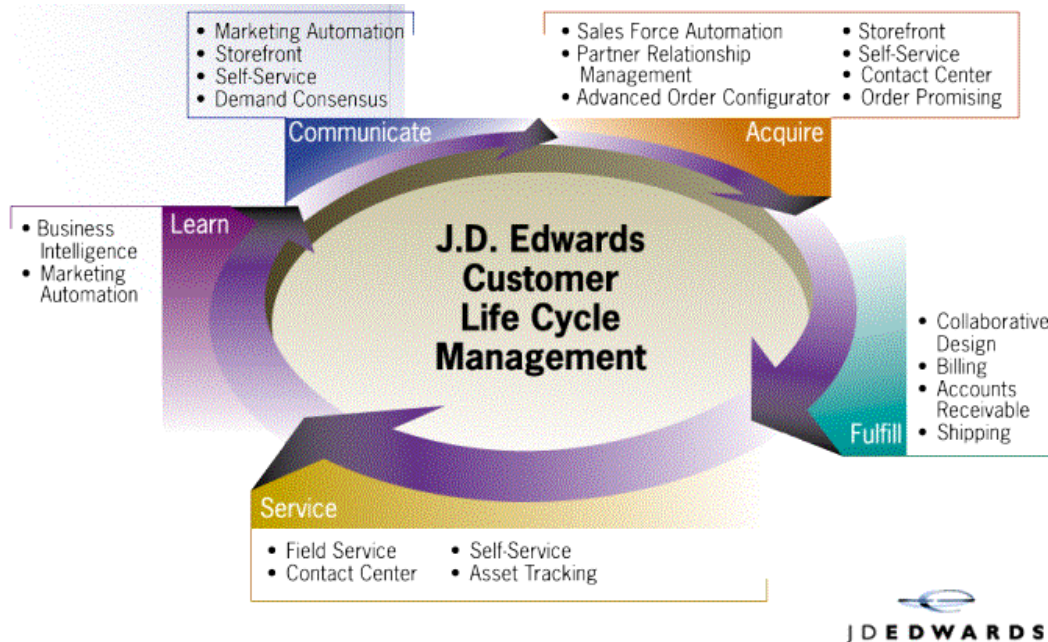
Figure 1. J.D. Edwards customer life cycle management for manufacturing and distribution industries.

Phase One: Learn

Customers don't just arrive with orders in hand. Nor do they make themselves invisible while waiting for delivery or service. Yet many stand-alone or best-of-breed CRM systems make assumptions like these in the functionality they provide. For example, many CRM applications address order entry, but do not include quotation processing, pipeline management, or product configuration. How is the company utilizing these unwieldy systems to gather and understand information about the needs of their customers and prospects? The truth is companies need to establish a dialog with prospects even before they become customers. This dialog may or may not be verbal, but there is a discovery process to find out what the customer needs, and if what the company offers meets their needs.

