



E.PIPHANY™

**Driving By the Wreckage:
What Does and Doesn't Work
in CRM**

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VP, Product Marketing

23 August 2001

SOFTWARE FOR THE CUSTOMER ECONOMY™

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Today's Topics

- Brief introduction to E.piphany
- The E.piphany/Hewlett-Packard Alliance
- The Customer Economy
- What Does & Doesn't Work in CRM
- Recommendations for Success

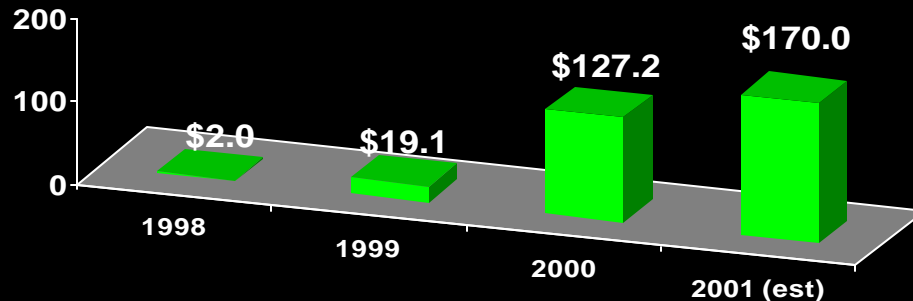
E.piphany at a Glance

NASDAQ:	EPNY
Headquarters:	San Mateo, CA
Founded:	Nov, 1996
IPO:	Sept, 1999
Customers:	350+
Employees:	900+
Cash Holdings:	\$350M+
Q1 YoY Growth:	164%

30+ Offices Worldwide

- San Mateo
- New York
- Atlanta
- Chicago
- Los Angeles
- Tokyo
- London
- Munich & Frankfurt
- Zurich
- Paris
- Sydney & Melbourne
- Singapore
- Sao Paulo
- Amsterdam
- Mexico City
- Hong Kong
- Toronto

**Strong Revenue Growth
(in millions)**



E.piphany Mission

**To provide the
single view of the customer
enabling insight and action
across every touch point
in real time**

Industry Leaders Choose E.piphany

Financial Services



Media/Communications



Travel/Leisure



Technology



Retail



Manufacturing/Distribution



E.piphany & Hewlett-Packcard

Spanning The Globe



Hewlett-Packard Uses E.piphany Globally

- Business Consumer Organization (BCO) North America
- Business Consumer Organization (BCO) Asia Pacific
- Customer Knowledge Management
- Home Products
- IT Resource Center
- Technical Computing Division
- Worldwide Education

E.piphany & HP In Action

- Platform Partner
- System Integrator
- Reseller
- E.5 is ServiceGuard Certified
- Benchmarking



