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White Paper | IT Service

# Implementing SaaS CRM

“Just like water from the tap in your kitchen, cloud computing services can be turned on or off quickly as needed.

Like at the water company, there is a team of dedicated professionals making sure the service provided is safe, secure and available on a 24/7 basis. When the tap isn't on, not only are you saving water, but you aren't paying for resources you don't currently need.”

*Vivek Kundra, CIO in Obama Administration.*



# Introduction

During the last decade we have all experienced how goods and services have been digitized and virtualized. Not only are these tangible things transforming, software – the driving power of many of these goods and services – is also impacted by this trend. The question arises as to how a class of products that is natively digital has been transformed in the way it is delivered and consumed? Think about the tablets (iPad) and the way of using software. People no longer need to know how to install and use a software to run certain tasks. This can all be solved now with the tip of a finger on an icon. How is this possible? It is all due to the Internet, that connects people to people, businesses to businesses, and people to businesses. Today, this allows us to do things that would not have been possible 10–15 years ago.

Therefore it was only a matter of time before the next logical step took place. The already digital product software became even more digital by giving up its last physical resort – the (CD/DVD) – and can now be provided via the Internet. Since the beginning of the new millennium software solutions for e.g. accounting, collaboration, CRM have been provided via the Internet i.e. no longer have to be installed on a computer, can run via a browser only and are offered more or less in a pay-per-use mode.

# New Requirements – Upheaval in the Pharmaceutical Industry

SaaS (Software as a Service) is a software delivery model in which software and the associated data are hosted centrally and typically accessed via the Internet. CRM is – and continues to be – the largest market for SaaS, and many enterprises already rely on the flexibility and stability SaaS technology provides.

With SaaS all hardware and software components are installed, tested and maintained by third party providers: there are no complex, labor-intensive implementations and ongoing support which utilize internal IT resources.

Traditional ‘On Premise’ systems – which are still in place in many companies – had their peak in the late 90s, and the companies used the systems’ deep customization capabilities to tailor the features, interfaces, and other characteristics of their solution to best support their specific needs. Long implementation and integration projects with many internal and external IT resources were set up, resulting in a highly customized solution that could only be changed or enhanced with significant human and financial effort. Staff resources had to be dedicated to ongoing system monitoring, as well as routine services, upgrades, and enhancements.

The systems which were implemented a decade ago are not flexible enough to handle modern-day demands and to react quickly to changing market requirements.

One of the biggest shifts in response to changing market requirements will be the way companies sell their products and the way the customer, the professional as well as the patient, is involved and approached within this process. Multi-Channel-Management capabilities will become more important in order to intensify the interaction with the customer through an efficient coordination of all contact channels across the entire organization. Customer focusing processes will not be left exclusively to Sales and Marketing. Instead other organizational entities such as Medical, Market Access and service units will be involved in driving customer centricity. This means that the company has to consider multiple internal groups with specific requirements. Consequently established processes will have to be revised and adopted or even replaced by new process models.

This new selling approach demands novel technology which is flexible, fast, specialized, and much less expensive to deploy and maintain – a technology that finally helps the organization to cater to their customers’ needs. Implementing a SaaS-based CRM system brings many benefits to the enterprise, from high scalability, to multi-tenancy and greater flexibility, which allow the company to react quickly to market demands while facing a significant decrease of resources in the internal support organization. When applying a ‘rapid development’ approach SaaS-based systems are much faster and less expensive to deploy and maintain.

Moving from 'On Premise' to 'On Demand' by introducing a SaaS platform is not only a technological switch, but also an opportunity to drive the enterprise towards more harmonization and standardization. Salesforce.com, which coined the term 'The End of Software' to differentiate the new SaaS approach from the traditional 'On Premise' application, has contributed significantly to making SaaS popular.

However, before starting developing and implementing such a system, several aspects require consideration to promote a seamless deployment to the organization and make the initiative a long-lasting success story.

In the following some important aspects which should be considered prior to implementation work will be discussed.

To allow better illustration the further description is based exemplarily on an implementation of Salesforce.com (SFDC) for a Pharmaceutical company. This was completed in 2010 and can be summarized as follows

- International roll out to > 20 countries
- Number of users by country organization ranging from 20–200
- Centralized approach, governance, process scope, system development and support are defined and managed centrally
- Harmonized processes, utilizing 70 per cent standard processing for core template and adding 30 per cent of country specific requirements

## General Aspects which Require Consideration

SaaS is a software application delivery model where the software vendor develops a web-native software application and hosts and operates the application ready for use over the Internet. However, to make an 'out of the box' platform useable to an enterprise, various aspects must be considered while also reflecting on the requirements for adoption.