Business intelligence has become an increasingly important factor in many companies' successes. The ability to predict which customers will be most profitable, or which products or offers will appeal to certain segments of the market has a huge impact on the bottom line. Successful companies need analytic capabilities well beyond traditional report writers. They need to quickly access information that may be stored in a variety of formats and databases, and to look at it in new ways. By tightly focusing a company's marketing efforts, integrated business intelligence results in faster return on investment through shortened sales cycles, less chasing of unqualified accounts, larger orders, and more repeat orders. An entire list of prospects can be alienated in seconds because they are targeted with the wrong offer. Business intelligence can predict who are the best prospects, which are likely to respond to certain products or offers, where the most profitable regions are, and much more.
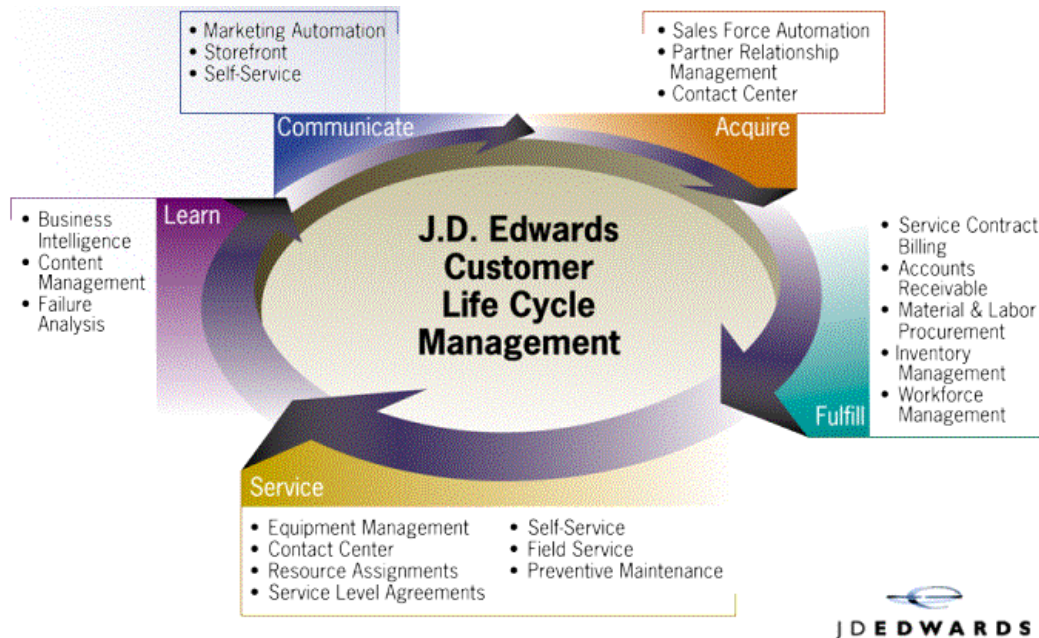
Figure 2. J.D. Edwards customer life cycle management for services industries.

While learning about a customer's needs, or who might potentially become a customer, it makes sense to have a sales force automation and lead management system in place that integrates with the rest of the company's business systems. This prevents duplication of contact information or contacting existing customers inappropriately, and creates an essential repository for any knowledge gained in the preliminary discussion phases — vital to effective customer life cycle management.

This enables companies to track the progress of qualified leads while reducing time spent chasing unqualified accounts. It also enables the sales force to devote more time to productive selling activities, and less time in non-selling activities. The result is more revenue per sales representative as the time spent on administrative activities is reduced. The accurate record keeping enabled by the system allows the company to analyze the number and source of leads converted and the actual revenue associated with each lead.

While the availability of this information will dramatically increase sales and marketing effectiveness over time, the only way to reap the benefits is to compare information gathered during the learning and lead generation phases with actual results. This process is obviously

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facilitated when the lead tracking information is fully integrated with the order entry, fulfillment, and service systems in use at a company, which enables the company to use business intelligence and analytics to gauge the success of campaigns and sales processes.

Effective CLM provides important benefits during the learn phase, including:

▶ Shorter sales cycles through more effective targeting

▶ Reduced cost of sales by eliminating unqualified leads earlier

▶ More revenue per sales rep as more time is devoted to selling and qualified leads

▶ More effective lead tracking, including the ability to track the revenue associated with a lead

▶ Increased revenue due to larger orders and more repeat orders

▶ Ability to identify the most profitable customers and target the segment for special treatment

Phase Two: Communicate

It is vitally important to establish a two-way communication with customers and prospects, to understand their problems, and to explain how the company's products or services can help to resolve those problems. This ensures that prospects are being targeted with the most effective offers at the most effective intervals. Customer feedback helps companies to create better products and services that meet their needs better than competitors can.

Communicating with customers may encompass marketing campaigns, advertising, or other branding efforts and communications from the sales force or other company employees. It is vitally important that the company have a record of the communications and control over the messages. With a CLM system, a company can ensure that customers and prospects receive targeted consistent communication via marketing, sales, the call center, and even the accounts receivable or collections group. This degree of consistent communication is only attainable with tight front and back-office integration.

