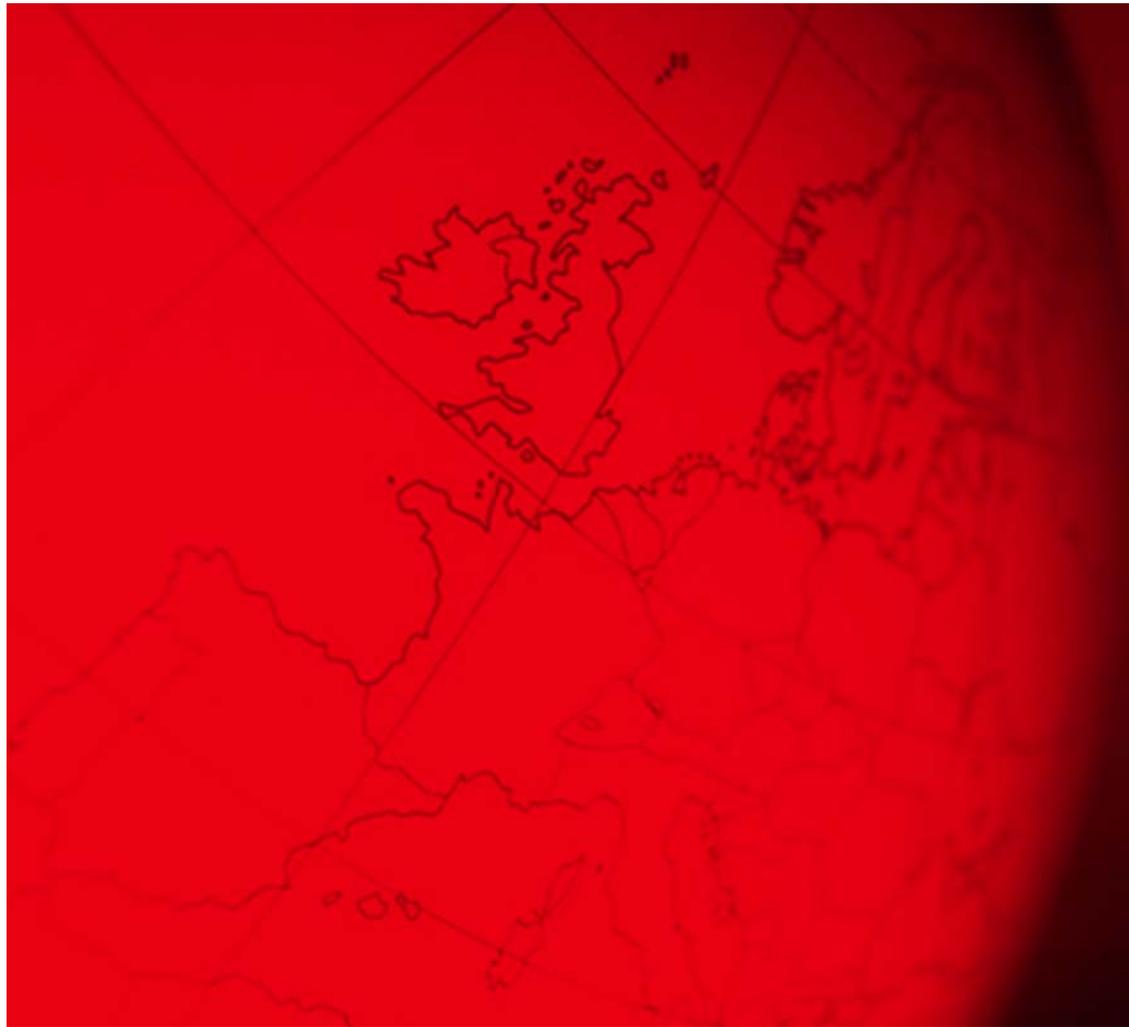


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GUIDEBOOK ACT!



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THE BOTTOM LINE

Sage Software's ACT! offers individuals, corporate workgroups, and management a single source of accurate and timely customer information, as well as sales automation tools that help close more sales and boost revenues.

