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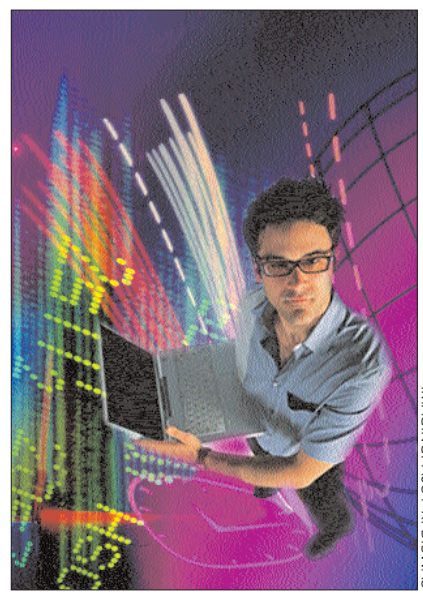
CRM Innovating is Peaking

THE CUSTOMEr Relationship Management (CRM) market's growth shows that companies have finally heard the customer's message, loud and clear. However, a closer look at the market reveals a characteristic of this growth phase that you won't hear in a vendor sales pitch —innovation in CRM is dramatically slowing. So what does this mean for users, vendors, and ultimately, CRM growth?

The market has seen more than its share of changes and growth in recent years. The market has only existed as a known entity for a little more than five years, making its growth and acceptance even more remarkable. In 2000, the CRM market grew by 59 per cent; and even in the face of a possible economic downtown, a recent AMR Research study shows that 87 per cent of companies plan to leave budgets for CRM initiatives intact or even i crease them.



IMAGING: AJOY K. BISWAS

What Happened to the Innovators?

As markets form, the initial leaders are the vendors that develop cutting-edge breakthroughs in technology, though admittedly these innovations are marketed long before they are ready to be delivered. Over time, as these new concepts and new technologies become more understood and accepted, they move into more mainstream companies, growth rates skyrocket, and the innovators either become the leaders or become acquired by less innovative but more financially-viable companies.

CRM is now in such a phase.

A recent AMR Research study shows that companies are, in fact, achieving some level of Return on Investment (ROI) from CRM applications. Although no one is reaping overwhelming benefits, the study shows that 74 per cent of companies state that their CRM implementations met initial expectations. Such results come only from products that have been on the market long enough to get past version 1.0 and are stable enough to survive enterprise-level implementations.

As this phenomenon is underway, vendors of every shape, size, and form have scrambled to enter the market and share in the wealth. The good news for end users is that they have a broad array of providers from which to choose, and given that every company has some legacy or homegrown CRM technology, a broader choice increases the chance that one of these vendors will suit their needs.

So what's the downside? Vendors are playing follow-the-leader, with most vendors trying to fill the footprints most widely defined by some early leaders. As such, end users are forced to ask: "What makes Vendor A any different from Vendor B?" Vendors are now trying to articulate their answers.

Innovation Has Given Way to Integration

In many regards, the current phase of the CRM market is a vendor's dream. Users are more educated, which typically reduces sales cycles. Projects have real funding behind them and are often spearheaded by C-level executives. And products have been on the market long enough to garner plenty of references. But vendors cannot get too comfortable as it's too easy to miss the next big opportunity.

Given the extreme pace by which the CRM market has grown, vendors have staked claims by developing technology, or by partnering for it, or by acquiring it. Then, in the midst of this chaos, throw in the change from client-server based architectures to Internet architectures. The result— integration.

Vendors are now scrambling to deliver on the visions they have been selling for so long, to integrate the acquired technology, and to help customers make disparate systems talk to each other. This integration effort is no small one, and very few, if any, software vendors, can successfully innovate and integrate simultaneously, especially as they are working to serve the increasing demands of their very large customer bases.

The task requires the ability to balance current customer needs with the needs of future customers or the ability to look for the next big opportunity. However, not all vendors will stay on an even keel. Of the nearly 500 CRM vendors in the market today, AMR Research expects that by the middle of this decade only 15 per cent will still be recognised as viable CRM providers.

The Bottom Line

Through the mid-1990s, when the "CRM" term was still new, we saw a great deal of innovation. And admittedly, companies are still trying to implement fully developed CRM strategies that take advantage of these technologies, which will sustain strong growth in CRM over the next five years.

However, AMR Research expects CRM to follow the same path as the Enterprise Resource Planning (ERP) market did several years ago: By 2005, CRM will only be growing at a rate of 12 per cent year-on-year, a drastic difference from last year's 59 per cent.