Marketing automation, for example, can select from dozens of campaigns, or even create a new one on the fly, to determine the most appropriate version for a specific individual or company. This personalized approach goes well beyond merely inserting basic information such as a name into a communication that remains largely the same. Sophisticated algorithms can determine what products or services will appeal to each individual, based on each one's past history and the behavior of similar individuals. Test marketing campaigns can be done quickly and easily, allowing immediate changes to campaigns, even in mid-stream. Analytical applications present the success rates of various formats or campaigns, and allow a

virtually unlimited variety of demographic "slicing and dicing". Customers and prospects are not bombarded with information that's of no interest to them, and thus are more likely to take notice of the information they do receive.

Self-service is another key communication method. Customers enjoy the chance to browse products and learn about new features or offerings without the pressure of a live interaction. Numerous studies have shown that customers are generally happier with self-service options for both sales and support than they are with any other method of communication. Since the cost of providing self-service options is much lower than providing the same service through a call center, self-service is clearly a win/win for both customers and suppliers.

By using the information obtained from customers, field representatives and even support representatives, a clearer picture of the actual demand for a product or service begins to emerge. The resulting demand consensus has profound effects on the efficiency of the supply chain, including reduced inventories, less obsolescence, shorter lead times and better relationships with both customers and suppliers.

By providing the ability to easily share pipeline and forecast information, an integrated CLM system can help to ensure that fulfillment systems have sufficient inventory to match customer needs. Again, this vital step in ensuring customer satisfaction can only be easily achieved through tight integration of a company's front and back-office systems.

Effective CLM systems provide important benefits for customer communication:

- ▶ Target customers in the right communication channel with the right offer and at the right frequency
- ▶ Customer feedback helps the company improve products and services to better meet customer needs
- ▶ Better control over branding messages and company or product image, regardless of the communication channel
- ▶ Ensures a consistent message from all employees and partners
- ▶ Enables easier and faster sharing of forecast and lead information
- ▶ Ensures that back-end fulfillment systems have sufficient inventory or capacity to meet customer needs

Phase Three: Acquire

In this phase, both companies have decided to do business with one another, or at least they have come closer to agreement. Sales order entry, product configurators, and quotation management are critically important pieces of the technology required to support this phase. By

applying these tools, a company can ensure that the product it plans to deliver meets the customer's needs, along with their approval of price and other terms and conditions for the order.

Since the company closely targeted prospects, the cost of sale has most likely been reduced through the reduction in time spent on unqualified leads. Furthermore, this targeted approach leads to reduced sales cycles, as sales personnel are able to learn from the company's communication with the prospect and apply this knowledge during the sales process. Better targeting and tighter sales processes will lead to increased forecast accuracy and eventually result in improved accuracy of order predictions. Forecast accuracy directly affects a company's bottom line by resulting in improved operational efficiencies along with enhanced customer satisfaction.

Configuration tools help to ensure that customers will not only get the exact product they want, but also that it can be manufactured to function as required. Configurators help improve both the quality of the items ordered and the accuracy of pricing. By integrating with order entry, a configurator helps reduce data entry errors. And when order entry is integrated with the back-end manufacturing or fulfillment systems, a configurator quickly passes the configuration details to the manufacturing system which eliminates errors, and reduces lead times and rework costs.

Selling Through Partners Demands Close Communication

Today, many companies sell through partners. It is difficult enough to control messaging and branding when a company has a sales force comprised only of direct employees. The challenge doubles when selling through channels. In this case, a partner relationship management system can prove invaluable to a business.

This type of application can measure qualified and converted leads for each channel partner. Through integration with order entry systems, this information can be converted into analysis of revenue generated per partner. Partners who consistently under-perform can be targeted for increased education and training, or terminated.

