

# Magic Quadrant for Sales Force Automation

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The sales force automation market grew 9.8% in 2015, to almost \$6 billion. IT leaders supporting sales have new mobile, business process modeling, and predictive analytics options. Our evaluation of 19 products from 17 vendors will help them to choose the solution that best fits their requirements.

## Strategic Planning Assumptions

By 2018, manual data entry by salespeople for sales force automation systems will be reduced by 50% due to adoption of mobile sales productivity tools.

By 2018, 20% of large B2B organizations will build business graphs of their sales processes to improve their sales execution.

By 2018, 20% of B2B organizations will have changed their indirect channel sales approach by focusing on commercially available partner relationship management applications.

## Market Definition/Description

Sales force automation (SFA) applications automate the sales activities, processes and administrative responsibilities for an organization's sales professionals.

SFA is considered to be a foundational technology, which is fundamental to how companies execute their sales processes. Core SFA capabilities include account, contact and opportunity management, pipeline management, and sales forecasting.

Additional (noncore) capabilities that are often a part of SFA offerings include lead management, content management, guided selling, quote management, territory management, partner relationship management (PRM) and analytics. Because these noncore capabilities are frequently used in B2B selling, Gartner also evaluates vendors on these categories.

Gartner continues to see innovation from the vendors of SFA products in opportunity predictive analytics, business process modeling functionality and vertical-specific products. These capabilities are not yet core SFA functionalities, but are likely to become very central to SFA product offerings in the next two to five years.

# Magic Quadrant

Figure 1. Magic Quadrant for Sales Force Automation



Source: Gartner (August 2016)

## Vendor Strengths and Cautions

### Aptean

Aptean was a Niche Player last year and, with development progress focused on core usability features for existing users, it remains in this position. Aptean is a long-standing CRM provider with a

richly functional product, Pivotal CRM. Pivotal CRM has typical SFA functionality and is suitable for midsize companies looking for a flexible, customizable and functional offering or those wanting industry-specific capabilities. In the past year, Aptean has introduced the Pivotal UX mobile device user interface, which is based upon HTML5 responsive-design technologies. The roadmap includes relevant functions such as customer health and sentiment scoring. Aptean has made some progress in the market, mainly outside the U.S., and maintains a modest and active partner reseller community.

## Strengths

- **Forecasting:** Pivotal CRM provides strong forecasting capabilities (as distinct from lists of opportunities), with the ability to set up multiple and overlapping forecast periods.
- **Platform:** Customers cite Pivotal CRM's rich functional development environment — which allows many different use cases and business requirements to be personalized and modeled, and solutions to be deployed on the web and on mobile devices with comparative ease.
- **Workflow processes:** Pivotal CRM is very customizable for client-specific workflows and sales processes and, as such, will work well for complex user requirements — particularly in a Microsoft IT-based organization where it can leverage its .NET foundations.

## Cautions

- **SaaS offering:** Pivotal UX has some functional limitations compared with the full Pivotal CRM product. The Windows (Smart Client) version can be operated with a cloud-based hosted server, but users are not likely to want to mix interfaces and functionality.
- **User interface in transition:** Compared with the desktop application, Aptean's Pivotal UX HTML5 and mobile app only provides a subset of the functionality and the interface is substantially different.
- **Customer support:** Some customer references expressed issues with several aspects of Aptean's support and service, including issue resolution, consulting and guidance, and keeping the product up-to-date.

## Base

Base moved from the Niche Players quadrant to the Visionaries quadrant this year, based on the strength of its SFA product vision and mobile productivity capabilities. Base is a SaaS-only, platform-based solution with standard sales functions that satisfy many different selling roles. Base is primarily targeted to small or midsize businesses (SMBs), but has increased its average deal size and added more clients with more than 300 users during 2015. This means that Base is becoming increasingly relevant to midsize organizations. Base raised an additional \$30 million in venture capital (VC) during 2015, bringing its total VC funding to \$53 million.