The initial and also most important task – especially for a multi-country roll out into an international environment – is the proper definition of the organizational structure, which will later determine the scalability and accessibility of the system and can only be reversed with difficulty. Even though a 'rapid development approach' could be applicable from a mere implementation point of view, the set up of a conceptual phase prior to the implementation is highly recommended.

During the conceptual phase the following aspects should be worked out thoroughly:

- Governance
  - Governance concept: alignment of local/regional/global responsibility
  - Concept for Governance Committee
  - Allocation of responsibility in Business & IT
- System Landscape
  - Evaluate number of physical orgs required
  - Consider local/regional/global definition of orgs
  - How orgs are determined: geographical, functional, data wise
- SFDC Edition (e.g. Professional, Enterprise, Unlimited): functionality, data storage, customization limits, development environments (sandboxes) depend on the Edition purchased
- Data protection requirements
  - Ascertain if the Safe Harbor Agreement (data is stored in an environment outside EU, based in US) is sufficient for the organization
  - Evaluate if local data protection and compliance rules apply
- Understand and evaluate basic structural elements of the system, especially for cross-country implementations or the deployment of a complex organizational structure
  - Roles & Profiles
  - Record types
  - Page layouts
  - Field level security

- Evaluate and understand limitations within the system (number of fields, objects, snapshots)
- Standard vs. Customizing: define threshold for use of SFDC Standard Functionality vs. Customizing vs. Coding (Apex/Visual Force)
- Evaluate and define level of standardization across countries
  - How much adoption of functionality will be accepted for a single country?
  - How much 'standard' will a single country accept?
- Reporting
  - Evaluate the level of standard KPIs and reports
  - Evaluate use of SFDC reporting engine vs. separate reporting tool
- Use of mobile devices

The following benefits could be leveraged with an accelerated project approach:

- No additional cost for hardware.
- No assessments needed with regards to sizing or infrastructural questions.
- Hosted centrally, new releases are put in place without requiring users to install software.
- Single configuration, making development testing faster.
- Integration with other systems through API.

## How to Manage a ‘Multiple-Country’ Approach?

Due to the increasing harmonization of organization and processes across countries, many companies consider an international roll out of a CRM platform. Applying this approach, the desired level of harmonization and standardization, relating to content and technology, has to be determined. The following measures are the first steps towards cross-country harmonization:

- Definition of Strategy and Processes: define ‘core’ under consideration for local characteristics
- Scope definition: identify high-level requirements and prioritize, with involvement of key stakeholders and/or Steering Committee
- Set standards for all countries, in terms of organization, processes, KPIs

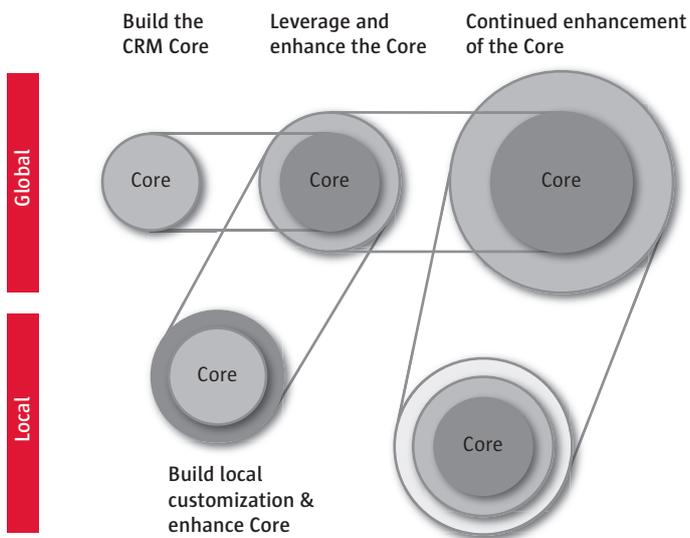
Finding a balance between global goals and the fulfillment of local needs is the most challenging part of the initiative. However focusing on adjustment to an appropriate level will be a prerequisite for making the entire project a success.

For a multiple-country roll out a pilot approach is the most appropriate for validating the success of the conceptual pre-work. The pilot should – on a high level – reflect the process scope and represent the desired organization.

