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ACT! by Sage Assists with Customer Retention

Customer Relationship Management (CRM) and Sales Force Automation (SFA) solutions come in many flavors, and companies are often choosing among a field of 20 or more vendors. Sometimes less is more, as users of ACT! by Sage have discovered.

This derivative report explores the differences and similarities between users of ACT! by Sage and users of other CRM / SFA solutions, and describes the characteristics of each type of solution user. This study is based on a February 2008, Aberdeen survey of over 120 Small and Medium organizations (SMEs) to determine the processes, organizational structures, and technology enablers in use to manage customer relationships.

Overview - Top Pressures and Strategies

Although both users of ACT! by Sage and of SFA / CRM software feel similar pressures, users of ACT! by Sage are 1.5 times more likely to be focused on protecting against a loss of organizational knowledge. Meanwhile users of other CRM / SFA solutions are 1.68-times more likely than ACT! by Sage users to be concerned with fragmented customer data. Companies choosing ACT! by Sage are focused on capturing and using insight gained through regular customer interaction.

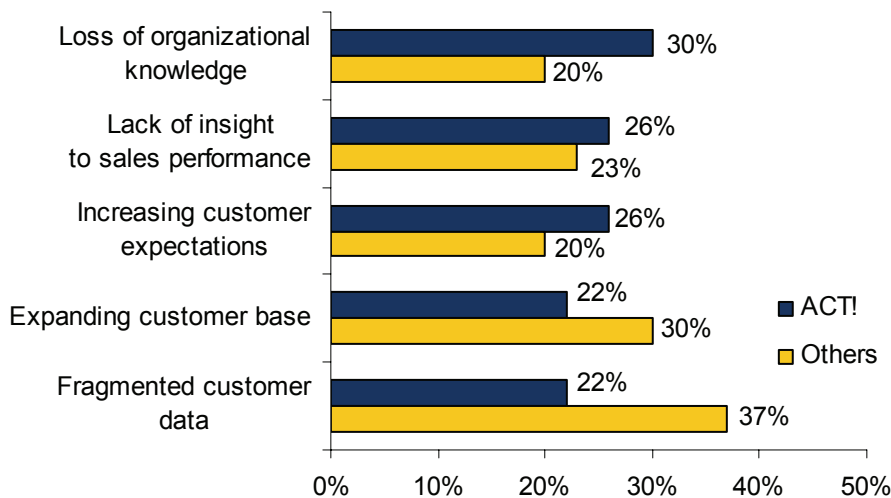
Sector Insight

Aberdeen's Sector Insights provide strategic introspective and analysis of primary research results by industry, market segment, or geography

Sector Definition

Of the respondents to the February 2008 survey on CRM in SME, 18% indicated that they currently use ACT! by Sage, and 56% indicated that they use another SFA or CRM solution.

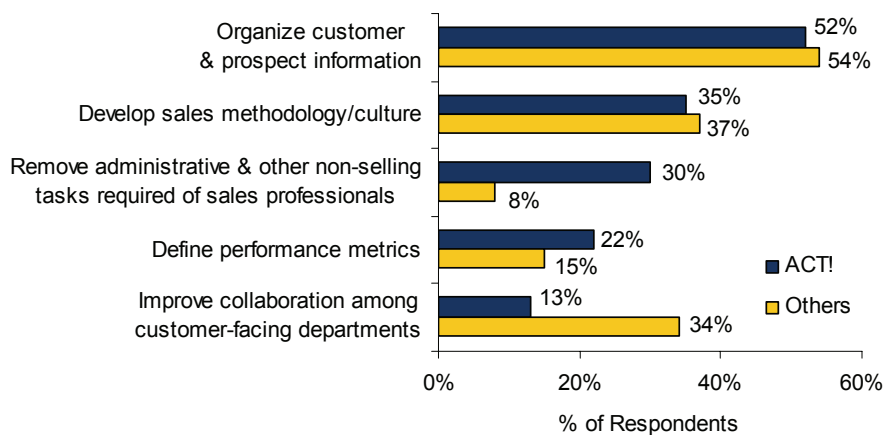
Figure 1: ACT! By Sage Users Pressured To Retain Knowledge



Source: Aberdeen Group, February 2008

Both groups plan to organize their prospect and customer information (Figure 2), however they are addressing different issues and using different approaches. Users of ACT! by Sage are nearly four-times more likely than others to focus on removing administrative and other non-selling tasks required of sales professionals. Given the need to curb the loss of organizational knowledge, ACT! by Sage users are searching for a balance between collecting information and over-burdening their sales producers. On the other hand, users of other SFA / CRM solutions are 2.7-times more likely than ACT! by Sage users to spotlight improving collaboration among customer-facing departments. Since others are facing customer data that is fragmented across multiple systems, their best strategy is tackling the communication issues that led to this problem.