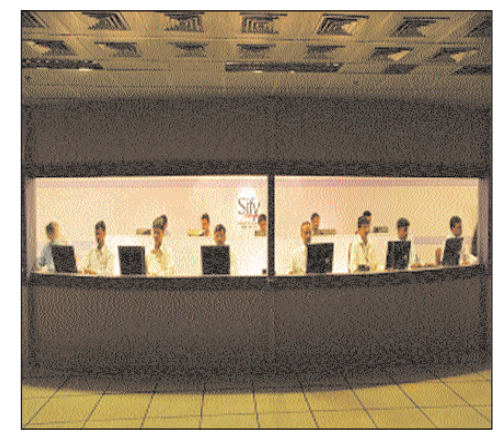
So as an end user, what does this shift in innovation mean?

If you are a company that likes the leading-edge breakthroughs, look for innovation—andd as a result, strategic value, outside of traditional CRM. Key areas to watch include revenue management, demand chain management, private trading exchanges, sell-side applications and true Internet architectures such as those based on J2EE.

The anticipated market consolidation means that vendor due diligence is more critical than ever. Though this may be the perfect time to play catch-up, be wary of being sold on the big CRM vision touted by the majority of vendors today.

Is it their own or is it simply a replica of the same one everyone else is selling? How do they plan to distinguish their products—orr expand them—too remain competitive? Finally, find out what's real in their portfolios; push hard for references on the requirements that are most important to you in an effort to gain shorter-term payback. ■

Sify wires up Whirlpool for international MPLS services



Background

Whirlpool of India Limited (WOIL) was planning to shift its ERP and other application servers to their Headquarters (HQ) in the United States, from their present location at Delhi. Their existing set up was made up of connecting all WOIL locations (around 40 of them nationally) to Sify, locally (using different mediums of dedicated last mile connectivity, viz 2 Mbps Leased Lines, 64 Kbps Leased Lines (LL) , Broadband (BB), Radio Frequency - each with ISDN back ups and accessing their Head Office (HO) in New Delhi, centrally. The Head Office was connected to the SIFY NOC on a 2 Mbps LL (primary) and BB (Secondary). Besides this, 40 PSTN dial up users also accessed their HO. Applications running at the HO included SAP, e-mail server and a in house developed web based applications.

The key requirements were

- High availability for WOIL servers at USA primarily for accessing their SAP server (hosted in HQ, from their India Locations), Mail Server application, other Intranet applications and proposed VOIP or Video conferencing.
- Redundancy on Sify's proposed Trans-Atlantic and Trans-Pacific gateways in the case of a STM-1 failure on either of the gateway links

Key requirements for Whirlpool were:

- High uptime commitments in the network
- Highly flexible and scalable network solution
- Network Management and monitoring
- End-to-end security
- Reduced latency on the network

The Solution

International MPLS Bandwidth requirements were proposed at 3.0 Mbps. Currently WOIL's HO in Delhi is establishing IP Sec tunnel , using Sify's International bandwidth routedthrough the primary path of Trans A lantic fiber gateway in Mumbai (Hot back-up being Trans-Pacific). The proposed solution was an overlay network for WOIL on Sify's IP backbone.

Sify's network is MPLS (Multi Protocol Label Switching) enabled and its partner-Beyond the Network Access (BtNA), a premium International service provider would be providing the MPLS WAN connectivity in the US.

Sify proposed the Layer 3 MPLS enabled VPN from WOIL co-located and aggregated point in Mumbai to their headquarters in the US. The key benefit offered by MPLS WAN is that it imparts a strong security feature to the network. MPLS VPNs use a technique called route distinguishers to provide traffic separation between VPNs of different customers. These are assigned automatically when the VPN is provisioned, and are unique for a given customer.

The critical differentiators of the solution offered by Sify were:

Mr Ajay Khanna Manager IT & Networks for Whirlpool of India Limited say's "Sify's leadership in India for providing MPLS Layer 2 and Layer 3 VPN services for enterprises with full redundancies built at all levels, along with their strong value proposition for providing International MPLS connectivity services played a critical role in WOIL adopting their network."

Sify's critical differentiators were:

A strong and robust domestic backbone in India for providing MPLS Layer 2 and Layer 3 VPN services for enterprises with full redundancies built at all levels, which included carrier diversity on the backbone as well as on the last mile. Redundant fiber bandwidth gateways for providing high availability MPLS VPNs to any international destination Co-located Points of Presence in HONG KONG, LONDON, NEW YORK, and LOS ANGELES while peering with premier service providers in these locations

Millions of man-hours of experience in building business critical networks for corporates in India

Most importantly the key benefit offered by the Sify MPLS WAN architecture was that it imparted a strong security feature for the WOIL International network, besides providing WOIL with a most cost effective solution.

For more information please visit www.sifycorporate.com or SMS vpn to 4545.

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In addition to providing immunity to ANEXT, STP systems are the ideal solution for many applications. The foil shielding of STP makes it resistant to EMI and RFI. In noisy environments, this equates to fewer spurious spikes and system interruptions, as well as noise reduction from non-cable sources. This is especially beneficial in industrial environments and hospitals where noise interference is a concern.

