



## Best Practices in Selecting Applications in the **A**ppexchange



Research by salesforce.com

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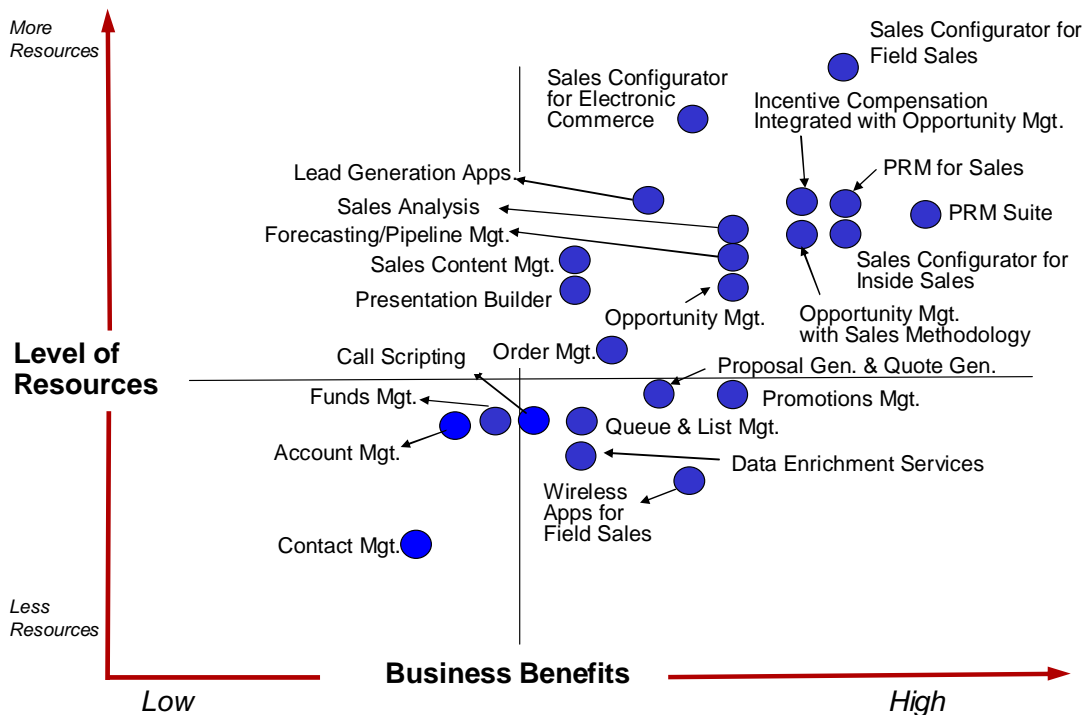
## Best Practices in Selecting Applications in the AppExchange

With the AppExchange, Salesforce customers now have an easy way to address dozens of business needs through the world's first on-demand application-sharing service. The AppExchange directory gives Salesforce customers an easy way to find and install hundreds of on-demand applications designed to solve a wealth of common business challenges. With hundreds of pre-integrated, on-demand applications now available on the [AppExchange \(www.appexchange.com\)](http://www.appexchange.com), you may be wondering where to begin. Although AppExchange applications are not limited to sales organizations only, examining solutions for your sales organization is a good place to start as automating sales-related business processes can quickly provide increased profits and drive competitive advantage. Each on-demand sales application, however, offers a unique value proposition and resource requirements that must be carefully weighed.

First you'll want to outline your overall sales process looking for key barriers to selling as this will determine which sales processes should be improved. The processes can then be prioritized and subjected to more-detailed planning based on the business benefits that they can bring to your organization, tempered by the amount of resources required to deploy and maintain the application. To help you, we have mapped several sales applications you can find on the AppExchange (and for a comparison, some standard capabilities of Salesforce.com like contact, account, and opportunity management; and forecasting), based on business benefit and level of resources required (see Figure 1).

**Figure 1**

### Typical Business Benefits vs. Level of Resources Required for Various Sales Applications



The primary goal behind implementing sales applications is to deliver more profit to the enterprise. This comes from two primary sources: increased sales effectiveness and increased sales efficiency. The *level of resources dimension* estimates the amount of effort, cost, and total resources required to deploy and maintain the various sales applications while the *business benefit dimension* estimates the business benefits attainable such as sales effectiveness and sales efficiency improvements. Sales effectiveness is a prime contributor to the "top line," or revenue, of the company, whereas efficiency can have an impact on product and operating margins. Here we define the benefits of various sales applications along these dimensions.