THE SITUATION

ACT! is a contact and customer management application with a 20-year track record that helps sales personnel become more efficient and close more sales. Relatively lower in cost when compared to broader CRM systems from Oracle, Microsoft, or Salesforce.com, it provides contact management and lead tracking capabilities for users and managers. ACT! capabilities include:

- Contact management, including the ability to track all customer interactions, including notes, activities, and opportunities associated with a given contact record. It also includes the ability to create groups of contacts and track companies that have multiple contacts
- The ability for managers to monitor sales team activities, measure sales and marketing effectiveness, and run basic reports by territory or other categories
- The ability for users to automatically issue e-mails, generate and send sales contracts, and, via a third party add-on, dial phone numbers and fax documents
- The ability for companies with mobile workforces to access the application remotely via a Web client or work offline
- The ability for users to synchronize the contact and calendar lists on handheld devices such as the Palm and the Pocket PC, or, via a third party add-on, a Blackberry.

ACT! also offers six customizable dashboard components, which include:

- Schedule-at-a glance, which presents a daily activity list to each user
- The activities list, which highlights key tasks and their time allocation
- View of the opportunity pipeline by stage, which tracks opportunities and ensures compliance with set processes in ACT!
- A snapshot of opportunities by user and a top 10 opportunities list, which includes the total lead total value
- A closed sales-to-date list, which lets sales personnel stay current with the sales cycle.

Additionally, ACT! is a robust contact and customer management application that serves a wide variety of industries and companies. It can be deployed with relatively little training and deployment time, and, overall, is easily maintained. This reduces implementation and trainings costs and reduces risk for the company deploying it.

Without a CRM or contact management system to support them, manual sales processes often result in lost leads and lost customer information. For example, one ACT! customer noted that prior to the rollout, the company was losing customer data each time a salesperson left, as the salesperson took the pertinent information with them. Process automation here is key and that requires software. However, CRM applications vary widely in relative ease of use and the time

required for users to become productive on them. Depending on the vendor and the various features sought, such packages can be complex, cost tens of thousands of dollars, and take months to install. Sometimes they deliver unwieldy and user-unfriendly technology, and ultimately fail to deliver a return on investment.

On the other hand, ACT! takes the middle ground. It is a relatively inexpensive and lightweight application that can be deployed in days, depending on the circumstances of the implementation. However, it centralizes all customer-related data and creates simple workflows. These capabilities boost sales efficiency and deliver a single view of the customer to sales staff. It is highly customizable, scales out to easily support large networked teams, and is easy to maintain and train on. It can be used by individuals, sales professionals, and in mid-sized sales organizations. One user said he paid \$15,000 for his ACT! licenses, where a large-scale CRM software deployment with as many users might have cost more than \$1 million.

This guidebook highlights the experiences of a set of diverse customers of ACT! and prescribes best practices, missteps to avoid, and how to fine-tune the application to exploit it fully. Among the ACT! customers who participated were: H. J. Oldenkamp Co., Warren, Michigan; TSA Training Services, Dubai, United Arab Emirates; STAPLA Ultrasonics Co., Wilmington, Massachusetts; M. Griffith Locke Investment Services Inc., New Hartford, New York; and Vermeer Wisconsin, Butler, Wisconsin; UCSC Ltd., Phoenix, Arizona; Candlewood Suites, Durham, North Carolina; Choice Hotels International, Silver Springs, Maryland; ABA Retirement Funds, Quincy, Massachusetts.

BEST PRACTICES

Nucleus found that customers followed best practices to evaluate and install ACT! that reduced risk and accelerated user adoption and productivity.

Make ACT! the key customer information repository

In many companies, sales are hampered by inefficient manual processes that involve placing customer information in departmental or individual silos. Too often, salespeople keep contact data in spreadsheets, on note cards, or in their own memory. This prevents collaboration and all but guarantees that there will be redundant efforts or not enough effort to close each potential sale. It also prevents management from being able to gauge the sales pipeline or measure the effectiveness of salespeople or individual marketing campaigns. Nucleus found that ACT! can boost productivity of users from anywhere between 20 percent to 50 percent, depending on the success of the implementation and the relative sophistication of the system ACT! replaced.