## Strengths

- **Product vision:** Base's customer references most value the smart dialer functionalities, native email integrations (with open/read real-time notifications) and visual reporting capabilities that are standard capabilities of the offering.
- **Mobile-first application design:** In early 2016, Base released two new functionalities: the Base 3.0 Android application, built with the latest material design guidelines; and the Base + Launchcloud integration, with an enterprise form generator for mobile data collection that is building out Base's native mobile functionality.
- **Integration:** Customer references for Base have shown strong ratings for its integration with Outlook/Exchange, a detail that many customers will value.

## Cautions

- **Predictive analytics:** Base has introduced two new predictive analytics products during the past 12 months, but Gartner's survey of customer references indicates that these are not yet fully accepted by its users — it was rated as average in this category.
- **Implementation delivery and support:** Base has a very small professional services organization and provides requested implementation support through its own team. Base doesn't maintain an ecosystem for implementation partners.
- **Activity management and integration capabilities:** Some customer references rate Base as comparatively low in activity management, especially when rated on maintaining a team calendar. Another comparatively low rating was given for Base's integration possibilities with Office 365 Live.

## bpm'online

Bpm'online is a new entrant to the Magic Quadrant this year. It enters the Niche Players quadrant on the basis of its innovative SFA offering and strong customer experience scores. Bpm'online is a model-driven tool that uses business process modeling techniques to design and automate sales processes. The vendor offers 24 different vertical products. The solution is most suited to organizations with extensive sales process complexity or business rules, particularly in business-to-consumer (B2C) or B2B2C sales. Bpm'online grew business notably in 2015, and has some four-figure SFA license implementations; however, it has a comparatively small average SFA deal size and primarily sells to midsize and large organizations in Europe.

## Strengths

- **Platform capabilities:** Customer references give bpm'online high marks for platform functionality, including building custom sales processes, creating custom workflows and customizing for multiple languages.
- **Customer experience:** Of all of the vendors in the reference survey for this Magic Quadrant, bpm'online received the highest score for perception of contract value and satisfaction with the

contracting processes, and also received the second-highest score for customer service and support.

- **SFA capabilities:** Bpm'online received high scores for its ease of configuration and modification, as well as for core SFA functions such as account and contact management, activity management, opportunity management, and forecasting.

## Cautions

- **Sales and marketing strategy:** Prospects of bpm'online should be aware that the company has not built a large practice in North America; what presence it has there is primarily composed of sales and marketing resources. About 60% of bpm'online's current customer base is located in Europe.
- **Application marketplace:** Currently, clients cannot expect to find extensive add-ons to supplement the SFA offering on bpm'online's marketplace.
- **Overall viability:** Bpm'online has a relatively low customer retention rate and an average SFA deal size (as measured by annual contract value) compared with other SFA vendors.

## Bullhorn

Bullhorn is a Niche Player in the Magic Quadrant again this year, but has improved its positioning within the quadrant based on strong revenue growth and the ability to respond to its customers' product improvement requests. Bullhorn is a SaaS-only solution aimed at all sizes of organizations, but is especially suited to the midmarket due to innovative capabilities for managing accounts and capturing sales activities. The majority of Bullhorn's revenue and customers come from its legacy staffing- and recruitment-specific solutions, but Bullhorn is also relevant to other industries that emphasize account management processes over opportunity management. In 2015, Bullhorn introduced enhanced communication tracking, improved customer sentiment analysis and new account white-space analysis capabilities.

## Strengths

- **Sales productivity capabilities:** Bullhorn offers strong sales productivity functions that reduce manual data entry. It has a native communication monitoring function that automatically associates emails and telephone calls with CRM records and creates new contact records from recent email interactions.
- **Relationship management:** Bullhorn offers an innovative account relationship management capability that is based on a unique communication tracking platform. Using patented advanced analytics technology, Bullhorn analyzes all customer interactions in order to surface new insights about the health of the business relationship and possible next sales actions (such as best time to call).
- **Market responsiveness:** Bullhorn has a notable record for developing and releasing product enhancements that arise directly from customer requests — including meaningful new

gamification and white-space analysis functions, as well as a function that automatically exports contacts to Gmail.