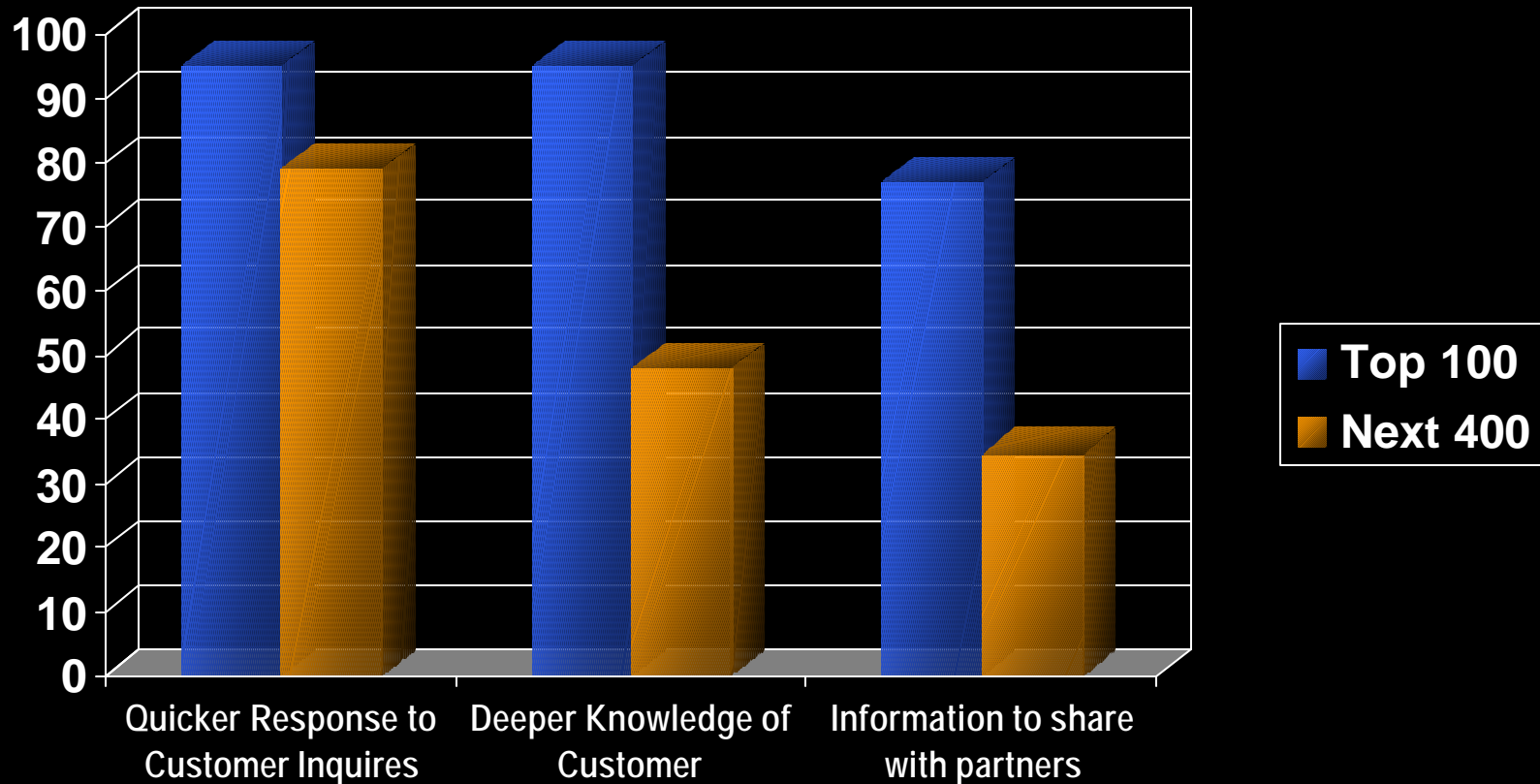
The Customer Economy

Customers Take Back Control

The Customer Economy

- Expect **knowledgeable** assistance
- Expect **insight** into their behavior and actions
- Looking for **issue resolution** on first contact
- Expect **consistent treatment** across all available channels of communication
- Desire for personalized, **intelligent interactions**
- Full service, self-service, **24x7**

Top Innovators Get It



Source: InformationWeek 500 Research Survey, September 2000

InformationWeek Collaborative Business Customer Loyalty Study April 2001



Setting the Agenda

Real-time Multi-channel

- Multi-channel Access
- Web and Wireless

Collaboration

- Management Beyond the Enterprise
- Enabling the Customer-driven Demand Chain

Intelligent Sales and Service

- Intelligence-driven Sales
- Call Center to Profit Centers

Customer Dialogs

- Targeted
- Customer Conversations
- Permissions and Privacy
- Powerful Analytics

What Does and Doesn't Work

The Top 5 Things That Don't Work In CRM

- Using CRM only to automate processes, and not implementing analytics
- Deploying too many piece-part solutions
- Ignoring the organization issues associated with CRM
- Start with gaining a single customer view
- Not designing a plan to integrate all channels around the customer

The Wreckage



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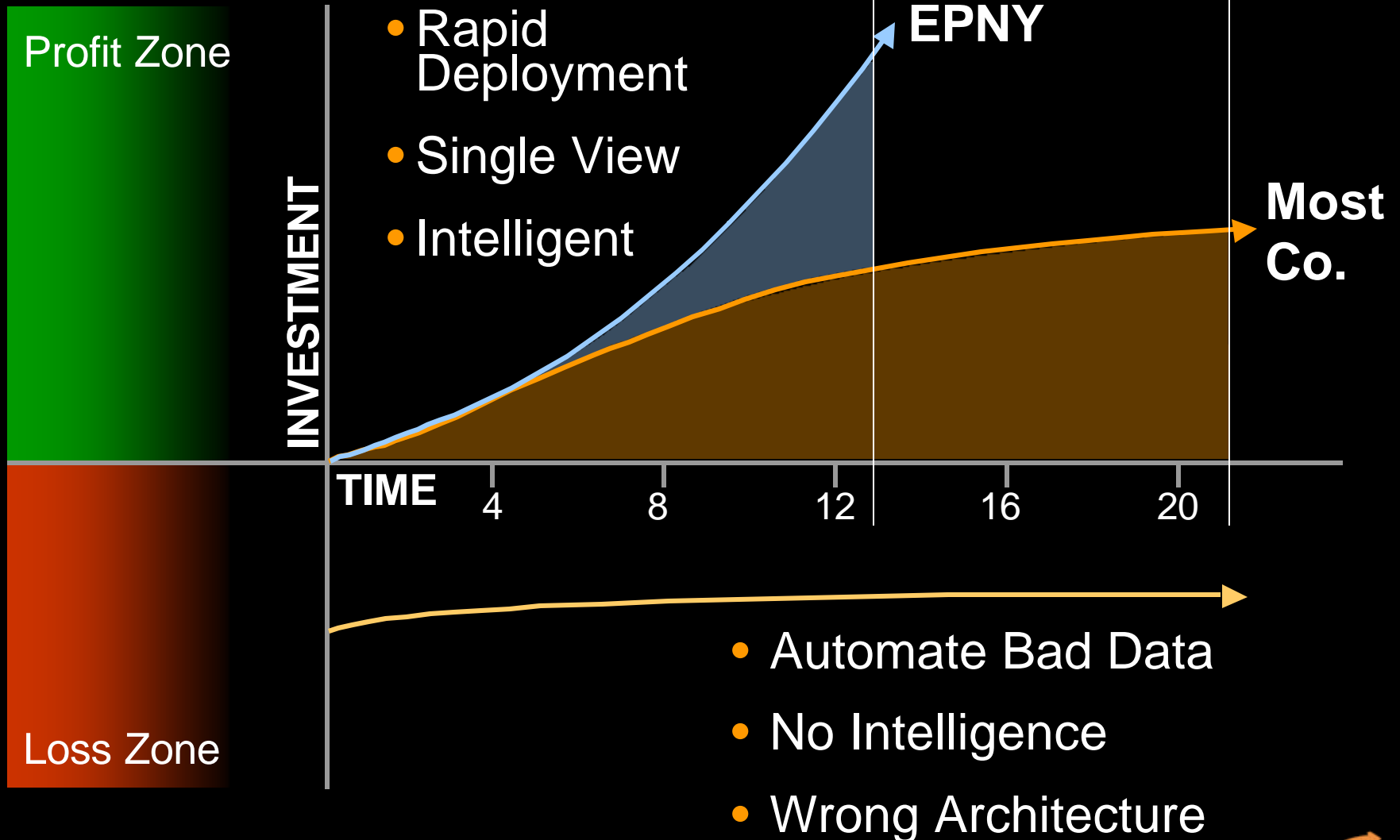
Industry Experts Confirm The Wreckage