ACT! delivers a central view of customer data in a corporation: this prevents a salesperson in one division in one region from contacting an existing client lead from a company who might already have someone handling that account.

Companies always want to appear professional by streamlining their customer contact activities. Having no central contact management system means different sales people will often call again on the same account. It creates wasted effort, can annoy the customer, and prevents a company from presenting a consistent

face to the customer. ACT!, with its centralized database and process discipline, can eliminate those problems:

- *"Prior to ACT!, it was ugly. We deal with so many different customers across the nation. We were finding 10 of us might be working with the same company and bombarding them with phone calls. We wanted to work smarter."*
- *"Our general philosophy was that this would allow the company to create and enforce the discipline that we need to apply. It creates a central place for users to share information. It gets everyone on the same page. We've got cowboys in the field doing their own thing and this disciplines us as a unit and gives us cohesive behavior."*

Carefully study your own business processes first

No two companies perform all their processes identically, even if they are in the same industry. Each company has some processes that are unique and must exist for a competitive advantage or to fulfill a special business need. Thus, no one application can completely conform to the one-size-fits-all model. That is why applications such as ACT! are built to be configured or customized out of the box as needed. However, these customizations will require a bit of extra work, so prepare adequately for an implementation. Also, make sure that the customization project stays focused and in scope. ACT! may be relatively inexpensive and easy to install, but it can't be rolled out on autopilot.

An ACT! implementation can take a relatively short time to complete – users estimated a properly planned project can take from a couple of days to a couple of weeks to complete, depending on variables such as data migration. But you must carefully think about your own sales and marketing processes and decide what is essential. You must also consider carefully what your overall goals are, not just around the sales processes, but for reporting and any other operations in the company that sales supports.

One user suggested it would be helpful to spend a month and half to prepare for an installation and have at least a half dozen meetings with senior management explaining precisely what the goals are. Reach out to other members of the organization who might be affected, including management and IT staff. Another user even recommended running a pilot and getting familiar with ACT! before the actual rollout. *"It's very helpful to know the ins and outs of any software program. Some things just aren't documented."*

Use a qualified consultant or internal IT staff for the rollout

ACT! users were most successful deploying the application to workgroups when someone with ACT! knowledge or experience — an independent consultant or internal IT resource — guided the deployment.

Individual users running ACT! as a standalone desktop application are likely to be self-sufficient. However, as with any application, the further out it scales to support more users the more difficult it becomes to manage. You'll want to consider how to best manage a number of factors:

- Importing or integrating data from outside sources
- Networking and synchronization strategies

- Infrastructure upgrades or enhancements to support performance
- Planned upgrades and patch schedules
- Technical troubleshooting
- Structuring ACT! reports

Having a game plan for each of these areas based on technical experience will save both frustration for end users and one-off expenditures to fix problems.

Lay out ACT! to fit your company's work habits

The biggest challenge to deploying any technology is effective user adoption, and no where is that more true than in the world of CRM. Planning your ACT! deployment to support and reflect your current users' work practices and habits as much as possible will reduce training needs and smooth adoption. The user interface should be easy to use and reflect your company's processes. ACT! fields and tabs are highly configurable and customizable and can be cross-linked to support a variety of tasks. One user, for example, highly customized the main ACT! customer contact screen, reordering it, adding fields and even using different colors to highlight pertinent sections. The screen also enables tasks such as the tracking of credit history and marketing contact information. The more carefully you plan how the application will look to the end user, the more successful the deployment will likely be. As one customer said, *"You'll want to know every field, every drop down menu and every tab and all the reasons why they are there and don't go over the top."*

Simplicity is one of the major keys to unlocking user adoption, particularly around a customer-facing application. It's crucial when creating the user interface that you eliminate what is non-essential and make sure what is necessary is easy to access and manipulate for each individual. Providing some or all users with their own dashboard or view of the information they need will shorten the learning curve and boost adoption. Remember, having more tabs isn't necessarily better. As one user said, *"We've customized some screens so that we don't clutter them with things that don't mean anything to the user. There are so many customer fields someone can be overwhelmed. Just give them the data they need to work with."*

Before you start customizing, you'll also want to think carefully about how sales people will access and view leads. The leads must be appropriately defined and segmented in ACT!. Will you segment leads by date, region, business type, or active status? How will they appear to users? Clear definitions make it easier to extract relevant information and act on it, and defining them before go-live will save you difficulty later.