Skills and knowledge management functionality in these systems can help to ensure that a potential customer is matched up with the most appropriate partner for their needs. This helps improve the likelihood of a sale and increases customer satisfaction by ensuring that they have access to product information and services consistent with their needs. It also helps the company to support their partners during long or complex selling processes by providing information as needed, properly branded, and with the company's most up to date messaging.

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CLM solutions help companies to effectively segment their-market and to deploy the right solution — rapidly.
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Demand information today comes through many channels. Companies often have both a direct sales force and a network of distribution partners. In any case, the field representation for any company is usually geographically scattered, and may have varied communication capabilities. Customers may provide input directly through storefronts or collaboration portals. The ability to aggregate the information from all these different sources into a single, cohesive picture of the demand for a company's products can prove invaluable in ensuring consistent supply and an efficient value chain. This aggregation of information is best achieved through a solution that provides access across every channel, and that is also integrated with the company's back-office systems. The efficient aggregation of this information frees up expensive sales personnel and a channel partner to focus on what really counts — getting the order.

Clearly, it is imperative that a company's CLM solution support acquisition processes through every possible channel. Opportunities may present themselves through the customer contact center, web storefronts, customer self-service portals, from a company's channel partners, or its own sales force. By supporting all these channels, a CLM solution helps a company to effectively segment its market and to deploy the right solution rapidly. This enhanced information access reduces the cost of servicing a customer, regardless of the channel utilized, by reducing wasted efforts and shortening sales cycles. Reduced costs and increased sales result in a much faster return on investment for integrated CLM solutions over standalone CRM applications.

During the customer acquisition phase, CLM provides:

▶ Increased accuracy on orders through the use of configuration tools and the ability to automatically convert quotes to orders for use in fulfillment

▶ Shorter delivery times through reduced paperwork and other processing delays

▶ More predictability throughout the pipeline, including improved forecast accuracy

▶ Increased operational efficiency

▶ Measure channel partner effectiveness

▶ Ensures assignment of leads to partners with the right skills and knowledge to make the sale

Phase Four: Fulfill

It's a proven fact that retaining existing customers is less expensive than obtaining a new customer. The key to customer retention is more than remembering a customer's name. Customers are loyal when you deliver the right product at the right time and at the right price, something that traditional CRM doesn't address. The true customer orientation is about more

than just communication. Once a customer has trusted you by placing an order, you need to make good on that trust by fulfilling the order, quickly, efficiently, and correctly every time.

But in today's fast paced business environment, just about any delay, any error can result in the loss of a customer's repeat business. Speed and excellence of execution at every step is the key to customer satisfaction and provides a true competitive advantage. It makes no sense to rush a customer's order into an order entry system and then have it hung up for hours or even days until it is re-entered into the fulfillment system. Integrated systems for the customer acquisition and fulfillment phases eliminate a major source of delay and error. Faster delivery times lead to happier customers and more repeat orders. Integration to back-office systems also results in greater billing accuracy by eliminating the need for redundant data entry. This results in better DSO (Days Sales Outstanding) and increased cash flow. Fewer errors also lead to happier customers and more orders. Integration of front and back-office systems is a key to providing excellent — rather than merely adequate — customer service. Having stand-alone or cobbled together systems in these critical areas is an invitation to unhappy customers and a resulting loss of business.

CLM improves the bottom line by providing these important benefits:

- ▶ Real-time integration to back-office systems ensures faster, more accurate delivery
- ▶ Eliminates redundant data and reduces data entry errors
- ▶ Improved billing accuracy
- ▶ Lower DSO in accounts receivable
- ▶ Improved cash flow

Phase Five: Service

Too many companies think their job is done when the order has shipped, but in most cases this isn't true. Truly customer-oriented companies recognize that every customer interaction is an opportunity. Customers often require installation, training or repair services on products and equipment. Companies can more effectively take advantage of these opportunities through utilizing an integrated CLM solution, rather than a stand-alone support application.