Figure 2: ACT! by Sage Users Focus On Improving Sales Processes

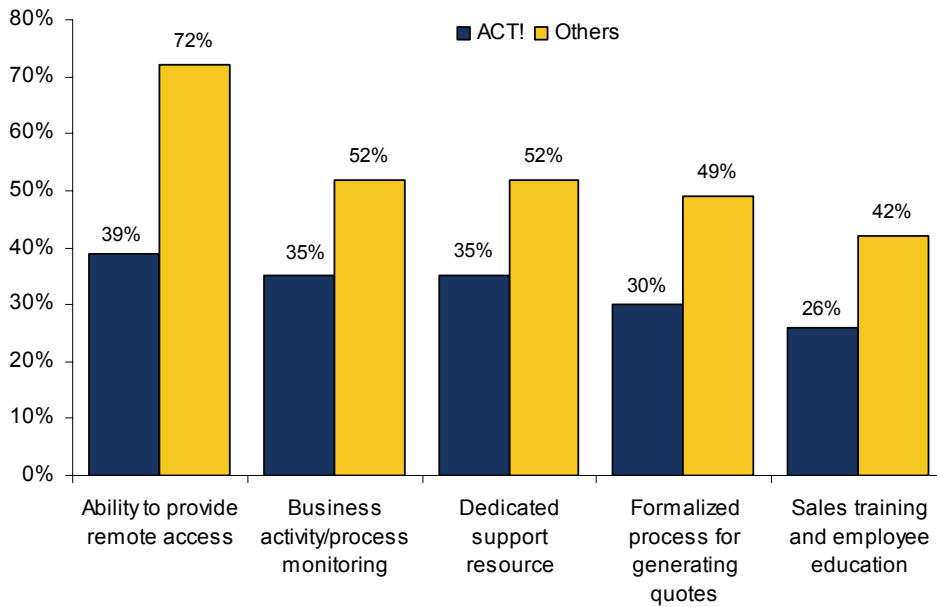


Source: Aberdeen Group, February 2008

Executing a Strategy Takes the Right Capabilities and Technologies

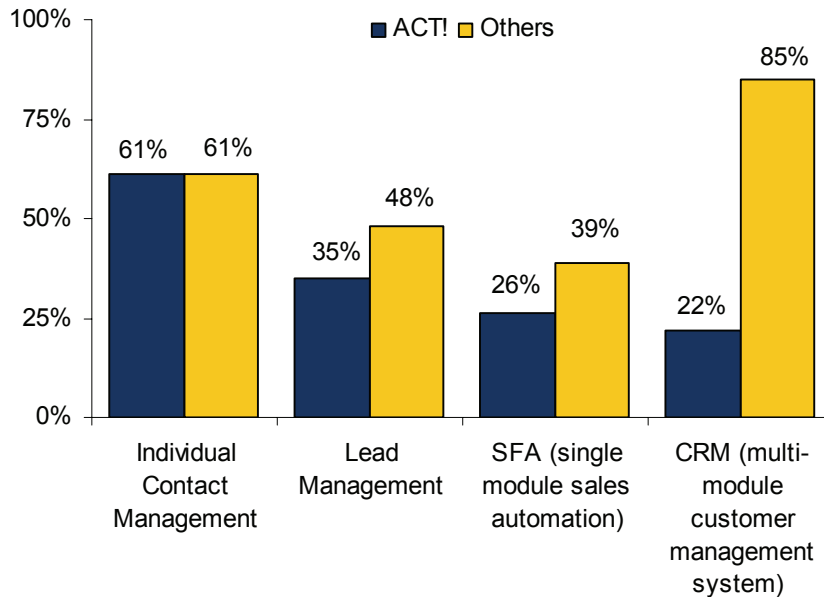
Aberdeen research indicates that ACT! by Sage are lagging users of other CRM / SFA solutions in many capabilities that support a customer information management initiative (Figure 3). However, companies choosing ACT! by Sage are concentrating on enabling individual contributors and reducing the amount of time they need to spend on administrative tasks. As we will see in the next section, ACT! by Sage users are performing well without these additional processes and resources.

Figure 3: Capabilities



Source: Aberdeen Group, February 2008

Figure 4: Technologies Implemented to Support Customer-Facing Groups



Source: Aberdeen Group, February 2008

When examining the technology implementation dissimilarity between ACT! by Sage users and others, the differences in strategy become more apparent.

Although both users equally use an individual contact management solution, by far more others than ACT! by Sage users implement a multi-module customer management system. This system provides users with the ability to collaborate across different functional areas enabling a company to gain better insight into its customer relationships.

Case in Point

Take, for example, the case of Collection Bureau, Inc., a collection agency headquartered in Nampa, Idaho. Scott Marker, Director of Sales and Marketing, wanted to implement an SFA solution to help his group collaborate. After reviewing both multi-module CRM solutions and SFA solutions, Marker chose ACT! by Sage.