*Effectiveness — Examples of Sales Applications That Drive Increased Sales:*

- **Presentation builder:** Helps salespeople create more-effective customer presentations.
- **Lead generation applications:** Identify and funnel quality leads to the salespeople so that they spend more time selling and closing deals and less time canvassing for business.
- **Proposal and quote generators:** Allow a sales organization to deliver a greater quantity of accurate, timely and well-packaged proposals and quotes so that opportunities are not missed because of an inability to generate a response.
- **Sales configurators for field sales:** Allow the salesperson to customize a product for the customer at the point of sale. This gets the customer more involved in visualizing the product, which increases the close rate as well as upselling and cross-selling.
- **Promotion management:** Designing and communicating rebates and promotions are excellent means of driving channel revenues for certain products in certain geographies for a fixed period of time.
- **Funds Management:** Marketing funds are a common practice for companies selling, marketing, and servicing their products and services through channel partners. Funds management provides visibility into the utilization of partner marketing dollars in order to gauge how funds are being used and which funds are driving the highest ROI.
- **Opportunity Management with Sales Methodologies:** Sales methodologies help sales organizations define and agree on common, enterprise-wide sales processes. Tight integration between the chosen sales methodology and on-demand sales software is vital to achieving optimal sales effectiveness. The sales process and the technology that enables it, works best when they are integrated and reinforce each other.
- **Partner Relationship Management (PRM):** PRM functionality can be used to support the entire partner management life cycle driving partners to be more effective sources of revenue generation for sales.
- **Sales Analysis or Analytics:** Enables sales organizations to perform data analysis to plan for and measure the effects of selling activities

*Efficiency — Examples of Sales Applications That Drive More Profit Margin:*

- **Incentive compensation:** Links the commissions of the salesperson or sales agent to the margins of the company, thus giving them incentive to sell a more profitable mix of products
- **Order management:** Increases the speed and accuracy of the order process while decreasing the cost
- **Partner Relationship Management (PRM) for sales:** Tools for partners to manage and track sales opportunities improves partner sales efficiency
- **Data enrichment services or detailed account information append services (e.g., OneSource):** Account Intelligence puts crucial data and insights right inside the CRM system—information that would take individuals hours or days of digging to find on their own. Armed with this insight, sales organizations will be more effective in developing account relationships that yield more value in less time.

*Examples of Applications That Deliver Sales Volume and Profit Margin:*

- **Call scripting:** Guides inside sales personnel through a sale with branch scripting and dialogs to help them increase their close rate, and their upsell and cross-sell rate.
- **Sales content management:** Provides the salesperson with key information, such as pricing, collateral materials and product descriptions. Ensures that the most up-to-date version is available. Salespeople can be more effective in selling and the cost of storing and delivering sales materials is dramatically reduced.

There are also a host of "soft" benefits to the company when automating sales processes with on-demand applications such as better time management (for example, wireless applications for field sales, opportunity management systems, forecasting/pipeline management) for sales as well as sales support.

*"Don't assume that the applications with the greatest business benefits or with the greatest business benefits and least amount of resources required are best-suited for you. Instead, use the framework to understand the relative benefits and resource requirements for various sales applications that support your sales strategy and to ensure a smoother implementation and attainment of benefits."*

### **Evaluating Apps on The AppExchange**

Once you have identified and prioritized the sales applications on your short list, you're now ready to shop for them on the AppExchange. You'll want to try the applications out (test-drive them) before you decide whether you want to use them and keep in mind you can [customize](#) (<http://www.crmsuccess.com/browse/index.jsp?flid=02n300000004bYAAQ&tlid=02o30000000wjbAAA&cat=501300000001zI2AAI&solName=AppExchange%20Builder>) the applications further for your unique needs before deploying them to your sales

users. Salesforce [Sandbox](http://www.crmsuccess.com/browse/feature_detail.jsp?id=00630000003OX8bAAG) ([http://www.crmsuccess.com/browse/feature\\_detail.jsp?id=00630000003OX8bAAG](http://www.crmsuccess.com/browse/feature_detail.jsp?id=00630000003OX8bAAG)) provides a separate development environment that you can use to install, customize and test new applications against a complete copy of your production environment. Next, you're likely to find multiple solutions in each application category giving you a few options to test and choose from. Since salespeople are notorious for not wanting to use technology, we suggest you weigh the applications user interface and ease of use, high on your evaluation criteria with those applications that most closely match salesforce.com's user interface scoring higher as these solutions will be the easiest for your salespeople to adopt. Applications that have been certified by salesforce.com should receive a higher weighting in your evaluation criteria as well. Applications certified under the AppExchange Certified Application Program earn the distinction that comes from meeting salesforce.com's highest standards. AppExchange certification is a measure of an application's security, reliability, and quality. As part of the certification process, applications and services are subject to a 300-point test plan that includes a security audit, an integration and functional design review, functional testing, and an audit of a reference customer. To help you select the best supplier, below we have included key evaluation criteria to consider in a simple worksheet you can use (see Figure 2).