### Cautions

- **Quota management:** Although Bullhorn allows quota management, its forecasting ability is limited to simple roll-ups of lists of opportunities based on close date and value, and there are no sales items/products.
- **Lead management:** Bullhorn lacks some of the native lead management capabilities that are common to other SFA vendors, such as web-to-lead capture and email campaigns. These functions require third-party applications with Bullhorn.
- **Marketing strategy:** Bullhorn is still rooted in its legacy market for recruiting management. The stand-alone SFA tool, having come from a recruitment background, is a concern for some users. Some configurable legacy recruitment fields and processes remain in the product.

### CRMNEXT

CRMNEXT (a division of Acidaes Solutions) moves from the Niche Players quadrant to the Visionaries quadrant this year. It features a strong product vision, SFA functionality, advanced analytics, process modeling and large-scale implementations in complex B2C environments. CRMNEXT has some of the world's largest SFA implementations, with several in excess of 50,000 users, covering sales and service in banking and insurance environments. CRMNEXT is most suitable for enterprise B2C clients with large numbers of users that need a complete solution to manage multichannel customer journeys. The majority of its business comes from the Asia/Pacific region and from the financial services industry. CRMNEXT opened its first U.S. office in early 2016.

### Strengths

- **Product enhancements:** CRMNEXT delivered two major new releases in 2015, with additional functionality including a card-based interface, customer journeys for self-service capabilities, improved predictive analytics, a decision engine for complex business rules and processes, and improved integration capabilities.
- **Guided selling:** CRMNEXT calculates and surfaces coaching advice and content, and next-best offers, at each stage of the sales cycle for reps/agents and other channels.
- **Collaboration:** CRMNEXT provides strong social collaboration on opportunities and accounts, and includes chat, files and polls.

### Cautions

- **Product offering:** CRMNEXT is a CRM suite, which is a consideration for buyers that only want to purchase an SFA solution. Sometimes the breadth of the offering causes complexity even for experienced users, although the interface can be highly customized and simplified to reduced functionality for novice and low-level users.

- **Geography and sales execution:** CRMNEXT has a very little business in North America. New prospective purchasers will need to query support and overseas commitment and support for local data centers and delivery capabilities.
- **Implementation:** Most CRMNEXT implementations are large and require considerable investment as well as significant support from services. Most implementations are on-premises, which is typical in the finance and banking industry. Prospects in other industries, and especially B2B, will need to determine the costs and CRMNEXT's implementation and support capabilities.

## Infor

Infor is a Niche Player again this year. Infor has improved the product vision for SFA functions and has standardized the product on the Infor ION middleware platform. SFA capabilities are bundled into the Infor CRM solution and are based upon technology acquired from Saleslogix in 2014. Infor's CRM capabilities span most of the sales capabilities that enterprises require, including PRM, configure, price and quote (CPQ) and lead management. Infor has released several relevant SFA enhancements during the past 12 months, such as a new mobile user experience, predictive analytics, machine-learning solutions, and enhanced graphical workflow capabilities.

## Strengths

- **Functionality:** Infor was rated very highly by customer references for its account and contact management capabilities. References also noted the strength of its activity, opportunity, quote and order management functions.
- **Platform:** Infor's configurability for creating custom fields and creating/maintaining custom sales processes has been rated second highest among the evaluated vendors. Customers value its better focus on ease of use than its larger competitors.
- **Integration with ERP:** Customer references gave Infor the highest ratings (of all evaluated vendors) for its integration of the SFA application with ERP systems. This is relevant to current Infor ERP customers that are considering SFA systems, and is also attractive to prospects looking for a comprehensive opportunity-to-cash solution.

