



## The Lesser-Known (Social) Facts about Microsoft Dynamics CRM

P.J. Jakovljevic - 10/31/2011 10:03:00 AM

In [TEC's 2010 blog series](#) on **Microsoft Dynamics CRM**, I discussed the ongoing upbeat state of affairs of the Microsoft product, and described it as one of the best-performing products within the entire Microsoft Corporation as of late. In a nutshell, in 2009, the *customer relationship management* (CRM) product, then at its fourth major release, grew notably and surpassed 1 million licensed users. In 2011, the product crossed the “2 million users” mark in more than 80 countries and 40 languages. The CRM *software-as-a-service* (SaaS) market has grown substantially in the last few years, and Microsoft Dynamics CRM has been the predominant beneficiary of that market demand ([read the post](#)).

Microsoft competitors and market observers might poke fun at the company's occasional product flops and/or “to market” tardiness, but Microsoft Dynamics CRM would not be that example. Quite the contrary, the offering is seeing success in customers of all sizes, across many industries, and in all available geographies. The flexible CRM solution provides the power of productivity through familiar, intelligent, and connected experiences for organizations of all sizes. Another stellar product for Microsoft is **Microsoft SharePoint**, as discussed in [TEC's recent series of articles](#). It is interesting to note that many customers use Microsoft Dynamics CRM and SharePoint in tandem, partly due to SharePoint's Web site and portal capabilities.

### Meet the 2011 Release

In early 2011, Microsoft brought significant innovation and value to its customers with the launch of **Microsoft Dynamics CRM 2011** worldwide. This was another significant milestone for the Microsoft Dynamics CRM program, which has been delivering innovative products to customers since early 2002 and significantly impacting the market, in the following ways:

- **New markets**—Prior to the release of Microsoft Dynamics CRM 2011, the online version was available only in the United States (USA), Canada, and Puerto Rico; outside of North America, Microsoft partners had to host the solution for customers to use the product. As of Jan 17, 2011, Microsoft Dynamics CRM Online is available in 40 markets and 41 languages.
- **Additional capabilities**—The 2011 release delivered a broad range of new capabilities for its customers, including role-tailored dashboards, a new level of Microsoft Outlook integration, expanded *business process management* (BPM) through guided dialogs, and a brand new Performance Management module.
- **Customer wins**—Customers reportedly continue to choose Microsoft Dynamics CRM over the competition. For example, **Century Payments** switched from [salesforce.com](#) to Microsoft Dynamics CRM Online and is realizing \$300,000 (USD) in annual savings. The switch took just 2 weeks and in the first 6 months, the company was able to triple the number of sales agents, from 50 to 160. In addition to using Microsoft Dynamics CRM Online for lead management, the company took advantage of the product's flexibility and used it to support other business needs. Other examples of customers that have switched to Microsoft Dynamics CRM and are realizing financial benefits include [BioMedix Vascular Solutions](#), Jones Lang LaSalle, and IGH Solutions.
- **Market success**—The combination of new markets, customer wins, and additional capabilities has seen the continuing success of the Microsoft Dynamics CRM program overall. At its recent worldwide partner conference, Microsoft announced that the product had surpassed 30,000 customers, 2,000,000 users, and had achieved 29 consecutive quarters of double-digit growth. These results are a testament to the value customers see from Microsoft Dynamics CRM.

I recently had the chance to meet with the Microsoft Dynamics CRM product management and product marketing team during the company's Boston analyst tour. One major revelation from the meeting was Microsoft's immense efforts in making Microsoft Dynamics CRM social in terms of collaboration and crowdsourcing (to listen to their customers). The vendor admits that [salesforce.com](#) might have sucked the air out of the social CRM room with its **Salesforce Chatter** and “Social Enterprise” themes (see [TEC's blog post](#)). If anything, Microsoft believes to be ahead of the game with its **Office 365** integration capabilities (Chatter is not yet in the *unified communications* [UC] game).

Another revelation was in regard to the product's lesser-known customer service (care) capabilities, which even entail *knowledge management* (KM) capabilities. Again, **RightNow** (soon to be part of **Oracle**), [salesforce.com's Service Cloud 3](#), **KANA Software** (see [post](#)), **Consona CRM** (see [post](#)), and Oracle (with **Siebel CRM** and the recent acquisition of **InQuira**) typically come to mind as leaders in that space. Native marketing effectiveness capabilities are also notable.