It is vital that a company has a record of exactly what was shipped to a customer and any modifications to it since the original configuration. This enables the company to dispatch the technician with the right skills and the right materials to service the customer quickly, cost-effectively, and efficiently. Understanding warranties and service contracts, and having that information readily available to the service group ensures that customers are not billed for warranty work or billed incorrectly under the terms of their service contract. Yet if service is

managed within a disparate separate system, this information must be laboriously re-entered or mapped to the other system, introducing a source of error, delay, and potential customer dissatisfaction. This will quickly lead to declining customer loyalty, fewer future orders and, ultimately, decreasing competitive advantage.

Here again, the broad functionality coverage of CLM solutions can make the difference in the effectivness of the services provided. The integration streamlines the information process and helps to eliminate billing errors. By offering self-service options along with a contact center, warranty management and field service applications, CLM solutions allow a company to cost-effectively service the customer in the most optimal way.

By providing integrated service applications, CLM benefits include:

▶ More accurate information about products being used by customers

▶ More effective scheduling of training, installation, or service calls

▶ Increased billing accuracy through warranty tracking

▶ Reduced cost of servicing customers by ensuring technicians with the right skills and the right materials are dispatched

▶ Improved capture of service revenue for non-warranty work

▶ Better expense tracking

The Fulfillment Chain for Products and Services: The Missing Link in CRM Systems

It doesn't make sense to record information about customers with the intention of improving customer service if the information isn't available to the systems that support vital fulfillment processes. It's simply better business to have every step in the business process using the same system, with information flowing smoothly and immediately to all stakeholders. Supply chain management, which typically includes fulfillment processing, has always been the missing link in CRM. This lack of integration makes the drive to more effective customer service harder than it needs to be.

If a customer changes its forecast up or down, the supply chain planning in an integrated CLM system will have the information and take corrective action immediately. By shortening the time-to-action, procurement plans can be revised to prevent excess inventory, or to cover an increase in the shortest possible timeframe. Integration helps prevent supply chain imbalances that increase costs and decrease revenue. Timely delivery helps improve customer satisfaction. Introducing lag time while disparate systems are synchronized, or worse yet,

while information is manually transferred, decreases an organization's ability to effectively service its customers.

Service companies require integration with fulfillment systems too, even though they may not ship an actual product. Both revenue and expenses are impacted when service personnel can't solve the customer's problem right away because they've been dispatched with the wrong materials or they don't have the right skill set. Integration improves billing accuracy by eliminating the need to enter or transfer data between systems. The result is lower days sales outstanding and improved cash flow.

Some companies are satisfied to have disparate CRM and SCM or ERP systems in the mistaken belief that an integrated system is too expensive or difficult to maintain. These companies are unable to effectively leverage their customer information and undermine the value of their technology investments. CLM systems include pre-built integrations that effectively leverage information used in both front and back-office applications. This maximizes both the efficiency of a company's customer relationship efforts and the return on technology investments.

Managing the Entire Customer Life Cycle Requires More than CRM

Many CRM applications focus on one or two specific areas of the customer life cycle. The problem with this approach is that it's just not comprehensive enough to support your business. Once two companies decide to do business, the customer becomes intensely curious about when the product or service will be provided. In some instances, the company's ability to provide this information may be as valuable to the customer as the product or service. In these cases, the ability to provide access to information from the fulfillment chain (production and supply chain systems) becomes a key differentiator. Customers want to track deliveries, without picking up the phone to ask a service rep to find out for them. Also, despite a company's best efforts, customers may experience problems with products. They want to search for help or log their support request, again without needing to pick up a phone or wait for a response.