Marker said, "With thousands of clients in our database, we need some way to automate our memory to help us give that personal touch to our customers." By using ACT! by Sage, Marker is able to quickly pull up a client record while he is on the phone and warm up the conversation. "I can look at my notes from the last conversation and see that he was leaving for Hawaii, for example, and immediately ask her how was your trip!" says Scott. It's not just his own interactions, Scott can share the information among his group so they are more effective with sales, support and prospecting. In the collection agency industry, turnover is high at their clients, so with ACT! by Sage, Scott can easily track the movement of his contacts, and generate additional business at their new companies.

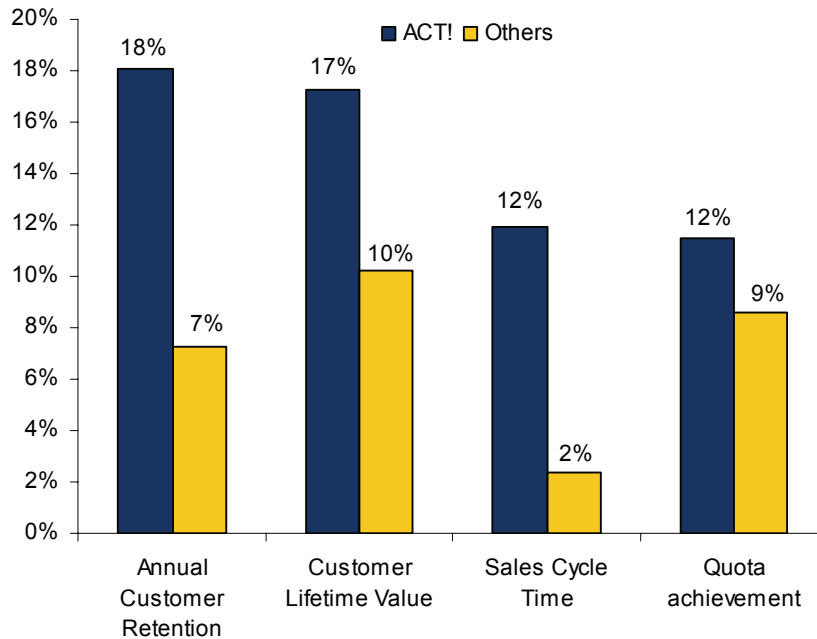
"I enter my notes in ACT! every day, which helps me provide better service to my customers in the long run."

~ Scott Marker, Director of Sales & Marketing, Collection Bureau, Inc.

ACT! by Sage Users Lead the Way in Year-over-Year Performance

As Figure 5 shows, ACT! by Sage users are achieving larger gains over the prior year in the metrics that matter to them. ACT! by Sage users are utilizing the technology to nurture their relationships with their clients, mostly on an individual basis. In the area of customer retention, ACT! by Sage users have improved 11% more than others, achieving double-digit increase. Furthermore, ACT! by Sage users are closing deals more quickly, a result of optimizing the amount of time their sales producers spend selling. While users of other CRM/SFA solutions are essentially stable with a 2% reduction, ACT! by Sage users have reduced sales cycle time by over 12%.

Figure 5: Year Over Year Improvements in Metrics



Source: Aberdeen Group, February 2008

Key Takeaways

When choosing a CRM or SFA solution, companies need to be mindful of the issues they are trying to solve. Any technology solution will not automatically eliminate problems; certain processes and organizational structures need to be in place first. By choosing a CRM solution that best matches the existing processes as well as providing functionality to meet goals, ACT! by Sage users have been able to achieve double-digit growth in key metrics. The following are recommendations for the two groups analyzed in this document:

- **ACT! by Sage.** Companies that look for a focused approach to mitigating the loss of organizational knowledge in addition to managing increasing customer expectations use ACT! by Sage. This software solution maps well to the top strategic actions of ACT! by Sage users by providing an integrated 360-degree view of customer relationships - supporting such features as sales opportunities, to-do reminders, call history, and contact details. However, this 360-degree view can lack input from other functional areas.
- **Others.** Thirty-seven (37%) percent of others consider fragmented customer data a top-two pressure; making collaboration among customer-facing departments a key strategic action. To enable this strategy, 85% have implemented multi-module customer management. Although the pressures and actions align well, key performance indicators have not improved as much as those for ACT! by Sage users. It is important to keep in mind the complexity of using a multi-module customer management solution compared

to a solution such as ACT! by Sage, which is easy to learn and is focused on one customer facing department. A multi-module solution may require more time before it is used effectively to improve KPIs. Ultimately, the greatest advantage users of other SFA / CRM solutions receive is derived from the ability to collaborate with other customer-facing departments. This can set the stage for a deep 360-degree view of a customer.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[CRM in SME: Sized to Fit; March 2008](#)
[CRM Everywhere: The 2008 Software-as-a-Service Update January 2008](#)

[Sales Effectiveness: Leveraging Content to Close Deals; November 2008](#)
[Sales Effectiveness: Getting Sales Back to Selling; July 2007](#)

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