- Implementation of one or two reference countries as proof of concept
  - One smaller country with a high level of standard functionality and limited interface requirements
  - One large, complex country with individualized requirements and interfaces to local systems
- Use of standardized templates and toolkits to request functional details from the selected countries for preparation of the prototype
- Derivation of the set up for a global implementation project based on this experience, carefully considering the sequence of countries to be rolled out

With a multi-country approach as defined above a global governance concept can be applied without disregarding local flexibility.

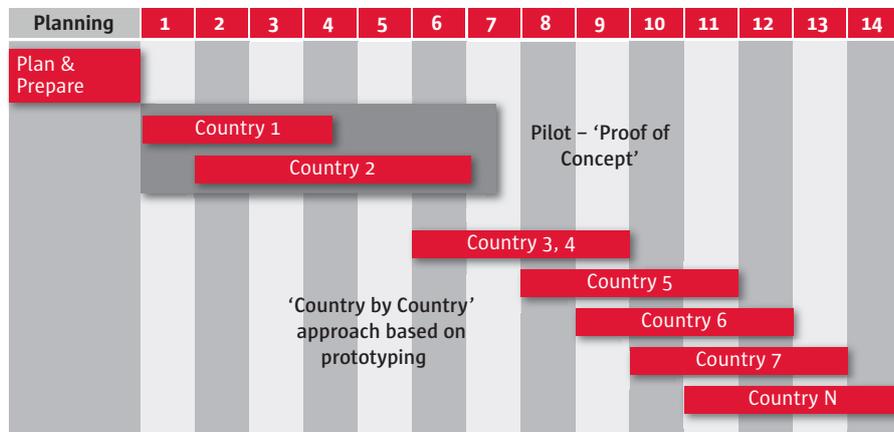
Figure 1: Developing a global core with local input



With an appropriate release concept the country specific requirements can be integrated to fully enhance the core application.

A multi-country SaaS roll out for a global organization can be executed as shown in the following diagram.

Figure 2: Parallelization of country roll outs

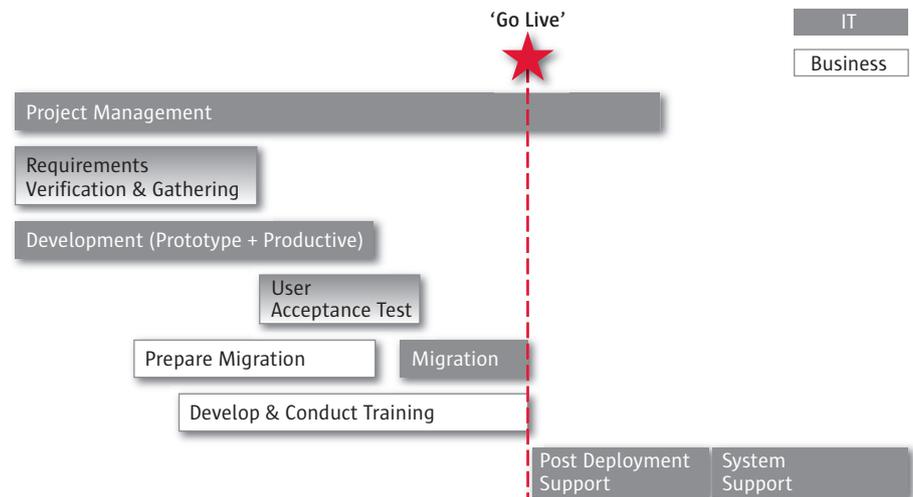


For each country considered for the global roll-out plan the same pattern should be applied (if countries are of similar character some countries could be clustered, e.g. Nordics region):

- Gather basic business specifics from each country by using a pre-defined toolkit
- Develop a high-level country-specific prototype when setting up the organization (using record types, profiles, roles)
- With each country or country group run a detailed requirements verification session
- Enhance the prototype taking country-specific requirements into account (changes to the prototype can often be implemented 'on the fly' during a requirements' verification session)
- Conduct multiple reviews of system prototype and discuss options for the implementation
- Test, training, data migration

A generic implementation plan for a single country is depicted below.

Figure 3: Generic project plan for one implementation by country or country cluster



# Implementation Effort

It is not simply a marketing message, but also a fact that the technical effort for implementing SaaS technology is significantly lower than for traditional 'On Premise' solutions, assuming the necessary conceptual pre-work has been completed to the required level of detail.

SaaS implementation effort can be up to 50 per cent lower than 'On Premise' implementation related effort: the cost for application configuration can be lowered by half. Of course, these numbers depend on the complexity of processes and structures which need to be supported by the system. The more standard functionality is leveraged, the lower the final implementation effort is.