For customer-oriented companies, the relationship doesn't end after a single transaction either. Companies establish a long-term, multi-dimensional conversation with customers, partners, and the enterprise itself. This helps companies to understand their customers' product and service requirements so that they can continue to earn the customers' business and loyalties in the future. Because these conversations encompass so much of the business, every process from prospecting to order entry to pricing to manufacturing, shipping, invoicing, warranty tracking, field service all the way to product design, is of interest to customers and provides vital information that can help fuel the relationship. Yet many stand-

alone CRM applications completely ignore most of these areas. They may offer functionality for a particular department or a specific function, but unless they make it easy for employees and customers to have a full view of the enterprise, they may result in a sub-optimum performance for the company as a whole.

For example, a customer may call in to the contact center to place an order. While on the phone, the customer may inquire about a previous order. The customer service rep needs to have immediate access to the open order information to ensure the customer gets the information required, without having to access another application. The order data may show the promised delivery date, but the customer wants to know exactly where the product is in the production cycle. This information is in the company's back-office ERP system. Again, the support rep needs rapid access. Next, the customer inquires about an invoice and this information is in the back-office system too. The customer will not be patient while the support rep transfers the call or fumbles through disparate systems. Last, the customer inquires about whether a check on another invoice has been received yet. Once again, the service rep needs access to information from the back-office systems. This scenario is not at all uncommon, and the only way to address it effectively is through a fully integrated CLM system incorporating a full range of front and back-office business processes.

The Problem: Many Software Vendors Don't Address the Full Customer Life Cycle

Companies often struggle to integrate the many different "islands" of customer information that exist throughout the enterprise. Every time a company enables an island of information, it also creates a point of potential customer aggravation. For example, having sales and service information in separate applications may cause the sales department to contact a customer about an upgrade while the customer has an unresolved service issue on the product. This is almost guaranteed to enrage a customer. Having separate marketing and sales databases can lead to sending offers to existing customers, a waste of time and money. If a company examines its business processes from its customer's viewpoint, the company will probably find a myriad of ways that having non-integrated CRM applications will baffle or annoy customers. This can be as damaging to long-term customer relationships as having almost no customer information at all.

The Solution: CRM Tightly Integrated to SCM, EAM (Enterprise Asset Management), and ERP

When business processes are handled in different systems, the customer suffers along with the organization. For example, if a customer enters an order through a self-service portal, but can't get real-time, accurate, scheduled delivery information because that application isn't integrated with the company's SCM system, the customer suffers. The customer either contacts a CSR looking for the real delivery date, or they rely on approximations. Neither is optimal from the customer's viewpoint. Meanwhile, the company has employees trying to cope with new orders, schedule changes, and adjustments coming in from multiple systems. At best, information is delayed. At worst, it's lost. Regardless, the result is needless delay, known as organizational latency. The company that can achieve zero latency (information is sent immediately and without errors to the appropriate systems) will achieve a competitive advantage. Only when a company comes close to attaining zero latency can it really be said to be managing its customer relationships.

When an appropriate integrated technology is deployed in an organization with a customer-centric philosophy, it will result in zero latency and allow more effective management of customer relationships. It will provide the company's employees with a secure and complete view of all company interactions with a customer, from shipment status of existing orders to outstanding proposals to open service calls and even payment history. Just as importantly, it will provide the customers with a consistent view of the company.

This has caused a shift in the way that software applications need to be architected. They must allow truly collaborative commerce, where parties are more like partners than adversaries. Demand planning applications and SCM systems must be open to customer input. Delivery requirements and promises need to be accessible to suppliers, so that their systems can reflect changes in demand that will affect the company's delivery schedules and vice versa. Companies need to understand the customer's requirements much better and faster. e-Marketing and campaign management applications are wonderful applications that let companies communicate with customers and prospects frequently, faster, and less expensively than ever through precisely targeted messages. This precision results in increased sales and customer satisfaction, along with reduced cost of sales and reduced sales cycles. But again, the information needs to be available fast. It can't be buried in a stack of hard copy reports or worse yet, waiting for the report to be written by overwhelmed IT staffs. Business intelligence is another area where integration is key to speed and usability.

