

# Seven Domains of Successful SaaS Enterprise Deployments

BEST PRACTICE PAPER

## Abstract

This paper summarizes the key ingredients for a successful on-demand implementation. Find out how you can benefit from the knowledge gained by the salesforce.com Global Services organization, as outlined in the seven domains described in this paper.

The Software as a Service (SaaS) model evolved in the mid- to late 1990s. This model makes it possible for companies to subscribe to software applications, rather than licensing and deploying software in their own IT facilities. The two primary benefits of the SaaS approach are that employees can access the service via the Internet and that the operation of the infrastructure can be outsourced to a SaaS vendor, while also making data protection and application governance a contracted function of a professional service provider, rather than a collateral duty of in-house IT staff.

Now fast forward to 2007. SaaS is gaining mindshare in the CIO community and a fundamental shift in the software industry is underway. Large enterprises looking to consolidate and reduce their operating costs, while simultaneously meeting expanding governance mandates, are beginning to embrace SaaS. In fact, according to Forrester, “39 percent of very large enterprises already use SaaS, while 24 percent of large enterprises and 22 percent of midsize companies use or are interested in the strategy.”<sup>1</sup>

There are significant differences between the SaaS model and the traditional enterprise model. In a traditional software delivery environment, much of the budget and delivery calories are consumed setting up the infrastructure in order to support the development of the solution as well as the production environment. Delivery timeframes are lengthy and any changes to business requirements have major impacts to schedules and budgets. Often the end result is a solution that is not widely adopted and doesn't meet the business needs.

Alternatively, Salesforce implementations are characterized by iterative and rapid deployments which focus on meeting business needs and delivering high business value to end-users. The ability to make rapid changes and deploy quickly has broadened the spotlight from a focus on infrastructure to a focus on CRM strategic foundation items.

Being an industry leader in the SaaS space made it possible for the salesforce.com Global Services organization to “chart the waters,” to determine the key ingredients for successful on-demand enterprise implementations. With more than 4,000 implementations under its belt, no other organization can match its experience. From this wide variety of customer interactions, including business and IT leaders around the world, salesforce.com has distilled best practices, lessons learned, and collective tribal wisdom into the following seven domains:

1. Vision and Strategy
2. Business Metrics
3. Adoption
4. Sponsorship and Governance
5. Process
6. Roadmap
7. Technology and Data

## For More Information

Contact your account executive to learn how we can help you accelerate your CRM success.

<sup>1</sup> Network Computing, Survivor's Guide to 2007: Business Strategy, 12.21.06, By Andrew Conry-Murray.

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## 1. Vision and Strategy

Companies often find technology projects seeming to set its own course, based on what the technology makes least difficult to do, rather than being driven primarily by business goals: the resulting investments often fail to align with each other or with overall mission and strategy.

Working with a company's executives to define a program strategy up front is essential, since this strategy will be the basis of the business case, the end-state vision, and the program roadmap. Without a vision and strategy, employees don't know what to deliver, customers and other stakeholders don't know what to expect when they interact with the company and customer experiences are left to the mercy of market forces and competition. The vision and strategy will provide a "compass" for the program, to help build consensus among key stakeholders, and ultimately helps organizations articulate what the ideal customer experience should be. By setting clear goals, the strategy also clarifies the benefits of a Salesforce implementation, thereby increasing the chances of success. Finally, a well-defined strategy reinforces the sense of ownership, accountability, and engagement of the program's executive sponsors.

## 2. Business Metrics

Once the program objectives and the strategy for achieving them are clearly defined, it is important to identify and prioritize the product capabilities that will achieve the corresponding business results. These capabilities should be tied to metrics that can be captured and used to justify a business case. Metrics may be quantitative or qualitative—for example, employee or customer satisfaction. It is important to define early in the program which metrics will be monitored and how they will be measured, so that the benefits achieved can be closely tracked. For example, progress on achieving the following business goals could be tracked with these metrics:

- :: Increase revenue by acquiring new, profitable customers: Percentage Accepted Leads to Sale
- :: Increase revenue by retaining customers: Percentage Sales to Repeat Customers
- :: Reduce costs by reducing sales costs: Average Number of Sales Calls per Sale

To develop a business case, customers first need to get baseline measurements. Some baseline measurements may be easy to capture, while it may be difficult or impossible to capture others. In those cases, it is particularly important to define goals and set realistic expectations with management. To ensure accountability and the program's success, key stakeholders must own these goals, metrics, and the approach for tracking benefits.

## 3. Adoption

Unlike deployments of traditional software, where deployment can take between one (1) year to 18 months, deployment of Salesforce solutions are typically measured in weeks and months. A strategy used successfully by many large companies is to quickly deploy important functionality to a large number of users and then follow the initial deployment with incremental releases throughout the year.

