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Nsite Helps Manage Critical Details October 2005

Takes Compliance Out of the Spreadsheet Age, into the Future

CRM has helped organizations make great strides in managing many of their routine transactions. Business processes that were once run almost exclusively through spreadsheets and email have been standardized by sales force automation, call center and other CRM applications. But spreadsheets and email have not been wholly reoriented toward their primary missions and in many cases these tools remain the applications of choice whenever employees need to find ways to capture data to help manage non-standard business processes.

Unfortunately, and too often, an entire customer facing process has not been successfully absorbed — from start to finish — by CRM. So we see strange amalgams of processes, like sales, that start in SFA and are largely conducted there, only to be dumped back into spreadsheets and email at the last and most critical moment of making the deal. Too often sales quotes and discounts are handled through email and spreadsheets or other largely manual methods. The same is true for routine approvals and it reaches a zenith for approvals of special deals with non-standard terms or exception handling, most of which is still largely handled manually.

The problem with all this e-mail and spreadsheet process is that it is not part of any recognizable modern management construct. It represents a real and often overlooked compliance risk and jeopardizes both the top and bottom lines for many organizations. Too often exceptions and special discounts that would not otherwise pass audit muster fall through the cracks of e-mail and spreadsheet systems that are supposed to be used to manage these very processes. The solution is not sterner rules or greater oversight; we have enough of the former and business cannot afford any more bureaucracy to support the latter. So the solution must reside in working smarter and using technology to better guide processes to more predictable outcomes.

Organizing processes

Just a few years ago most processes in even large organizations were set down on paper or in spreadsheets and managed by email. And, though inconvenient, any special circumstances or issues were documented in the same manual systems then handled by hand in the normal course of business. Today only the exceptions that do not neatly fit into on-line systems get committed to paper and these shadow systems place many organizations in unnecessary jeopardy. In today's faster paced and more regulated environment, reliance on email and spreadsheets for process management leaves organizations needlessly exposed to a variety of business risks including:

1. Inefficiency and error — even an e-mail and spreadsheet based system administered by well intentioned people, is subject to high error rates and the limits inherent in manual systems that cause inefficiency.
2. Security and visibility — e-mail and spreadsheet systems are wide open to access by parties that may have no legitimate "need to know". And, ironically, sheer volume prevents the transparency that enables managers to make good decisions. Regulations such as Sarbanes-Oxley (SOX) also require organizations to better track and manage their processes.
3. Data aggregation — e-mail and spreadsheet based systems may work well enough for small departmental needs, but scaling to the enterprise quickly

overwhelms any ability to aggregate and analyze data. And for those parts of the business that do have a need to know, the volume of manual based information makes it difficult if not impossible to apply appropriate audit controls.

Taking better care of the data results in better customer care

We now live in an age of organic growth in which there are few "new, new things" or categories of products that a few years ago seemed to sprout like mushrooms overnight to command whole new markets. Absent new product drivers in the market it becomes imperative for companies to grow organically through developing each customer — usually by paying attention to the smallest details. Those details include "special requests" and "favors" you might do for your best customers, as well as enforcing company pricing and discounting rules so that everyone gets a fair break. It also means adhering to policies that, if left to the discretion of the line of business unit, might account for a small but steady siphoning of hard earned profit or deals that might be lost all together.

What many organizations in this situation need is not a separate system for handling exceptions, but an augmentation of their existing systems to enable them to mainstream exception handling into every day business. That means finding a way to eliminate the trusty spreadsheet as an ad hoc database and email as pseudo workflow. Ideally, such a system would provide for institutional memory — an audit trail — of what is agreed or promised and approved as well as a mechanism for enforcing business rules. Such a system should be able to provide checks and balances as well as status information for internal processes, such as quoting, without adding bureaucracy or delay.

Nsite for Sales Operations

Nsite offers two major capabilities that help organizations stay in SOX compliance while helping them do business better. A flexible workflow/routing engine helps users define their processes, parameters and participants and a reporting engine provides the capability to audit process flow — for both routine and ad hoc requirements — and use throughout the enterprise.

For example, with a few mouse clicks a sales manager, administrator or other authorized user can use Nsite to require that, if a deal exceeds a certain dollar value or number of unit threshold, it has to be approved by a regional manager, sales VP and CFO. Time limits and escalation processes can be built in as well so there is little worry that an opportunity will be lost due to institutional inertia. But most importantly, exceptions based on individual preferences or lost approvals for questionable discounts are eliminated.

Nsite is provided as an on-demand service and it is integrated with Salesforce.com and Siebel CRM OnDemand with additional SFA application integrations coming. Integration is critical because it makes possible a unified understanding of a deal's parameters along with the vital customer information in a single location.

Conclusion

Management by reactive spreadsheet and makeshift workflow supported by email is being replaced by the proactive process managed by specific automation. Early CRM managers used to say "If it isn't in the system, it doesn't exist." To that mantra they can now confidently add, "If it isn't in the system, *it won't get approved*, AND it doesn't exist."

With so much riding on each customer and each deal today, it only makes sense to use automation to help keep sales processes moving and to provide the consistency that both customers and other stakeholders expect and need. Customers will appreciate the promptness this system can provide as well as the reduced error rates that come from consistent execution and enforcement of business rules. Auditors will be happy to give up the erratic e-mail and spreadsheet based exception handling processes of the past. And managers will sleep better knowing that another potential "leaky" process has been plugged.

About the Author

Denis Pombriant

Denis Pombriant is a well known thought leader in CRM and he is the founder and managing principal of the Beagle Research Group, a CRM market research firm and consultancy. In 2003, CRM Magazine named Pombriant one of the most influential executives in the CRM industry. Pombriant's latest white paper, "The New Garage" discusses the emerging new enterprise software industry business model.

E-mail: denis.pombriant@beagleresearch.com

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Contact Us

Beagle Research Group
264 Greenbrook Drive
Stoughton, MA 02072
781-297-0066
information@beagleresearch.com