However, for determining the total effort for the introduction of a new CRM system, the application configuration must be considered as well as all implementation-related activities.

The following table provides a detailed overview of the project activities and associated effort (per cent).

Figure 4: Effort in per cent by project phase

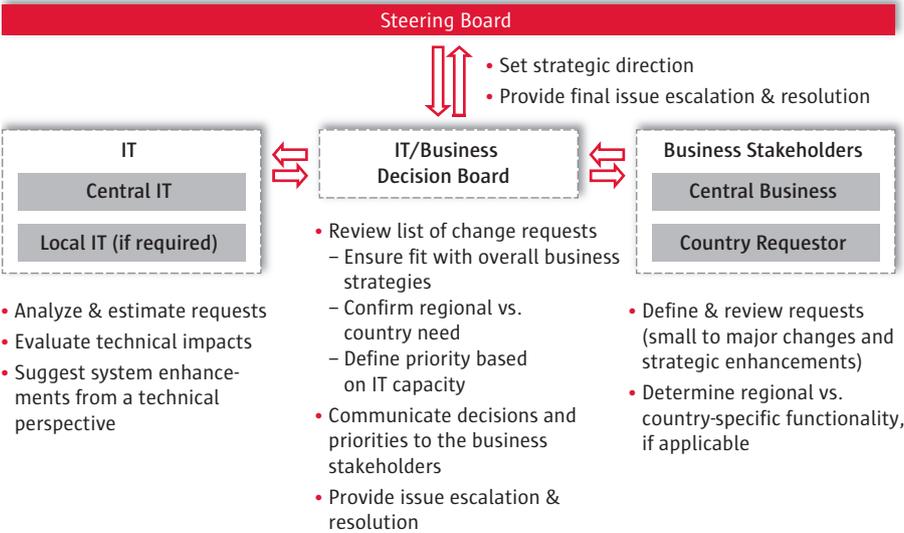
Project Phase	Effort (%) of Total
Requirements Verification & Definition	15
Application Setup & Customization	30
Interface Design & Implementation	10
Review Customization	5
Test & User Approval	5
Data Migration & Load	10
Training Support	5
System Go-Live	5
Shut-Down of Old SFA System	5
System Documentation	5
Dashboards/Reports	5
<b>Sub-total</b>	<b>100</b>
Contingency	20
Project Management	25

# Governance

To gain the most benefit from a multi-country implementation scenario a centralized Decision Committee that assesses and ranks input from the countries for global use should be set up. The Steering Committee should act as the superior instance giving direction on strategies, scope and providing resolution for serious issues.

The steering organization could be set up as shown in the following diagram.

Figure 5: Setting up the steering organization

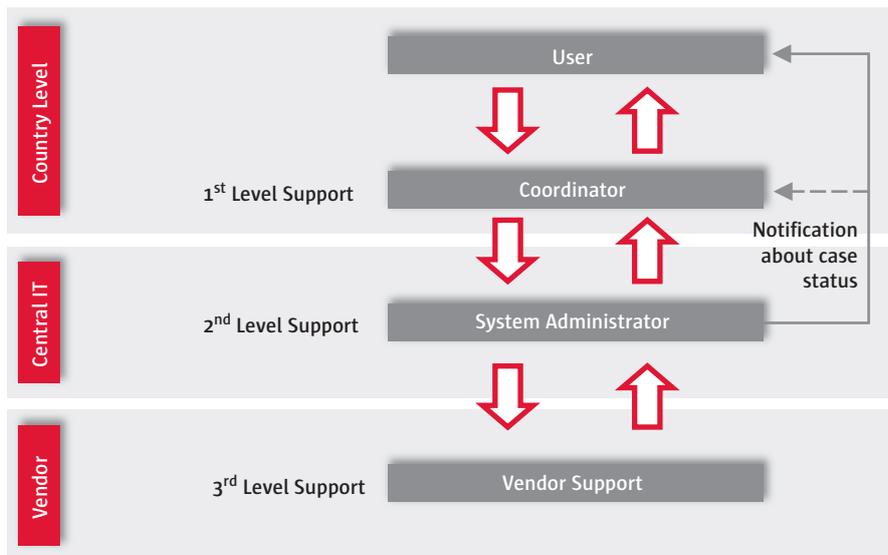


For supporting the decision-making process it is mandatory that an appropriate communication process between all involved parties is established. This includes carefully leveling out the involvement of Business and IT and the build in of feedback loops with the user community.