**Figure 2**

**Vendor Evaluation Criteria Worksheet**

<b>Criteria</b>	<b>Suggested Weightings</b>	<b>Your Rating for the supplier</b>
Business requirement match	15%	
Ease of use	15%	
Ease of administration	15%	
Features	15%	
Ease of implementation	10%	
Price	5%	
Supplier service and support	5%	
Total cost of ownership	5%	
Customer References	5%	
Solution architecture	5%	
Salesforce.com Certified	5%	

Source: Salesforce.com 2006

**Expanding Beyond Sales: What's Hot in Service and Marketing**

While your salespeople are getting up to speed on a new application from the AppExchange like a sales configuration or compensation solution, start evaluating your customer service and support processes or your marketing processes as these are the next two areas that can have the greatest impact on revenue generation and

customer retention. To help you examine on-demand applications in these areas, using various market research sources including our own quarterly customer surveys, we have noted below those on-demand applications that are high on the 2006 priority list for customer service and support departments and marketing organizations. You can find these on-demand applications available as core capabilities of salesforce.com (such as case management and web self-service) or available in the AppExchange like high volume email campaign execution (see Figure 3).

### Figure 3

#### What's Hot in the World of On-Demand Apps for Customer Service and Marketing: Priorities for 2006

##### Customer Service

- Web self-service
- Customer service analytics
- Case management
- Mobile field service
- Enterprise feedback (customer satisfaction surveys)
- Knowledge-enabled service resolution
- Computer telephony integration (CTI) e.g., screen-pop, click-to-dial
- Collaboration and conferencing tools
- Project Management
- Professional Services Automation
- Defect tracking
- Service level agreement management
- Quality Assurance

##### Marketing

- High-volume email campaign execution
- Data cleansing/data quality services
- Managing and tracking online advertising services (e.g., track results of ads on Google)
- Events Management
- Marketing Resource Management

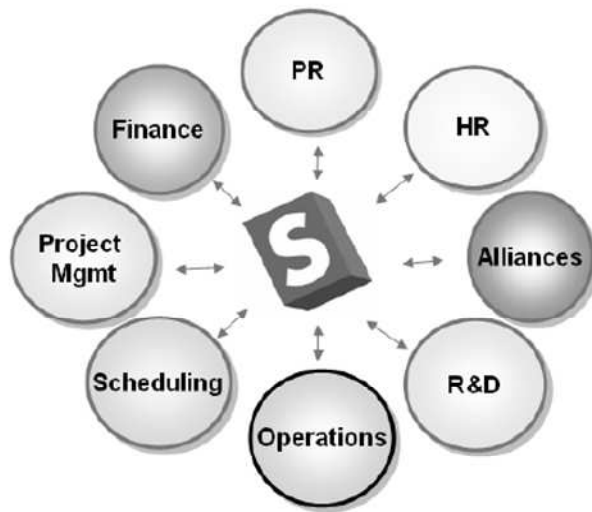
Source: Salesforce.com 2006

### Expanding Beyond CRM

As you have probably figured out by now, the AppExchange is not limited to sales, marketing and support automation. Because of the simplicity and power of the AppExchange, users and developers around the world are building new applications for other departments (see Figure 4).

**Figure 4**

**Managing Your Company's Applications On-Demand**



Source: Salesforce.com 2006

If you are hearing co-workers complain about a lack of tools and spreadsheet nightmares, pull them aside and show them options. With the AppExchange, you now have a whole set of new options and custom applications you can use to drive success faster for your company. The beauty of the AppExchange is that it provides your team with the ability to solve short-term tactical issues while keeping long-term strategic goals in focus.

As you are on your way to addressing the problems in your company, feel free to share that success with the larger salesforce.com community. If you've built a custom application (or components) that you're proud of and suspect that it can help other companies too, package it up and list it on the AppExchange.

**Analytical Resources Used:**

- o Salesforce.com, "[AppExchange for Dummies](#)" ([http://www.crmsuccess.com/browse/content\\_detail.jsp?id=006300000057bIAAY](http://www.crmsuccess.com/browse/content_detail.jsp?id=006300000057bIAAY)) Tom Wong, 2006.
- o Gartner Inc., "Sales Applications: Balancing the Pain and Gain", April 23, 2003
- o Gartner Inc., "What's Hot in the World of CRM Applications, 2006", March 1, 2006

About the Author:

We are excited to welcome Wendy Close to the CRM Success team as our CRM success expert. Prior to joining salesforce.com, Wendy Close served as a research analyst and director in Gartner's research organization for over 11 years. During her

decade at Gartner, she developed over 200 research reports on various aspects of customer relationship management from sales automation to customer experience management to contact center performance management. She has spoken at numerous CRM conferences and events, has been quoted on the topic of CRM over 1000 times in various journals and publications, and has provided CRM advice to many of the biggest and most successful companies in the world. Most recently, Wendy was Gartner's lead analyst on customer relationship management strategies, technologies, and suppliers for midsize businesses, midsize divisions of the large enterprise, and small firms.

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<http://www.crmsuccess.blogs.com/>

### **Are you new to CRM and need some CRM Advice?**

If you have CRM questions about the best CRM strategies to pursue, the benefits you can expect from CRM investments, or what to budget for your CRM project and how to justify the investment, email your CRM questions to [AskWendy@CRMSuccess.com](mailto:AskWendy@CRMSuccess.com).

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