Anywhere from 50 percent to 70 percent of CRM implementations fail, depending on which market research is cited.
-Barb Darrow, CRN Magazine, June 2001

Over half of all current CRM initiatives will fail to produce a positive, measurable business return –Michael Moaz, Gartner Group, July 2001

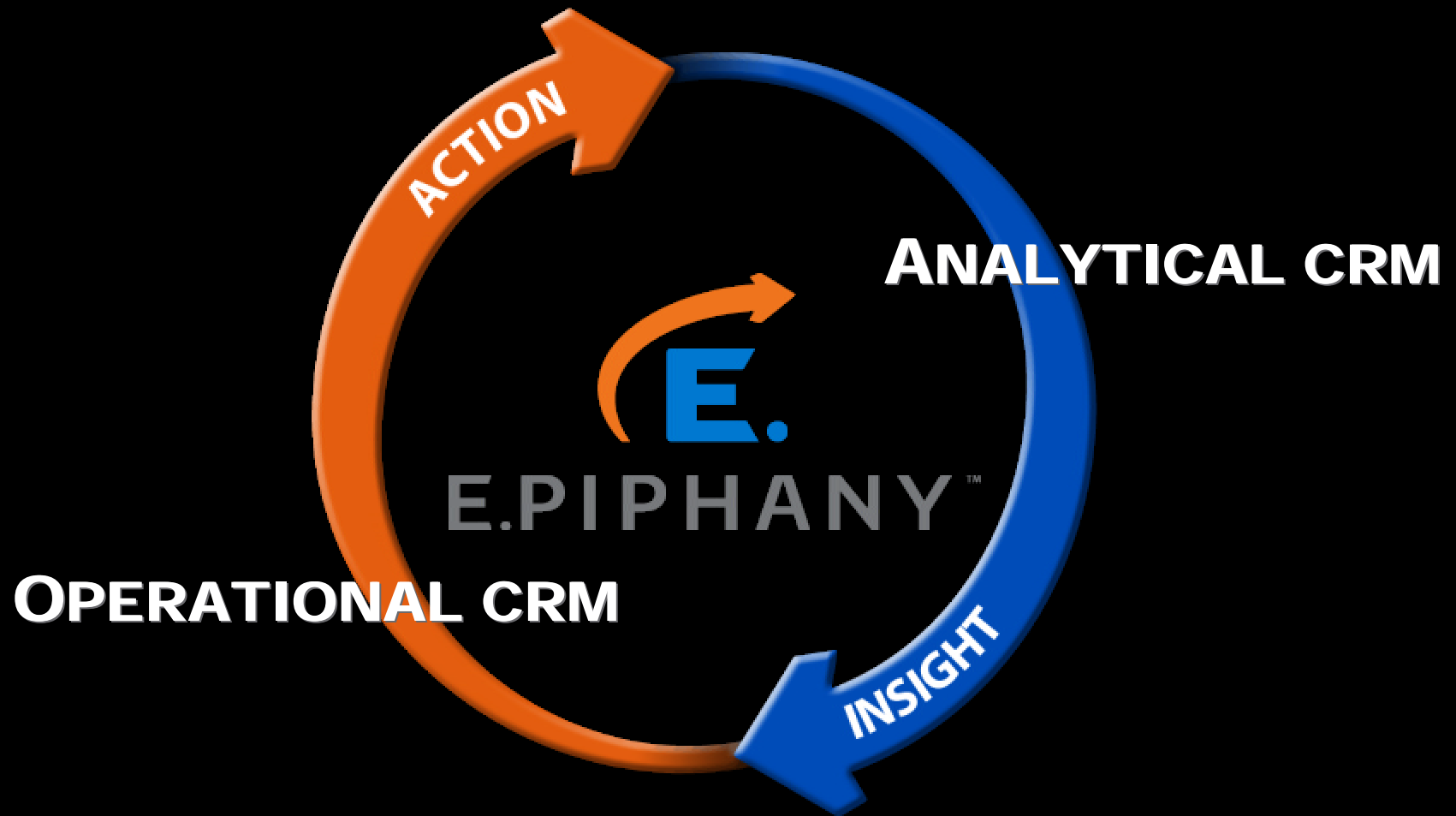
Only 24% of the cost of CRM is represented by the applications; users should plan for at least a three to four times multiple for infrastructure and services –AMR Research, February 2001