In late October 2011, Microsoft announced the general availability of the **Microsoft Dynamics CRM November 2011** Service Update. This release delivers new integrated social collaboration capabilities, as well as a common experience with Office 365 and enhancements for enterprises using Microsoft Dynamics CRM in the cloud. These new features are delivered at no additional cost to customers and are directly integrated into the tools they're already using.

With the new release, Microsoft Dynamics CRM introduces new social collaboration capabilities that include:

**Activity Feeds:** Configurable, real-time notifications on important relationships and significant business events via a blended view of micro-blog posts and all interactions for a person, customer, or sales opportunity.

- **Micro-blogging:** Status updates and notifications regarding business events and actions, bringing simple experiences for users similar to **Facebook** and **Twitter**.
- **Conversations:** Users can post questions, observations, suggestions, and status updates, allowing them to collaborate quickly and efficiently, locate information or expertise, and gather feedback from others.
- **Automated activity updates:** Users can post information directly to the activity feed based on configurable event rules, e.g., when a sales opportunity is closed. People can subscribe to or "follow" these activity feeds, and consume them in a variety of ways.

**Mobile Activity Feeds:** A new Microsoft Dynamics CRM Activity Feeds for mobile application for **Windows Phone 7** allows users to be able to view their activity feeds while away from the office.

Read the [full press release](#). A post on Microsoft's vision for social CRM by Brad Wilson, general manager, Microsoft Dynamics CRM, can be found at the [CRM Connections blog](#).

During my meeting, I asked a number of in-depth questions and what follows are the answers that were provided by David Pennington, director, CRM product marketing, Microsoft Dynamics.

### General State of Affairs

**PJ:** Since what release has there been the so-called "symmetry" between the online and on-premise versions?

**DP:** We remain committed to sustaining the "Power of Choice" and the ability to transition between cloud-based and on-premise delivery of CRM as a key point of customer value and flexibility. As such, we are working toward full symmetry between our cloud and on-premise offerings. There is currently one remaining capability difference between the two deployment models—namely, the support of custom workflow assemblies in the online offering—and we expect that to be added within the next 6 months.

**PJ:** What is the state of affairs of your major *system integrator* (SI), *independent software vendor* (ISV), resellers, and other partnerships?

**DP:** The Microsoft Dynamics partner ecosystem is robust and healthy. Microsoft remains 100 percent focused on selling through our partners; they are our sales force, our consulting force, and our implementation force. If they are not successful, we are not successful. As a result, we have a deep focus on our partners' success and profitability. We are also unique in our ability to invest in *research and development* (R&D) in our CRM products, as well as in our ability to take advantage of the of the \$9.5 billion (USD) R&D investment that is taking place across the company.

**PJ:** What are the most popular apps/solutions on the **Dynamics Marketplace** (formerly **Pinpoint**) by your 650 partners, and is there any difference in its business model compared to other app stores or app exchanges?

**DP:** Over the last 3 months, we've had general consistency in the apps at the top of the marketplace.

- The most popular search terms surround social media.
- The most popular downloaded/trialed solutions surround project management add-on solutions.

Obviously, from an infrastructure perspective, the Dynamics Marketplace looks and behaves similarly to any number of consumer or enterprise marketplaces. There are a few unique attributes to our marketplace, however, such as the following:

- The Dynamics Marketplace is not a revenue stream for Microsoft. It's operated purely as a conduit to connect partners, their solutions, and our customers.
- The Dynamics Marketplace is 'build globally, operated locally.' Unlike other marketplaces, we push down to individual markets all operating decisions about partners and products to carry and profile, and how to best provide country-specific market support.

**PJ:** There still seems to be confusion in the market about what licensing is required to use a business application developed on the *extended relationship management* (xRM) platform when no "plain" CRM is required. Can you please clarify?

**DP:** In Microsoft Dynamics CRM 2011, a new licensing option called the Employee Self-Service Client Access License (CAL) was introduced. This allows limited *application program interface* (API) access using custom *user interfaces* (UIs) including the creation, update, and tracking of information stored within Microsoft Dynamics CRM regarding work, profile, and business

activities. This provides both an economical licensing option for light Enterprise users and is also a great fit for Extended CRM licensing scenarios.

