

Case Study

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Aplicor Helps Host.Net Build Processes

WHY APLICOR

It is accepted wisdom at the enterprise level that effective CRM must rely on process flows as much or more than simple data capture. CRM systems that support detailed and automated processes are still relatively high priced and for many small and medium companies the cost of the software plus the effort involved in analyzing and building workflows or process flows prices them out of the market. Still, it is becoming increasingly apparent that there are no small companies where CRM is concerned — companies of all sizes require sophisticated solutions to enable them to compete. Increasingly, delivering a low cost solution that supports process definition is extremely important to even small companies competing in specialized markets.

Aplicor has come as close as anyone to delivering on the twin requirements of low cost and process specialization. The company provides a hosted CRM suite that incorporates many advanced capabilities usually found in more expensive on premise solutions.

Founded in 1999 and incorporated in 2002, Aplicor is run by software industry veterans who have brought a fresh perspective to building low cost CRM solutions. A system-wide focus of business process automation over data storage as well as analysis and business intelligence over traditional reporting emphasize the value of actually leveraging CRM information over the worth of simply storing data. From a technology perspective, the Aplicor solution was developed from the ground up using Microsoft.NET, a multi-tier software architecture and a thin-client

browser interface that operates without any need for client-side downloads.

The result is a full CRM suite for sales, marketing, and customer service delivered as a hosted solution that boasts sophisticated workflow and content management among other things. According to Lenny Chesal, vice president of sales and marketing at Host.net, the level of expertise built into the system obviated the need for many modifications and that attention to detail was a

strong motivator for his purchase of the Aplicor service.

It is tempting to say that CRM is an established market and that there is no more room for a general purpose suite but

Aplicor proves otherwise. By providing a set of functionality that is robust and sophisticated as well as easy to use, Aplicor is proving there is plenty of room in the market for a new player. And by concentrating on the processes of CRM rather than a few eye catching features, the company is winning converts in one of the most challenging markets — small and medium companies that will not settle for out of the box “vertical” solutions that miss the mark and lack the facilities for making changes. For all of these reasons Aplicor wins a 2005 CRM Wiz-Kids award.

HOST.NET

Host.Net a BroadbandONE Company is headquartered in Boca Raton, FL, and serves the southeastern United States and beyond in the highly competitive world of Internet and network services providers. In this market most vendors can provide very similar products and services such as web hosting and IP phone service, to name two. Surviving and succeeding in this market requires vendors to focus on operational excellence to



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ensure that they deliver the best possible offers to prospective customers. Very often operational excellence relies on communication and the timely flow of information.

Host.Net recognized that front-end sales initiatives must be carefully coordinated with back-end operations to ensure the relationship is effectively managed throughout the lifecycle. And when customer incidents are reported sales people, for example, must be made fully aware of these issues.

Initially, like most companies, Host.Net captured customer data through paper based systems, spreadsheets, and text but it quickly became apparent that the company would not be able to deliver on its vision of customer relationships without help from automation. Specifically, Host.Net identified four major areas of improvement to enable it to achieve operational excellence:

Host.Net was seeking from Aplicor a mechanism to:

- Ensure consistent communication with the customer throughout the customer lifecycle.
- Create a mutual awareness of the “state-of-play” between sales and operations to assist in effectively planning future operational requirements and to provide consistent reliable service to existing clients.
- Automate certain manual activities such as notifications and approvals that can cause bottlenecks if not effectively addressed.
- Share organizational wide information that is current between stakeholders in sales, marketing, and operations.

Host.Net also has a number of standard operating practices and policies that need to be shared between members of the organization at multiple locations and at specific points during their sales and operational processes. Coordinating these practices prior to Aplicor was time consuming and required the direct participation of multiple personnel acting as “traffic managers” to coordinate activities to ensure a successful

client sale would turn into a successful implementation. It is estimated that Host.Net spends in excess of \$300,000 of payroll cost associated with coordinating these activities.

SOLUTION

Host.Net was already a customer of Aplicor CRM and this effort was initiated to transform the company’s CRM from a data capturing tool to a system that could provide major positive impact on the company’s processes.

One of the biggest early challenges was getting clarity and consensus regarding the business processes that would be enabled by the workflow tool. In some cases there was not a clear picture of how the existing processes worked or in some cases was supposed to work. The Aplicor team worked with Host.NET management and project participants in facilitated workshops to resolve these issues. The company’s business is a complex web requiring information and process assistance in many areas. These needs were addressed by Aplicor’s Content Management and workflow engines tuned to Host.Net’s specific business processes.