Rapid Time To Value

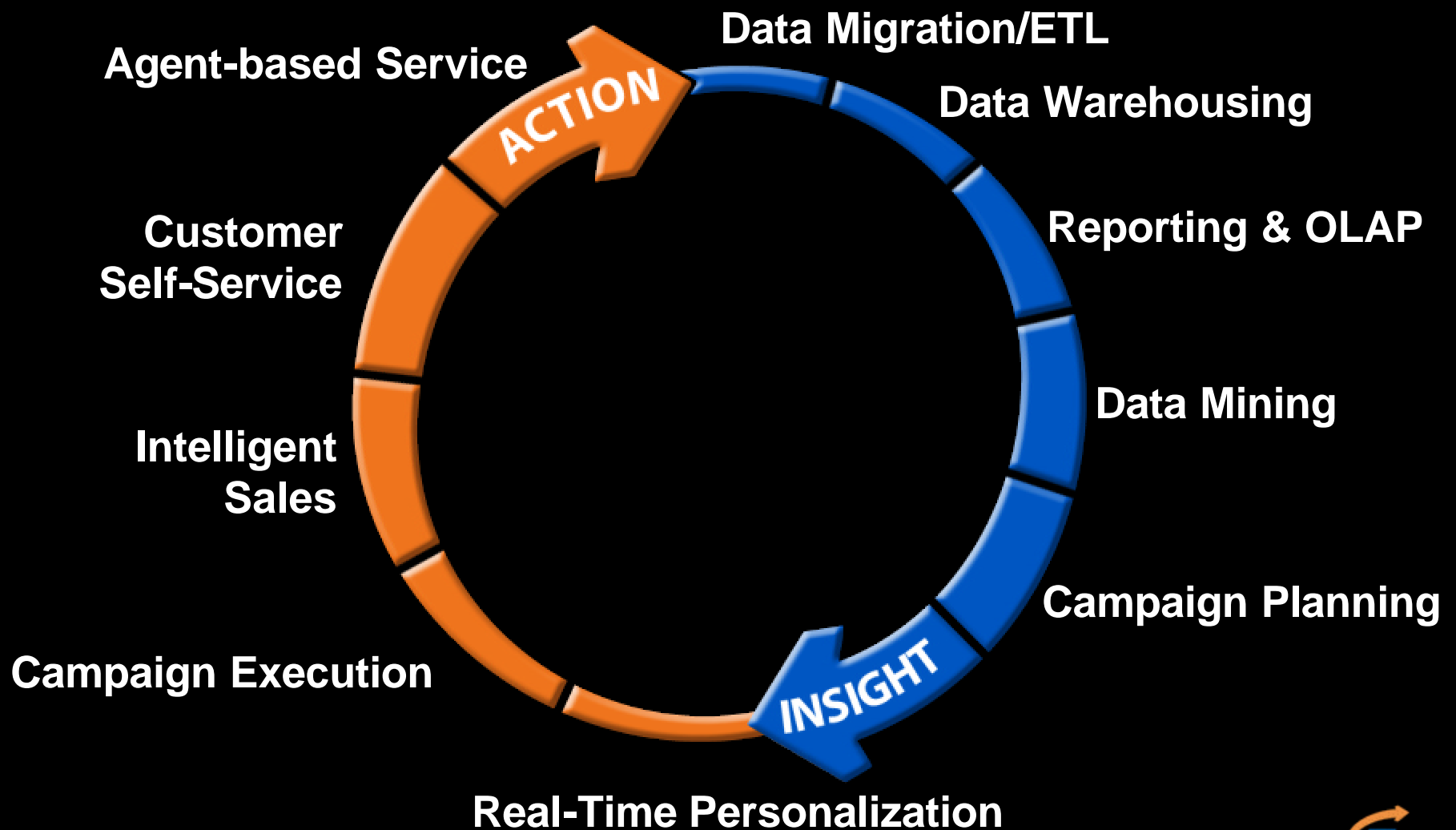


Don't Forget the Analytics

Next Generation CRM



The Essential Technologies



Intelligence Driving Interactions



Higher revenue
Better retention
Stronger brand

Personalize Every
Customer Interaction in
Real-Time

Make the
most of each
interaction

Use Analysis of Customer
Information to Drive Interactions

Focus on the
right
opportunities

Enable Customer Interaction on
Multiple Touch Points

Improve
Customer
experience

Achieve Single View of Customer Across All
Touch Points and Systems

Know your
customers
and be ready
to take action

Automate Your Business Processes

Increase
operational
efficiency



E.PIPHANY™

Understanding the Customer

Which customers are the MOST LOYAL?

Which customers, partners, or purchase occasions are MOST PROFITABLE?

Which customers are AT RISK?