**PJ:** Is it really mainly about Dynamics CRM versus salesforce.com in new CRM deals? In other words, why do Oracle, **CDC Software Pivotal**, **SugarCRM**, etc., still claim some upbeat results?

**DP:** Microsoft Dynamics CRM has grown at double-digit rates for the last 29 consecutive quarters. While other competitors have shown occasional quarters of similar growth, with the exception of salesforce.com, they have been unable to consistently sustain this level of performance.

### Some “Real Deal” CRM Capabilities

**PJ:** What social and mobile CRM apps are *generally available* (GA) now (under which exact name) and what is coming out soon?

**DP:** GA are the following capabilities:

- **Mobile Express for Microsoft Dynamics CRM 2011**—provides users with a Web-based CRM client that works on any HTML rendering device, small or large. The UI can be customized to show only the types of objects that an organization wants to expose to mobile users.
- **Microsoft Dynamics CRM Activity Feeds**—The November 2011 Service Update will deliver the first of several waves of social innovation for Microsoft Dynamics CRM. This release will deliver activity feeds, which simplify business insight and collaboration across internal communities. Activity feeds will enable a user to follow and listen in on important activities that take place around the people, accounts, contacts, leads, sales deals (opportunities), or anything else that they care about. This frees users from having to keep track of a lot of information—instead they can utilize Microsoft Dynamics CRM to provide them with the information they need in an intelligent and timely manner. The status for all activity feeds can be posted manually by users or automatically updated based on predefined system rules through workflow, e.g., post a status when an opportunity is won. Activity feeds can also be posted to/by external applications through the Microsoft Dynamics CRM Web services API. Activity feeds expose Microsoft Lync presence functionality so that users can initiate communication activities such as *instant messenger* (IM), phone calls, e-mails, etc. Like all other functionality in Microsoft Dynamics CRM, Activity Feeds respect the core security model to ensure that the right information is shared with the right people. These capabilities will be available for both online and on-premise customers.
- **Mobile Activity Feeds for Microsoft Dynamics CRM**—Coupled with the new internal social collaboration capabilities provided by activity feeds, the November 2011 Service Update will deliver a mobile client for activity feeds that runs on **Windows Phone 7.5**. This application enables real-time views of activity feeds that the user has subscribed to in Microsoft Dynamics CRM. Users can post statuses, questions, answers, and comments directly from their phone into CRM Activity Feeds. Additionally, users will have read-only access Accounts, Contacts, Leads, and Opportunities to allow them to stay on top of key customer information even when they are out of the office. Finally, the forms for the mobile application are configured in Microsoft Dynamics CRM, just like any other form for the Web and Outlook clients. This application is available for both online and on-premise customers.

**PJ:** What is the current state of affairs of CRM accelerators? Which ones have been delivered lately and what is in the works?

**DP:** The CRM accelerators program was a huge success, having been enthusiastically embraced by the market. There are the following three stages of support:

1. Dynamics lab program—Many accelerators, including *partner relationship management* (PRM), eService, event management, and customer care, were added to the Microsoft Dynamics lab program and updated over time.
2. Added to the current release—Analytics, business data auditing, and workflow tools were absorbed into the core product and added as base features in the 2011 release.
3. Planned for a future release—Social networking, enterprise search, and news feed dashboards have been incorporated into the future product roadmap and will be released as core features during the next 3–24 months.

**PJ:** Can you please elaborate more on your customer service capabilities in terms of KM, *interactive voice response* (IVR), *computer telephony integration* (CTI), etc.?

**DP:** Microsoft Dynamics CRM meets the changing expectations of customers with a service solution that is robust and flexible. It includes the following capabilities:

- Service Scheduling: Managing field service appointments, facilities, and resources with the powerful unified service scheduling feature.
- Streamlined Case Management: Taking advantage of intuitive case management capabilities to streamline case creation, tracking, resolution, and escalation.
- Native Outlook Client: Centrally managing contacts, calendaring, service tasks, and e-mail through a familiar Microsoft Outlook interface for improved efficiencies.
- Advanced Personalization: Spending less time looking for information and more time serving customers with personal views, most recently used lists, and record pinning.
- Full Interaction History: Tracking the details of every interaction, including offers, orders, contracts, and cases, so you can

provide the right service at the right time.