Implementing Modular and Integrated Applications vs. Large Monolithic Systems

Except for start-ups, companies already have IT systems in place. Even though the company may want to upgrade to CRM, or add an individual customer-facing application, the company is unlikely to want to rip out all the existing legacy systems to do so. But if integration is key to efficiency, the company is caught in a dilemma. That's why it's important to evaluate applications from vendors such as J.D. Edwards that offer a full suite of applications designed to work together in a completely integrated mode.

However, each application can also be implemented in a modular fashion and interfaced to existing legacy systems. This means that legacy systems can be upgraded or replaced if and/or when the company chooses. One might think that the company would be giving up a great deal of functionality to gain the benefits of this flexible implementation approach, but that is not the case. Each of the J.D. Edwards application modules is functionally rich, to the point that they rival or exceed the offerings of many "best-of-breed" suppliers.

The Hurwitz Take

If a company has a true commitment to its customers, it will want to service them equally well in every phase of the customer life cycle. Improved business process efficiencies and the associated increased customer satisfaction are achieved through the implementation of highly integrated business systems, such as those offered by J.D. Edwards. The efficiencies associated with this approach result in tremendous cost savings and improved repeat order rates, among many others. To gain these benefits and many more, every company should look at J.D. Edwards as a possible solution.

FW Murphy Uses CLM to Leverage Customer Information

FW Murphy manufactures a broad range of equipment controls and monitoring systems that are produced and sold around the globe. In 2001, FW Murphy management recognized a need to increase the efficiency of its sales processes and enhance customer intimacy. Over time, FW Murphy's IT systems had evolved into fragmented silos of information, with no single application providing a complete picture of the customer's interactions with the company. Furthermore, there was no integration between the company's front office and back-office systems, leading to inefficiencies and data redundancy. Communication between departments and partners was time consuming due to the proliferation of makeshift, paper intensive processes. Executives knew that to reach the next level of customer service, the company would need a single repository for all customer information, one that could be accessed by all employees as well as the channel partners.

FW Murphy had been working with J.D. Edwards since 1996, using the company's APS, Manufacturing and financial applications. Over time, FW Murphy had come to rely on J.D. Edwards' solutions as the foundation for its business systems. When the time came to look at CRM solutions, J.D. Edwards broad CRM offering made the most sense. Not only was the functionality on a par with "best-of-breed" applications, but also the built-in integration with the existing J.D. Edwards backbone meant a faster implementation and lower costs by eliminating the need to write multiple interfaces to third party applications. Furthermore, J.D. Edwards offered integrated solutions for every phase of the customer life cycle, including e-Marketing, business intelligence, support, warranty management, call center, a web storefront, a configurator, and partner relationship management.

FW Murphy had also come to respect the excellent service provided by J.D. Edwards. The professionalism of J.D. Edwards' consulting and education team has helped make earlier implementation projects a success. "I knew we could rely on them to make our CRM project a success as well," said Mitch Myers, FW Murphy's V.P. of Operations. "And by tying the CRM application to the OneWorld back-office we can provide a seamless connection to order status, billing, manufacturing, and product support. This will enable employees to fulfill customer requests during a single interaction."

FW Murphy expects to go live in Q3 2002 with the new CRM solution. By rolling the solution out to customers, partners and employees, FW Murphy expects that remote sales offices and distribution centers will be able to make rapid, sound business decisions, based on a single source of reliable data. An added benefit is consistent presentation of its brand image to customers and partners. The integrated suite of solutions from J.D. Edwards has made FW Murphy's customer intimacy objectives a reality.

About Hurwitz Group

Hurwitz Group, an analyst, research, and consulting firm, is a recognized leader in identifying and articulating the business value of technology. Known for its real-world experience, consultative style, and pragmatic approach, Hurwitz Group provides strategic guidance to its clients by delivering analysis, market research, custom content, and consulting services. Clients include Global 2000, software, services, systems, and investment companies.

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