Introducing changes incrementally has the benefit of letting customers control the amount of change introduced to their organization based on their business priorities as they enhance existing business processes or create new ones. The key point is that the adoption process must be clearly understood and that any changes introduced into the organization must be actively managed; management can't simply hope that people will "get it" and magically embrace and adopt the changes. On-demand offerings minimize the chance of "genetic drift" within an organization, with different business units following different paths of customization that may introduce incompatibility or vulnerability due to lack of high-level oversight: an on-demand adoption can use the same proven mechanisms used by salesforce.com itself to invite and evaluate proposed improvements, and to make them available simultaneously and uniformly to all users.

## The Stages of Adoption

The figure below shows a typical adoption curve that illustrates the three phases of adoption—awareness, accountability, and adoption.

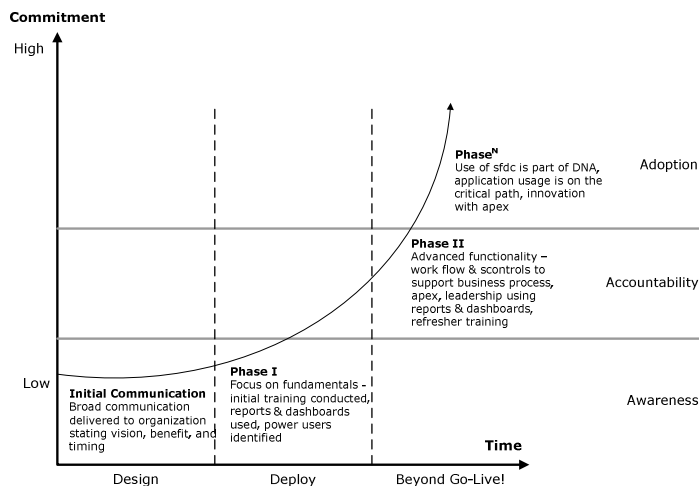


Figure 1: Moving users through the stages of adoption requires active management

## Encouraging Adoption

To move end users along the adoption curve, customers must ensure executive sponsorship and develop a strategic adoption plan that includes a communication and leadership plan.

Although "ensuring executive sponsorship" is probably the success factor most commonly mentioned by CRM thought leaders, it is often the most neglected part of most CRM projects. Experience confirms that those customers, who showed active, highly participative executive sponsorship, tend to be the most successful.

Developing a strategic adoption plan involves determining the needs of each constituency—including those of end users, managers, and executives—and assessing each group's readiness to accept a new tool. It is also important to

"Salesforce was the only on-demand CRM to offer the service expertise, enterprise functionality, and integration and customization capabilities required to handle the complexities of our multi-thousand user implementation. We've been very pleased with the time-to-value and user adoption."

Manager  
SunTrust Banks

realize that each constituency may include different types of users; for example, end users are typically categorized into three groups, including early adopters, resisters, and neutrals. To ensure adoption, it is important to develop messaging and training targeted to each group and sub-group.

Two key initiatives that will greatly speed up adoption are a communication plan and leadership training:

- :: Although a good communication plan should include information such as dates, events, audience(s), delivery method, key messages, owner, reviewer/approver, sender, and status, superior communication plans go beyond conveying basic information—they are more like strategy documents for reaching each audience, to ensure awareness and readiness to adopt Salesforce solutions.
- :: Leadership training is also crucial for adoption—when managers and executives use Salesforce as a tool to lead their organizations, adoption is typically very high. Because transforming corporate culture and changing internal processes is never easy, visible commitment at the highest levels can be used as a vehicle of transformation.

## 4. Sponsorship and Governance

As with any large initiative, a disciplined approach is critical for success. First it is critical to have active, sponsorship at the executive level. The executive must be accountable to the success of the program and support the stated vision and objectives. Second, it is important to have a well-defined program and governance model.

- :: **Program models** may vary depending on the type and/or timing of the implementation. For example, the program structure of a pilot is typically much smaller than the structure of a full deployment, where multiple initiatives may run concurrently. Regardless of the program structure’s size and complexity, it is important to clearly define the roles and responsibilities of each team member.
- :: **Governance models** are designed to ensure the successful transition from the current environment to the desired state by managing the following elements: Issues and risks, program scope, the rules of engagement, and quality management.