- **Service Response:** Enabling faster, more effective responses with built-in mail-merge, e-mail templates, and one-click conversion of e-mail messages to cases.
- **Purchase History:** Tracking product purchasing history, contracts, and key renewal dates so agents can take proactive action and offer relevant services or products.
- **Insightful Service Analytics:** Deepening insight with out-of-the-box or configurable dashboards, drill-down analysis, and inline data visualization capabilities.
- **Service Queue Management:** Building queues against any entity, user, or team and streamlining work state management for improved efficiency.
- **Service Record Auditing:** Improving visibility into service and support activities and effectively meeting *service level agreements* (SLAs) with system-wide auditing.
- **Guided Service Processes:** Streamlining case resolution and escalations with guided dialogs, automated processes, and conditional formatting rules.
- **Service Goal Management:** Instantly tracking service goals, such as first call resolution, average call time, and more with comprehensive goal management capabilities.
- **Centralized Document Management:** Managing cases, service contracts, FAQs, and more with embedded Microsoft SharePoint document management capabilities.
- **Knowledge Management:** Up-leveling your customer service skills by creating, retrieving, and sharing knowledge through a shared knowledge repository.
- **Service Team Management:** Facilitating internal collaboration and coordinated problem resolution with team management capabilities and real-time communication tools.
- **Web Self-Service:** Empowering customers to find answers, create their own cases, and schedule service appointments through the Web 24 hours a day, 7 days a week.
- **Unified Desktop:** Using your CRM solution to deliver a unified service desktop that combines service applications within a single, streamlined interface. Users have the capability to create desktop clients for contact center employees via the customer care accelerator.

**PJ:** Can you please elaborate more on your marketing automation capabilities in terms of native capabilities versus third-party add-ons (e.g., **Marketo**, **Eloqua**, **Pardot**, etc.)?

**DP:** Microsoft Dynamics CRM 2011 includes a strong set of basic marketing capabilities. These were enhanced in this release to include support for dynamic marketing lists, more flexible segmentation tools, and richer dashboards and analytics. They offer a robust solution for companies conducting many *business-to-business* (B2B) marketing activities, such as web-to-lead processes. Where customers have a requirement for complex multichannel and/or high volume *business-to-consumer* (B2C) activities (e.g., e-mail campaigns), they often supplement core functionality with excellent partner add-ons from our extensive ecosystem.

## A Peek Into the Future

**PJ:** Is there anything that you are at liberty to volunteer on the company's future moves, i.e., new functional scope, verticals, etc.?

**DP:** The mission of Microsoft Dynamics CRM is to deliver intelligent software and services that enable extraordinary customer relationships with world-class business results. Looking forward, we will continue to support that mission by delivering on our “dynamic business” vision, as described in the October 2010 white paper [Microsoft Dynamics: Making Business Dynamic](#). The white paper outlines the challenges facing today's organizations, and provides insight into how Microsoft Dynamics approaches delivering solutions that enable organizations to:

- maximize the productivity of their **people**,
- achieve **process** agility to quickly adapt to new requirements, and
- encourage connections across an entire **ecosystem** of suppliers, partners, and customers.

Our focus on *people*, *process*, and *ecosystem* reflects our core philosophy that success starts with your people and that business applications should be detecting trends, facilitating decisions, and proactively driving change into practice to help your organization thrive and win.

With upcoming releases of Microsoft Dynamics CRM, we will continue to put our philosophy into action with enhanced experiences that promote end-user productivity and demonstrate the rich, “better together” value of Microsoft technologies. We also expect to provide new experiences and capabilities that help customers and partners get the most value from key emerging trends such as cloud computing, mobility, and social technologies.

We will continue to focus on rapid, but substantive, innovation that leverages Microsoft Dynamics CRM as the easiest and fastest way to experience the full benefits of Microsoft technology for your organization. Additionally, we remain committed to sustaining the “Power of Choice” and the ability to transition between cloud-based and on-premise delivery of CRM as a key point of customer value and flexibility.