Additionally, keep in mind that some features are more or less relevant to certain users. For example, one user found that the opportunity list is best when used to service a single repeat account, but it isn't helpful for one-off sales, while others found it an integral part of their sales process. Successful customers said ACT! was user-friendly enough to require only one training class, or it could be learned on the fly. Clearly defining your processes, keeping the screens simple, and matching ACT! to the way you work are ways to ensure that.

Consider the networking needs of your sales force

Companies all have different network infrastructures and capabilities. The greatest ROI is usually achieved through productivity gains through technology that meets the needs of both individuals and groups in a company. Given that many salespeople may be remote or often on the road, they will need to be able to access their CRM software through the Web. Additionally, when they are not connected to the application, they will still need to work in ACT! and update their customer data.

Sage Software has designed ACT! so it can be rolled out in a variety of ways: via the Web for mobile workers, in a client-server configuration, over a thin client network, or in a hybrid environment.

For instance, one company runs the system at its headquarters over a Citrix thin client network, while remote staff keep a copy of ACT! on the hard-drives of their computers and synchronize data over the company's Virtual Private Network. *"I love the fact that its one of the few systems that can be put on my hard drive and I can work offline. I can do all my work when I'm on a plane."*

Don't forget to feed and water the application

Just like any other application, ACT! will likely need some ongoing support to ensure it runs properly. Nucleus found ACT! support tends to fall outside the IT department's purview. A half-dozen users suggested appointing someone to do some lightweight troubleshooting, depending on the complexity and size of the implementation. This would include helping do screen configurations, reporting, and ensuring the application is being used effectively on a daily basis.

ACT! doesn't require the constant and extensive IT support needed for full-function CRM applications. However, managers or IT staff in companies with 10 or more users should consider allotting an hour or more per week of administrative time to support ACT! to ensure it delivers maximum benefit.

Such administrators also can make sure the data in the system is clean and that all the sales people are regularly inputting into it. One user noted that in their company individual sales people are tasked to look at their own leads, but aren't allowed to see those of others. Someone in a management position therefore has to be able to get access to all the customer information across the board. If ACT! is going to service more than handful of sales personnel, then it will be worthwhile for a salesperson or department head to oversee the system and help keep everyone else productive. As one user said, *"I think if you have 10 or more users, you need an ACT! administrator in-house. Somebody who can load up the contact information, clean out the database, and run the reports the right way. They keep things going for the salespeople."*

MISSTEPS TO AVOID

When analyzing ACT! customers, Nucleus found common missteps to avoid in the management of a contact and customer management application. These missteps naturally aren't unique to ACT!, but tend to be repeated in many other similar installations of software.

Avoid complications that discourage adoption

This also can vary depending on which version of ACT! is being deployed. For instance, one user that was very pleased with an older client version of ACT! found that the upgraded Web-version was too feature-rich compared to what the users had become accustomed. It presented customer data in two format fields: at an individual customer level and at the company level, and the latter feature was new to them.

Users were forced to flip between both screens and this could be confusing. It could take as much as 10 minutes to find a given lead and even then, they weren't sure if they had the correct information. Not having up-to-date information meant that it was impossible to tell if the customer wasn't being contacted at all or too much. Additionally, excess complexity discourages application adoption – and this can affect ACT! rollouts as well as major ERP installations alike. As one ACT! user said, *"That's the biggest battle to fight with a new system – the complexity. You want it very quick and easy or they won't use it. Just have enough for people to get their jobs done."*

