CRM – ERP Integration
Fact or Fiction

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Agenda

- CRM-ERP Integration: Fact or Fiction?
- History of CRM/ERP Integration
- CRM/ERP Definition
- CRM-ERP Integration
- Tier I and II vendors Integration Plans
- Summary

CRM-ERP Integration: Fact or Fiction?

- Why is integration needed
- What is CRM – ERP Integration
  - Is it true integration?
- Who are the players?
- What are ERP and CRM vendors doing to integrate ERP and CRM?
- How are the vendors integrating ERP and CRP?
- Who does it best?

History of ERP/CRM Integration

- CRM goes "prime time" – 1996
- Prior to 1999, integration was custom software
- Year 2000 – enter packaged integrated software from ERP vendors
- Year 2001 – ERP vendors extend integration function

CRM Definition – *tracks activities*

- Front Office Function
  - Marketing Campaign Management
  - Sales Force Automation
    - Contact Management: Customer Information
    - Sales Opportunity Management: Pricing, Quotes, Inventory Availability
  - Call Center Management
    - Service Calls
    - RMA's

ERP Definition – *tracks transactions*

- Back Office Function
  - Order Processing
    - Customer information
    - Pricing & Quotations
    - Inventory Availability
    - Credit Checking
  - Shipments
  - Returns
    - RMA processing

CRM – ERP Need for Integration

- To <u>optimize</u> Customer Relationship Management, anyone talking to the customer needs a complete and up-to-date view of all customer information: selling information, quotes, sales, shipments, order changes, warranty problems, service information, credit, etc.

Need for integration

- CRM and ERP packages have evolved as separate systems
- Neither system has all the information
- CRM lacks order, shipment, return, inventory information
- ERP lacks selling, marketing information

Integration Touch points

- Static information synchronization
  - Customer, Items, Prices, Configuration rules
- Transaction information synchronization
  - Quotes, Orders, Returns
- Information Availability
  - Item availability, credit check, call history

Tier I ERP Vendor Direction

- SAP
- Oracle
- Peoplesoft
- JD Edwards
- Baan

SAP

- Released first version of CRM 2 years ago
- Developed all CRM function internally
- Master data is replicated and synchronized in both CRM and R/3 (SAP ERP)

SAP – Current Integration

- CRM and R/3 are different products
- R/3 populates CRM master data
- Orders are entered into CRM and automatically passed to R/3
- Master data is automatically synchronized

SAP – Do not have

- Basic integration functionality is there
- CRM functionality lags Siebel and Oracle

Oracle

- Got into CRM 4 years ago
- Currently 2nd in market with $800 M
- Decided in 1996 to build, not buy or partner
- CRM and ERP application developed as one system
- Have bought some pieces
  - Telephony, Configurator, Depot Repair, Spare Parts

Oracle – Current Integration

- One master file serves all needs
  - Non redundant files
- Completely integrated "campaign to cash"
- Purchase pieces have "Oraclized" to use existing files
- Approach allows developers to focus on function development, not integration

Oracle – Do not have

- Mobil Sales and Mobile Configurator are not integrated, requires toggling
- Still playing function catch-up to Siebel

Peoplesoft

- Acquired Vantive in 1999
- Initially used 3rd party middleware for integration.
- Announced CRM 8 on 6/4/2001
  - Rewrote Vantive in PeopleTools

Peoplesoft – Current Integration

- Have designed application databases
  - Limited redundant data is automatically synchronized
  - Messaging system passes data and facilitates data views
- Have complete "campaign to cash" process with transparent integration
- Sales Force and Field Service CRM is available and integrated

Peoplesoft – Do not have

- Mobile SFA function will not be available until Dec 2001
  - Function capabilities not announced
- CRM functionality not at "Siebel" level

JD Edwards

- Announced partnership with Siebel in 1999
- Delivered Version 1.1 in 1999
- Delivered Version 1.5 in Oct 2000
- Delivering Version 2.0 in 2H2001

JD Edwards – Current Integration

- Customer master information
- Item and Pricing
- Orders, Order Changes
- Item availability and credit
- Newest release uses XBI integration tools

JD Edwards – Do not have

- Configuration rules and processing
- Available to promise
- Returns
- Service integration

Baan

- Acquired 3 products: Antalys, Aurum, Bealogic in 97 and 98
- Re wrote products using Baan Tools
- Baan CRM is a separate product with a separate database

Baan – Current Integration

- Master data is automatically synchronized
- Orders and quotes can originate in either system
- Must choose ERP Pricing rules or CRM pricing rules at setup
- Service is in ERP
- Marketing is in CRM

Baan – Do not Have

- Future improvements
  - Stronger integration
  - Marketing function
  - Call center function

Tier I Vendor Summary

	SAP	Oracle	Peoplesoft	JD Edwards	Baan
Approach	Developed	Developed	Bought	Partner	Bought
Who			Vantive	Siebel	Aurum
Separate Customer Files	Yes	No	Yes	Yes	Yes
Orders	Yes	Yes	Yes	Yes	Yes
Inventory	Yes	Yes	Yes	Yes	Yes
AR	Yes	Yes	Yes	Yes	Yes
Returns	Yes	Yes	Yes	No	Yes
Service	Yes	Yes	Yes	No	No
Sync Method	Automatic	None Required	Automatic	Buttons	Automatic

Tier II Vendor Direction

- QAD
  - IFS
- Symix
- Others

IFS

- Bought Vendimo in 1998
- First release was Customer file integration only
- 2001 release included Integrated Contact Center

IFS – Current Integration

- Separate table spaces for master information
- CRM does not handle quotes or order processing
- CRM has view only function into ERP data

IFS – Do Not Have

- Future improvements
  - Stronger electronic storefront function
  - Better service function
- Do not have mobile sales

Others

- QAD
  - Partner with Cameleon for limited SFA and strong configuration tools
- Frontstep (Symix)
  - Have private labeled 3rd party technology and integrated into offering
- Great Plains
  - Partner with Siebel

Summary

- Integration is a requirement
- Vendors are taking different paths
  - Internally develop (Oracle & SAP)
  - Acquire and integrate (Peoplesoft & Baan)
  - Partner and write integration (JDE and Tier II)
- Redundant, synchronized databases are the de facto standard (except Oracle!)