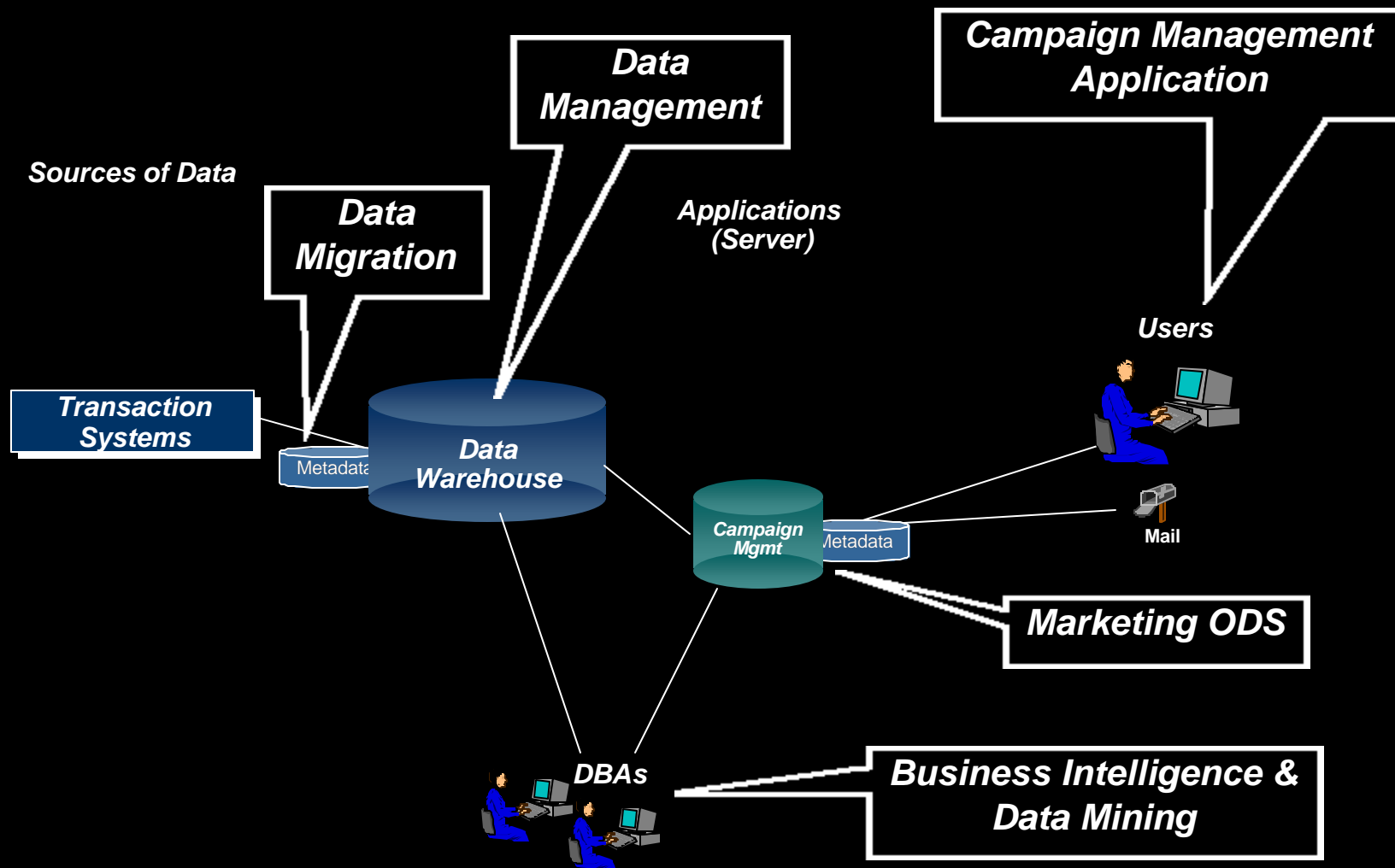
Which customers/partners COST ME money?