While Augmented Category 6 UTP will likely support the pending 10GbE standard to 100m, manufacturers of Augmented Category 6 UTP cable are having difficulty meeting projected Power-Sum ANEXT requirements of the pending standard and the limits may have to be relaxed. Tests show Augmented Category 6 UTP to demonstrate minimally compliant Shannon Capacity and minimally compliant ANEXT. So it's easy to conclude that STP should support 10 GbE easily and that Augmented Category 6 should support 10 GbE marginally. Existing Category 6 UTP, characterized to 250 MHz, may be limited to channel lengths much shorter than 100 meters for 10GbE. In fact, IEEE has established an objective to reach 55 meters, but even that length has yet to be defined.

Cost Comparison

Optical fiber has long been considered too expensive. However, costs for fiber installation and components have decreased dramatically over the past decade due to the longer distance ratings, strength, connector technology innovation, new network architectures, equipment advancements, and increased familiarity. The cost of a complete, centralized optical fiber system today can be as little as 5% more than a traditional Category 6 UTP install. Optical fiber cabling offers the maximum port utilization and highest density, resulting in overall cost savings.

Historically, however, the industry has preferred copper solutions. UTP solutions in North America have been more popular than STP primarily due to product cost. Other considerations such as installation hours, density, and grounding/bonding issues have also had an influence. While STP product cost and installation time carry a premium over today's UTP equivalents (i.e. Category 6 UTP), that is not necessarily the case when compared to Augmented Category 6 UTP solutions hitting the market.

The historical perspective that "UTP is cheaper" may no longer apply when looking to 10 Gigabit. While the industry has moved to adopting smaller and higher-density solutions to save costly real estate (estimated at $25 to $156/sqft), Augmented Category 6 UTP is moving toward a solution comprised of larger cable and lower port density. To reduce ANEXT,

Augmented Category 6 solutions have been designed with a larger overall cable diameter to move pairs further away from the cable jacket, which also results in a stiffer and more expensive cable and in decreased density in cable trays, conduit, cable management, and cable routing.

Because the Augmented Category 6 UTP standard is not yet defined, implementing these systems today also carries the risk of not meeting standards in the future or becoming locked into a proprietary solution, possibly resulting in costly future replacement of components. This risk factor combined with density premiums can end up putting the estimated cost of an Augmented Category 6 UTP channel higher than an STP channel. Unlike fiber, however, STP and UTP solutions utilize the same electronics, so there is no premium for network equipment.

Facing Facts

There is no one right answer for everyone choosing a 10GbE solution, but examining all the options and reviewing the facts clearly shows that fiber offers the best performance and is thoroughly supported by published, global industry standards. Couple this performance advantage with a cost that may not be as expensive as many have thought, and it might be easy to finally justify a fiber solution.

The still-developing Augmented Category 6 UTP solutions hitting the market today may offer the necessary performance for 10 Gigabit applications as the standards continue to evolve, but there is still a lot of work to be done and decisions to make. However, STP systems offer better performance with higher density in a proven, risk-free, standards-based solution that is available today.

As end users continue to demand real-time graphic-intensive downloads and administrators strive to provide faster data rates via more bandwidth, many are considering solutions that enable migration to 10GbE. Before purchasing a solution, examine all the options and review the facts to determine the best, most cost effective solution.

Tyco Electronics, a business segment of Tyco International Ltd., is the world's largest passive electronic components manufacturer; a world leader in cutting-edge wireless, active fiber optic and complete power systems technologies; and a provider of premise wiring components and systems. Tyco Electronics provides advanced technology products from over forty well-known and respected brands, including Agastat, Alcoswitch, AMP, AMP NETCONNECT, Buchanan, CII, CoEv, Critchley, Elcon, Elo TouchSystems, M/A-COM, Madison Cable, OEG, Potter & Brumfield, Raychem, Schrack, Simel and TDI Batteries.

The AMP NETCONNECT business unit of Tyco Electronics develops, manufactures, and supplies a comprehensive range of communications infrastructure products and systems for customers in government, education, healthcare, finance, manufacturing and technology markets. Having established itself as the preeminent provider of commercial premises structured cabling systems for optical fiber and twisted-pair copper technologies, Tyco Electronics has broadened its AMP NETCONNECT product portfolio to include a complete line of residential cabling solutions. Coupling this spectrum of industry-standard offerings with its superior customer service, the AMP NETCONNECT business unit is well positioned as a single-source system provider to meet the disparate communications infrastructure needs of commercial and residential customers.

Herb Congdon, director, fiber systems marketing, Bob Zahr, RCDD/LAN specialist and systems engineering manager, and Brian Davis, Manager, Copper Products, are with Tyco Electronics.