The devil is in the technical and training details

Although as has been noted in this report, users generally found ACT! to be reasonably simple to install, that doesn't mean there weren't technical challenges. Software installations in general show a huge variety of challenges, depending on the size of the rollout, if there is existing data to be migrated from a legacy system, and the relative savvy of your IT staff and end users. Some ACT! users found implementation to be difficult, depending on the special circumstances of their own deployment. So, be prepared to troubleshoot. Sage Software does have some centralized management tools for ACT! Premium. However, lacking this, one user noted they were unable to centrally configure the ACT! screens and their installation was labor intensive. Each PC had to be manually touched by IT staff for patching and configuration. If this isn't done, more than one version of the ACT! database will exist on individual PCs and start corrupting the central database. The level of technical complexity that may require additional attention will depend on a number of factors including:

- Whether or not you're migrating data from prior systems
- If a new server or network improvements will be needed
- If your users are fairly technology savvy today
- How much experience your consultant or IT staff have with ACT!
- Which version or versions of ACT! you are installing, and which delivery method – Web-based? Client server? A hybrid? – each one has different requirements

The technical issues can include integration. A sales system ultimately has to feed information to accounting, fulfillment, or other systems to complete a full order-to-cash-process. So you must:

- Talk to your consultant or IT staff about with what systems ACT! might need to communicate

- Check to see which other of your applications, such as an ERP system, needs to link to ACT!. Sage Software does have out-of-the-box integrations with a handful of common third party applications, such as QuickBooks
- However, be prepared to implement some manual workarounds to share data if integrations are unavailable. Without ready-made application integrations, companies must keep two records of customer data – one in ACT! and one in a fulfillment or supply chain system, to cite two examples
- If you have two such systems running parallel, it will require manual checking to make sure they are both synchronized and up to date, or errors will creep in

Don't hire just any ACT! consultant

Many software implementations are excessively prolonged or ruined by the wrong third party consultant. A poor partner can sink a rollout and get you fired. A consultant or reseller must take the time to understand your business as well as be close enough with the vendor to know all the nuances of the software they are installing. When approaching an ACT! installation, it's no different. Don't just use the Yellow Pages. Get referrals and make sure the consultant is qualified. You may select the consultant by their special focus, depending on your needs. Some consultants work with individuals or on small implementations only, while others handle corporate accounts. Some are focused on certain industries, while others have expertise in sales processes. Customers also said they were able to find good consultants that came recommended by Sage.

After go-live, make sure users are conforming to the new processes

Just because you've installed new software doesn't mean the users are going to actually adopt it on a daily basis, as intended. It requires discipline to prevent them from falling back into their old habits. Don't allow them to return to manual paper based systems or their familiar old Excel tools. Make sure you do your part to train and provision the end users. Provide everyone with books on how to use ACT! or whatever other teaching and incentives they need. As one user put it: *"They are not taking their Excel spreadsheets and typing into it and e-mailing it to marketing or sales management. That's not accepted."*

One way is to make sure they are compensated through the ACT! application. Remember, also, that the system should be making their lives easier. You should demonstrate the value of the application to the sales force. As one user noted: *"If it's helping them, they'll do what they need."*

FINE TUNING TIPS

In talking to ACT! customers, Nucleus discovered that after initial deployment, successful implementations required additional procedures to get the most from the application. All systems have their nuances, and the better users and administrators understand them, the better chance they have of getting the best return on investment from their software.

Stay on your technical toes

Just like all applications, ACT! isn't a static thing. Users' needs change, glitches are discovered, patches issued, and the vendor regularly releases upgrades. It's easy to fall behind on bug fixes – including security, access control, data integrity and performance patches. Always stay ahead of the technical curve, which also will

help you get the most from your investment. End users also might be downloading software on their PCs and laptops that might be incompatible with their work applications. They might also start toying with the system. Don't find out the hard way what to avoid – down time means lost money and lost opportunities. Pay attention to known technical glitches by checking the ACT! Web site. Talk to other ACT! users about their experiences. Also, keep internal staff as trained and up to date as possible in the intricacies of the system.