Issue& Risk Management	Scope Management	Rules of Engagement	Quality Management
Identifying and mitigating risks	Defining, monitoring, and supporting the management of requested changes to the project scope	Defining how groups will work together	Setting policies and procedures to be followed throughout the program
Detecting and controlling issues with a defined escalation and tracking process	Establishing and enforcing appropriate controls over scope	Defining and monitoring team status reporting activities	Establishing design guidelines

## 5. Process

As mentioned earlier, the SaaS model allows customers to focus on items often overlooked in past implementations. One of these areas is business process. Customers can now spend time reviewing their business processes and re-designing them as appropriate to meet their stated business objectives.

Past CRM implementations often failed because a technology solution was placed on top of poorly designed processes, preventing customers from meeting their goals, and in many cases leading to poor end-user adoption. By focusing on redesigning core business processes, customers can identify ways of streamlining workflow and enabling efficiencies that can be translated into higher business value. This is often easier said than done. While on the surface transforming business processes may seem uncomplicated, but changing deeply engrained behavior is extraordinarily difficult and when successful is the key to achieving long-term business results.

The re-design is not complete by documenting it. Rather, it should be viewed as a prototype, with successive iterations. The metaphor of prototype aligns the business process re-design approach with quick delivery of results, and the involvement and satisfaction of customers. With the Salesforce solution, it is possible to model the projected process and test and rapidly modify to create the right solution.

## 6. Roadmap

The roadmap should include the key initiatives towards achieving the program's goals and objectives, as well as the approximate timing and any interdependencies. During roadmap development, it is important to tie these initiatives back to the strategy and objectives defined earlier.

A key benefit of on-demand delivery is its nearly immediate ability to demonstrate at least a basic level of capability, with an apparent path to customization and refinement: this maintains momentum for a project, and makes the project's champions more credible and personally successful. Pilot rollouts are therefore a highly effective model for on-demand offerings. For example, one initiative may be a pilot rollout, with subsequent initiatives and rollouts that are dependent on the pilot's success. Initiatives may be based on functionality or geographies. In general, initiatives tend to focus either on depth, as in a functionally rich project, or on breadth, where limited functionality is distributed across geographies. Customers need to determine which model fits them best, based on their unique business situation.

In making this decision, key considerations include:

- :: Does the customer have well-defined business processes and the discipline to deploy to all users at once
- :: Does an organization's business processes differ between regions and business units

One benefit of the SaaS model is that either approach can achieve business value at each phase in the deployment, as well as achieving an overall faster return on investment (ROI) than would be possible with traditional on-premises implementations.

## 7. Technology and Data

Finally, the overall implementation approach must include technology and data strategies and guidelines for all major components of the program delivery, taking into consideration the business objectives defined earlier. An efficient implementation must address the following topics:

- :: **Design Guidelines.** The first step is defining the design guidelines that will help drive consistency in a customer's implementation. These guidelines include the security model, how changes will be managed, and naming conventions for customizations, to name just a few.

"We successfully used Salesforce as the platform to merge two very large companies' sales operations, rolling out to 3,900 users in only three months. Salesforce.com Professional Services partnered well with our internal team and provided us hands-on expertise on the application as well as valuable best practices."

Senior Director  
Symantec Corporation

- :: **Data Strategy.** A data strategy should be determined early in the program, since data quality and potentially dirty customer data could significantly impact adoption. An effective data strategy must address combining current on-premises information with Salesforce on-demand information as data is migrated from the customer's current environment.
- :: **Integration Strategy.** For many large customers, integration with legacy and ERP systems and data is extremely important. With Apex Connect, salesforce.com provides five paths to integration success by leveraging new technologies—including Web services, multi-tenant architectures, and publicly available APIs—and an extensive integration partner ecosystem.

## Real Experience, Real Business Results

By following these seven domains, customers can greatly increase their chances of success and achieve the desired business value of their Salesforce solution as quickly as possible.

### About Our Client Service Executive (CSE) Team

Over the last five years, salesforce.com has accumulated implementation experience in a broad range of business models and industry groups across the world. In response to our largest customers, salesforce.com created a new group called our Client Service Executive (CSE) team, which is part of the Global Services Organization. This team delivers superior business results because of its expertise in helping customers focus on the seven crucial domains outlined in this paper:

- :: To ensure customers have developed a vision and strategy;
- :: Aligned and supported by business metrics;
- :: Supported by a defined and specific adoption strategy;
- :: With strong, active, sponsorship and disciplined governance;
- :: Led by a well-planned, well-defined, and well-communicated roadmap;
- :: With a focus on process;
- :: With a relentless focus on technology and data.

The CSE team will work with customers to gain an understanding of their current progress along the seven domains and how to effectively address the gaps, to enable customers to be successful in the CRM programs. At salesforce.com we're committed to delivering sustainable business results quickly! For further information, contact your Account Executive.