Complete Customer Life Cycle Management

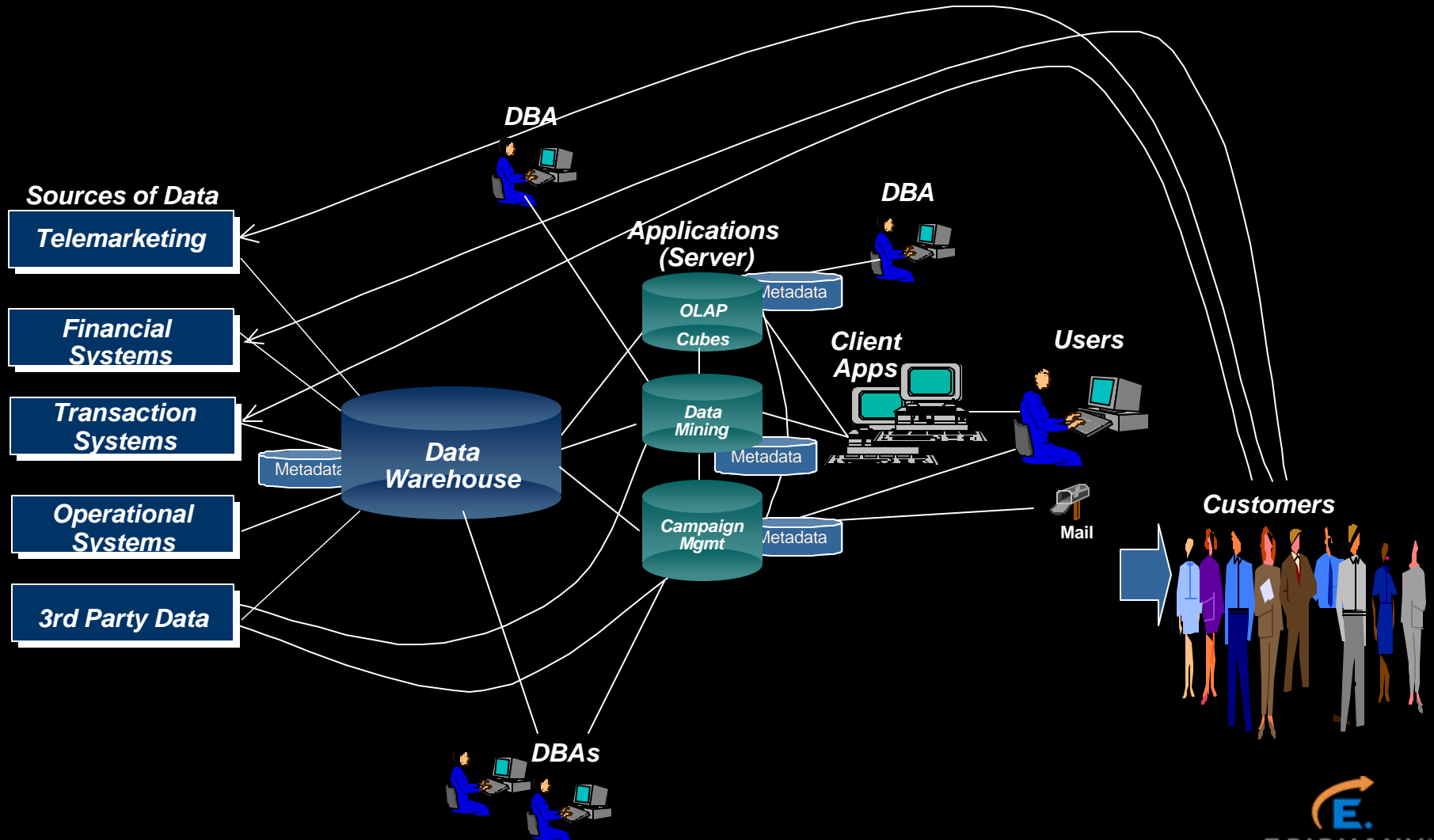


Piece-Part Solutions Can Lead To Data Center Wreckage

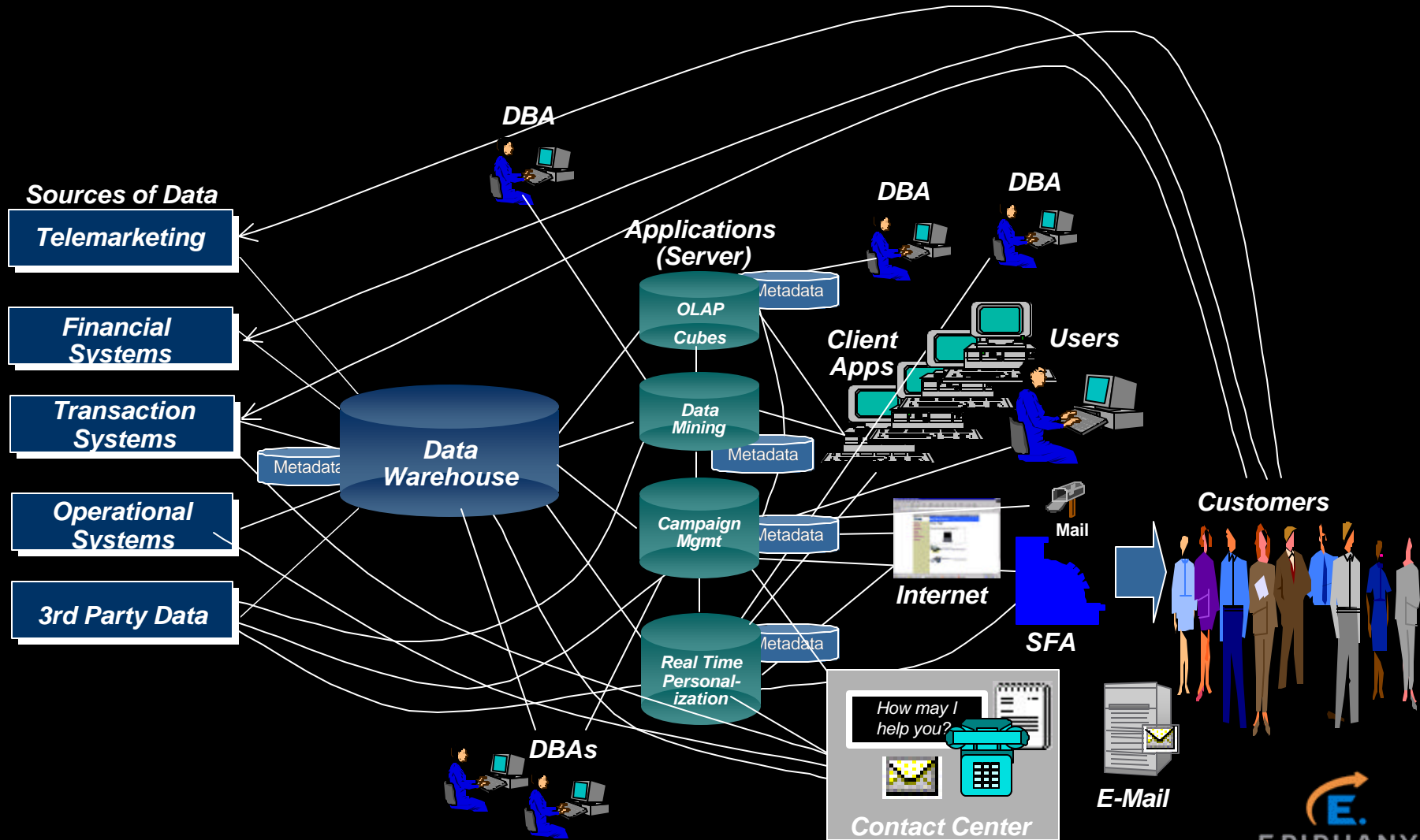
Piece-part Solutions Make Sense in Small Situations, But...