When doing an upgrade, treat it as if it were a new version installation. Don't assume one version of ACT! is identical to the next. Different versions of ACT! can present different challenges. For instance, one user implementing to a Web-based version of ACT! had to upgrade the workgroup server. Everyone also had to upgrade from Internet Explorer 6 to 7 to boost performance. However, in this company, IT staff still had to do manual patching and troubleshooting as well, which took several months to complete.

ACT!: not just for contact management

The primary purpose of ACT! is to be a core contact and customer management application that holds customer data for easy retrieval. But, the software's usefulness doesn't end there. For instance, one user created several special tabs that hold various types of data about customers beyond basic sales information. This includes full client account data — such as information on a contact's spouse, their investment history, the number and types of accounts held, and even their sales forms attached for quick access. It also lists birthdays, all accounts opened on a given date, and it can also be used to do mass mailings.

ACT! can be used to help create accountability and see which units in a company aren't being productive. Activities such as marketing campaigns can be tracked and measured. It also automates customer follow-up processes so that nothing slips between the cracks. In fact, for some users, ACT! provides a core operational application. For one customer, *"It's a daily management tool."*

Go beyond the reporting capabilities in ACT!

One of the most essential benefits of CRM software is the ability to do forecasting for sales revenues. Companies need as much actionable forecasting data as they can get in an easy-to-digest format, such as a dashboard. ACT! has its own internal report writing feature, but can also embed third party reporting tools if needed. Go to management and see what specifically they want measured and then fine tune the metrics embedded in ACT!. For instance, you can configure the opportunities list around very specific criteria, such as by probability of close or by a date range. Additionally, this can be without necessarily needing technical support.

One user expanded the reporting beyond just essential customer-related information. The reports included information about the devices customers were using in the field and the last contact with those customers.

Don't hesitate, if need be, to export data to other systems for reporting or other tasks. To ease such processes, ACT! links directly up to Microsoft desktop applications such as Excel. One customer said they rarely use out-of-the-can

reports, but rather export the data from ACT! to Excel to slice and dice information for long-term trend spotting. "ACT! is great, but you can't manipulate it like you can Excel," as one user noted of the ACT! business intelligence capabilities.

Protect the family jewels

A sales application is not always seen as a company's backbone the same way as an accounting system is. Nevertheless, for the sales department, lack of data availability or actual loss of data can be catastrophic, resulting in down time and lost sales. A couple of users said that because ACT! is mission-critical, or essential to the company, it's necessary to do complete data backups. Preferably, the company will replicate with a server that is at a different location than the primary server, in case of a major environmental disaster, that regrettably, might take down the main ACT! database. As one customer put it: "As with any critical data, it is important to backup the ACT! databases daily, and I would recommend having a well-defined plan to restore the main and remote databases."

Treat customer management like a marriage

Consider your company's interaction with ACT! to be a long-term relationship. The application's scalability and flexibility will allow it to remain the contact and customer management system of record over the long haul. The longer you use it, the greater your return on investment will be. With that in mind, keep finding new ways to exploit ACT! and keep it relevant for your ever-changing needs.

- *"It's an evolving process. It's a fluid system. We made progress the first year when we loaded in the leads, and that was a huge accomplishment. Then, the second year we wrote custom reports. Now, we're putting in training and procedures in place so that if I leave, someone else can inherit the system. It's a long term commitment with you and your consultant."*
- *"We have 45 people and 18 of those are regular ACT! users. It's a very customized system and customizing it is easy to do. So it can grow as you grow."*

CONCLUSION

Nucleus found a single repository of customer information is potentially an invaluable asset in a company. Properly installed, maintained and exploited, ACT! can function as a mission-critical sales tool. As one user put it, "Our customer list is the most important thing we have and ACT! has given us tremendous improvements in it." ACT! can also serve as a stepping stone to educate users in basic sales processes. If the company grows and needs to expand to more users and requires more reporting, compliance, marketing, customer service, or other features, users might consider upgrading to a more sophisticated and feature-rich CRM application. In the meantime, ACT! offers a relatively quick and easy way to support basic discipline around customer-facing processes, while boosting reporting and productivity capabilities. Customers reap all these benefits without the potential risk of a more complex and costly CRM application.

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