APLICOR CONTENT MANAGEMENT

Aplicor Content Management provides the ability for rich text pages to be created and linked to processes within the Aplicor solution set. For example, the multiple step sales process is linked to all Host.net sales opportunities and the service level agreement (SLA) details are attached within the Customer Service Incident Profile. This gives all operations personnel instant access to the latest corporate documentation regarding Host.Net’s solution selling methodology and service level standards for compliance. These documents are also linked within the sales opportunity profile to ensure that sales personnel do not “overstep the mark” in offering guarantees that cannot be realistically supported by the operations group. Other examples of content management pages developed included demand generation methods, prospecting techniques, various standard operating procedures (SOPs) and best practices related to customer acquisitions and services delivery.

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Content management helped Host.Net to reach its goals for ensuring consistent communication and to share standard organization information across its enterprise. Next came process.

APLICOR WORKFLOW ENGINE

Aplicor has opened up workflow as an enterprise tool that is supported through the CRM suite. Aplicor's workflow is both a tool kit and a set of standard business processes. Many customers find that rather than building processes from scratch, they can modify the pre-built workflows saving time but also taking advantage of the business expertise already built into these processes.

Additional workflows can be created as required to match organizational, industry or department specific requirements. Aplicor's workflow toolkit supports actions such as: approval; notification; creation of an activity plan; assignment and reassignment of activities and tasks and more.

Host.Net specifically now uses Aplicor workflow for the following key functions:

- To improve operational lead time by automatically sending operational notifications to relevant parties within the organization when an opportunity is moved to the negotiation step in the sales cycle.
- To notify a sales representative of all high severity issues reported to customer support at all phases of the customer lifecycle.
- To alert an escalation resource for example, when an incident approaches its estimated completion date but has a status that indicates it has 'Not Started'.

CONCLUSION

Today Host.Net has the systems and processes that it needs to capture, access and use information that it uses to deliver high quality service to its customers throughout the lifecycle. As a small company Host.Net needed affordable but advanced capabilities to help it manage its business processes and drive information to the people who need it — including sales people working with clients as well as operational people delivering

products and services. While these capabilities are well documented in enterprise CRM solutions, a traditional enterprise CRM solution would have been too expensive to implement and maintain. Aplicor's hosted solution provided advanced workflow and content management and fit the need affordably.

The IT industry is currently undergoing a fundamental shift from on premise systems to on demand solutions that hide much of the complexity of IT from the user and offer substantial savings over traditional systems. While everyone would like lower cost systems what is driving this transition is the fact that there is a large market of companies like Host.Net that simply must have advanced solutions at reasonable costs if they are to thrive. This study is a good example of what determined small companies can do to build and support their business processes without resorting to expensive traditional systems.



About the Author



After a very successful career as an analyst, managing director of the CRM practice and thought leader at Aberdeen Group, Denis Pombriant founded Beagle Research Group to better direct his full attention to analyzing the CRM market and providing deep insight to vendor and end user customers.

As a recognized CRM thought leader, Pombriant's analysis of the CRM market has resulted in numerous insights. Beginning in 2000 he studied the CRM hosting industry and he was an early advocate of the business model. In 2003 he conducted significant new research in hosting and discovered a tipping point in user acceptance of the hosting model during the first half of 2003 that has led to rapid expansion in the industry.

Pombriant was the originator of the "What Works" series of best practices reports — a format that has been widely emulated throughout the industry. Pombriant has led numerous research efforts and has authored or co-authored major research reports on relevant CRM topics including hosting, CRM in the insurance industry, several spending and satisfaction surveys, and best practices reports. He continues pursuing an active research calendar and is currently investigating social networking and the future of application hosting in CRM.

Pombriant has been quoted in such publications as CRMDaily, DestinationCRM, Fortune, The Wall Street Journal, Investors Business Daily, CIO, Computerworld, E-Week, InformationWeek, and other industry publications.

The recently published third edition of *CRM at the Speed of Light*, quotes several research reports authored by Pombriant and author Paul Greenberg describes Pombriant as "...an innovative thinker and the one who...characterized the ASP market as a 'disruptive innovation.' He is one of the smarter analysts out there, willing to be an iconoclast who is often proven right.

In 2003, CRM Magazine named Pombriant one of the most influential executives in the CRM industry.

About Beagle Research Group

Beagle Research Group is a consulting and market research organization focused on emerging technologies and companies that will have an important impact on the way business is conducted in the years ahead. Our work is based on professional standards of quantitative and qualitative research which informs all of our publications.

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