...what happens when you scale...



...and modifications are introduced?



CRM is a Strategy

The Best Advice For CRM Success

Think Big
Start Small
Grow Quickly

Who Owns The Customer Relationship?

- Everyone is responsible for customer relationships
- A customer-centric culture is created by extending customer insight to all knowledge workers
- Successful CRM deployments span Sales, Service, Marketing, and IT
- Consider a Chief Customer Officer

Make Privacy Part of The Strategy

State Your Privacy Policy

Give Your Customers Information

Give Your Customers Choice

Give Your Customers Control

Promote Privacy Internally

Self Regulate

Mark Your Boundaries

Create Stronger Privacy For Kids

Practice Quality Control

Audit Privacy Policy Regularly



E.piphany E.5 Permission Based Marketing

You tell me

- Capture customer preferences

*how you
want to be
contacted*

- What types of content you want to see (opt-in / opt-out)
- Over what channels and formats
- At what times and dates

*and I
remember*

- Use customer preference information to plan and execute campaigns

*and always
treat you
that way*

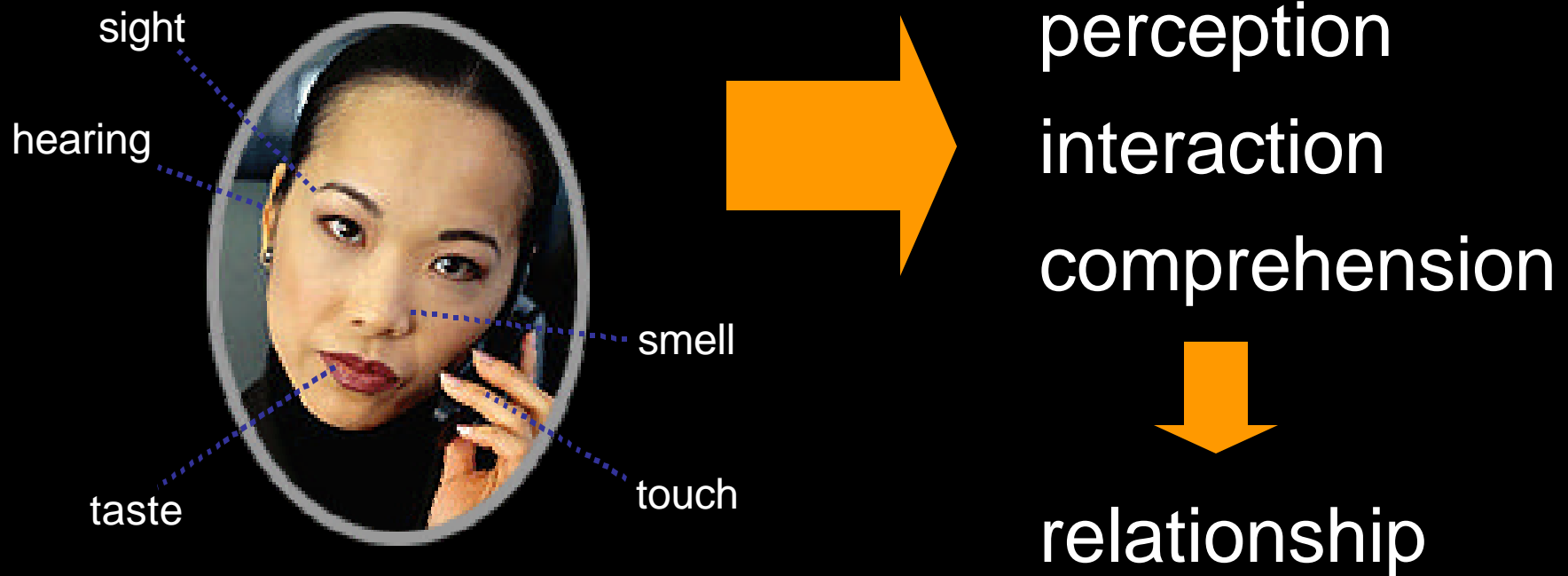
- Globally enforced:
 - Across campaigns
 - Across touchpoints and channels
 - Reliably
 - Easily and automatically
- Timely updates