After the roll out, when everybody is getting used to the new system, new ideas will arise, and the country organizations will submit support and change requests to IT. To process all requests on time, an appropriate support concept needs to be in place, outlining the workflows, responsibilities and Service Level Agreements (SLA).

The following structure for a support organization has proven successful.

Figure 6: Generic model for support organization



For a multi-country approach a centralized support organization is the most obvious solution. However, a coordinator within each country should be established to monitor and control change or enhancement requests addressed by the country’s business organization.

- **Country Level:** Business Coordinator per country as first point of contact for the end-users and single point of contact for IT. The Business Coordinator has to manage the following tasks: system training (initially and with new employees), assessment of requests from business and creation of support cases, suggestions for further development of the system, testing, active participation in go-live, management reporting. Additionally, the Business Coordinator should already play a central role for the implementation project and understand the country specific requirements.
- **Central IT:** Technical support resource to
  - assess and implement support cases
  - process operational tasks: user management, passwords, changes to territory structure, new products, small changes/change requests etc.
  - assess small change requests – implement directly in the production environment
  - assess changes/enhancements with high effort: use of sandbox environment for development and test, then migrate to production
- **Vendor:** Third level support for issues or change requests that cannot be resolved without the vendor’s input

## Benefits

SaaS CRM provides the standard functionality of On Premise CRM solutions as well as the security, reliability and performance companies need to ensure smooth customer operations, without the time and cost associated with in-house systems. In a time where market requirements are changing companies no longer require CRM systems with predefined industry-specific or sub-industry-specific capabilities. They require a powerful tool that allows for rapid adoption to the market with reduced effort and resource involvement.

With the flexibility to adjust for rapid changing markets and the scalability to accommodate growth with the 'pay-as-you-go' concept SaaS is considered to be a huge leap forward. No longer purchasing new infrastructure or investing in ongoing system maintenance for the On Premise system leads to overall cost containment. Zero-impact upgrades enable the environment to always be on the current technology.

Multi-tenancy – one essential attribute of Cloud Computing – allows everybody within the organization to access exactly the data he or she needs. Information can be easily shared within a controlled environment. Transparency of data, projects and processes is enforced. The CRM platform serves as a central data hub that increases consistency across all customer groups – the time of information silos has been superseded. Additionally, many SaaS tools provide internal collaboration functionality including company-wide social networking, which accelerates the distribution of relevant information to specific recipient groups.

Easy configuration in real-time and extreme scalability provide pharmaceutical companies with unique business flexibility, in particular when experimenting with today's advanced sales and marketing initiatives such as video detailing, eDetailing, alternative sampling programs, and closed-loop marketing (CLM).

## Conclusion

Although the concept of Cloud Computing can satisfy an IT requirement and supports the business in acting as flexibly as the market requires, there are a few bottlenecks which may slow down the acceptance of SaaS and require close attention throughout the entire life cycle.

- Since data is stored on the vendor's servers, which is not necessarily located within the EU, data storage and handling needs to be evaluated from a legal perspective.
- To leverage the option for accelerated feature delivery, an appropriate governance and support model has to be in place before the first action towards implementation is taken. Since most SaaS applications are convenient and easy to customize, it is tempting to start implementing without considering the relevant organizational aspects up-front.
- Ideally, the governance model should include the support organization for the post-deployment phase as well as a detailed SLA (Service Level Agreement) definition.
- Any implementation of a business application should be driven by the business, otherwise the project will probably trigger a software replacement initiative. Establishing the ideal contribution of business and IT to achieve overall quality for the new platform has proven to be an important factor for success.
- SaaS technology is able to deliver its benefits the more globally and harmonized the organization is set up. SaaS forces the organization to pursue a harmonization and standardization approach, looking at global processes and structures rather than local ones. Finding the balance between local and global alignment is one of the most challenging decisions the project sponsors have to take, which is why this topic is often disregarded.

The potential risks or challenges mentioned above can be mitigated by leveraging leading practices that have been established and developed during recent years. Bearing-Point has supported many clients moving from 'On Premise' to SaaS technology and has developed a proven methodology framework to support making the initiative a success – during and post-deployment.



To get there. Together.

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## Contact

Peter Müller | Partner | +49 69 13022 5089 | [peter.mueller@bearingpoint.com](mailto:peter.mueller@bearingpoint.com)

BearingPoint GmbH  
Speicherstraße 1  
D-60327 Frankfurt am Main – Germany

[www.bearingpoint.com](http://www.bearingpoint.com)