Single Channel CRM is a Poor Investment

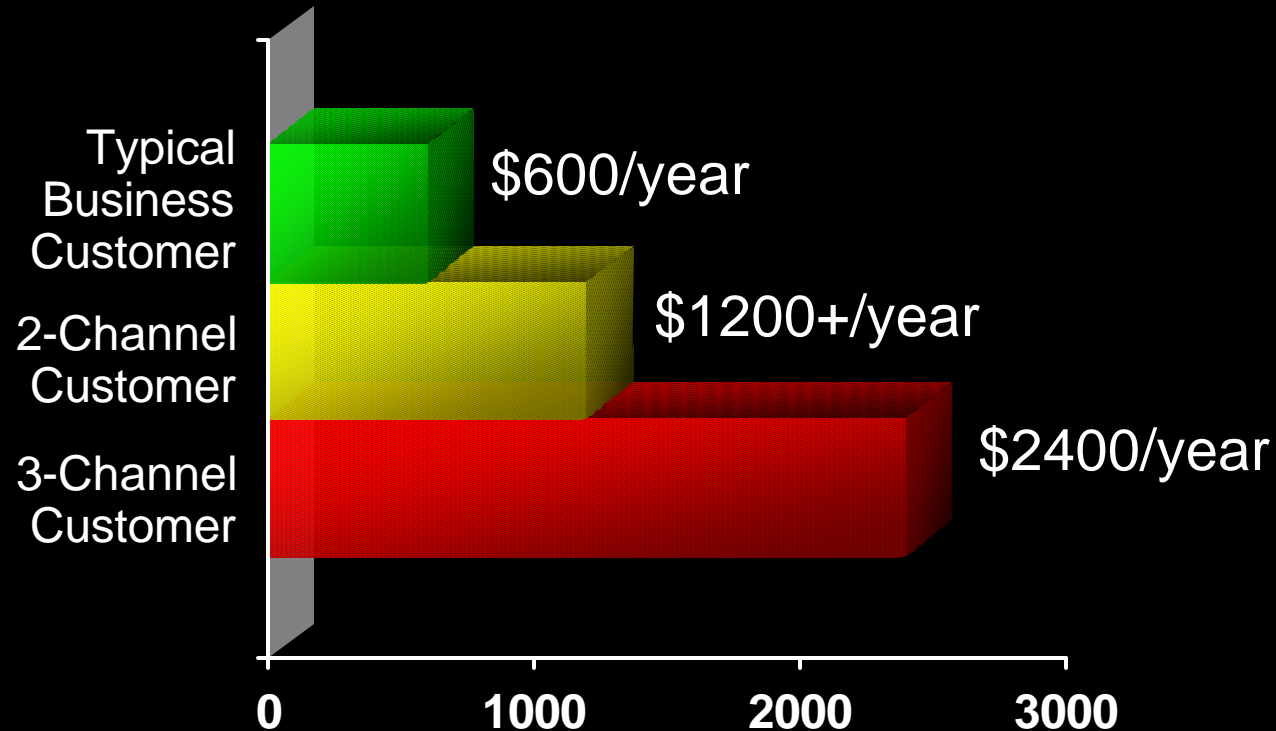
Understanding Customers: the First Step Toward Success

Humans are multi-sensory creatures



Driving Share of Wallet

Large Retail Organization:



Lifetime value of three-channel shopper is 4.5X that of a retail-only shopper

What Customer Touchpoints Should be Supported?



- Traditional and modern communication channels should be treated evenly and consistently... become “channel agnostic”
- Treat the customer based on their value to the company, not on their choice of channel
- Actively manage customer channel usage

Choice of channel should not determine customer treatment!

Insight Driving Action Driving Insight...

Personalize
every
interaction
In real-time



Collect
Customer Data



Consolidate
All Customer
Information



Learn
about your
customers—
identify and
differentiate



Interact
consistently
across all
touchpoints

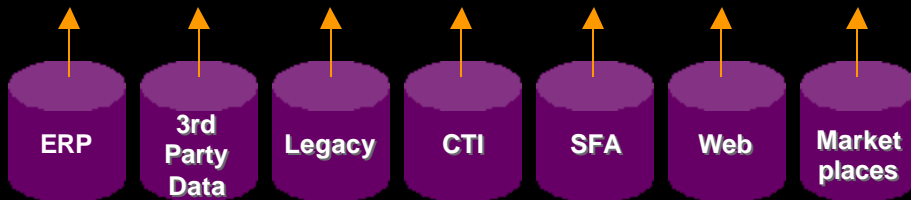
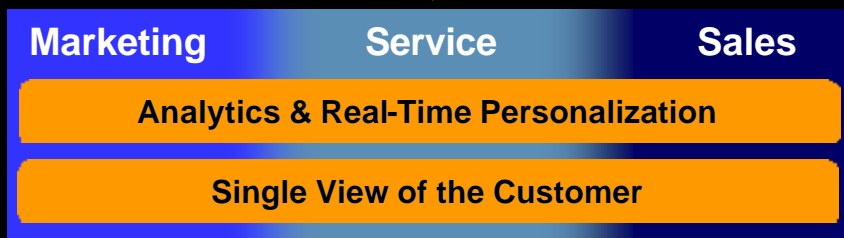
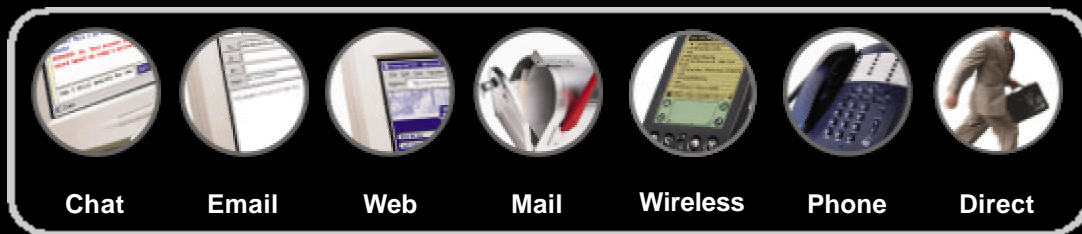


Plan
customer interactions



The Evolution of CRM

Next Generation CRM



- Customer-centric
- Multi-channel
- Combines modern and traditional channels
- Blended Marketing, Sales and Service
- Web architected