## Cautions

- **Functionality:** References gave Infor comparatively low ratings for forecasting and lead management, two critical capabilities for B2B sales processes. References also cited concerns with configuring the mobile app for multiple languages.
- **Application marketplace:** Infor lacks the third-party application marketplace that the leading SFA vendors offer. Customer references cited the lack of extensive partner add-on products for Infor CRM, and gave Infor comparatively low scores for its application marketplace.

- **Mobile capabilities:** References scored Infor's creating/maintaining of custom mobile applications as lower than average in comparison with other evaluated vendors, followed by only average ratings for its tablet and smartphone capabilities.

### Microsoft (Dynamics CRM)

Microsoft Dynamics CRM (the on-premises companion to Microsoft Dynamics CRM Online), returns in the Leaders quadrant again this year. Sharing the same codebase as the online Dynamics product, Microsoft Dynamics on-premises offers a full set of SFA capabilities for B2B and B2C processes. Microsoft maintains a single annual product release for Dynamics CRM, updating the product with functionality already released in the preceding two releases of Online. Organizations consider Microsoft Dynamics CRM on-premises primarily in order to capitalize on their existing investments in the on-premises Microsoft technology stack (such as SharePoint and SQL Server), and to maintain control over data security considerations. It also gives them control over when product enhancements are released and applied, which is not an option with many other SaaS SFA offerings.

### Strengths

- **Partner networks:** Microsoft continues to maintain a large community of value-added resellers and independent software vendors for selling, implementing and maintaining on-premises SFA implementations.
- **Microsoft integration:** Customer references gave Dynamics CRM high scores for its interoperability with Microsoft Outlook, Office 365, SharePoint and Skype for Business.
- **Configurability:** Customer references scored Dynamics CRM highly for its deep application configuration capabilities and its ability to customize processes with Azure and xRM administrative functions.

### Cautions

- **Product release schedule:** Microsoft's single annual release will not be frequent enough for companies that want to rapidly transform their sales processes, an issue also cited by its customer references.
- **Mobile:** Microsoft scored comparatively low levels of satisfaction with its mobile offering. References cited issues with limited functionality and a lack of customization.
- **Outlook integration:** Clients of Dynamics CRM cited several issues with Outlook integration, including the Outlook login and the ability to synchronize calendar events.

### Microsoft (Dynamics CRM Online)

Microsoft Dynamics CRM Online remains a Leader in this year's Magic Quadrant on the strength of its SFA product capabilities, SFA product vision, marketing execution and end-user satisfaction. Dynamics CRM Online appears on many buyers' shortlists, because of its attractive price and its relevance to other Microsoft offerings, but Microsoft has also improved its ability to sell to sales



leaders. Dynamics CRM Online has a wide range of SFA capabilities that are relevant to sales organizations, both midsize and large. In the past year, Microsoft acquired additional technologies, notably VoloMetrix and FantasySalesTeam. Microsoft announced its intention to acquire LinkedIn in June 2016, but roadmap details were not available at the time of publication.

## Strengths

- **SFA product vision:** Among the leading SFA vendors, Microsoft has a notable vision for how advanced analytics in SFA applications apply to sales execution. Microsoft Power BI advanced analytics and Azure predictive analytics are already embedded into Dynamics CRM Online. In the future, Microsoft Dynamics CRM Online will unite these capabilities with big data analytic capabilities to produce data-driven sales execution benchmarks and to identify sales process best practices.
- **Platform:** Microsoft Dynamics CRM Online offers a highly configurable solution, based on Microsoft's proprietary technology. Customer references give Microsoft high scores for the ability to use the platform to build custom sales processes.
- **Customer experience:** Microsoft's reference customers gave it high scores for postsales customer support and customer success processes.

## Cautions

- **Platform architecture:** Microsoft Dynamics CRM Online is supported by two different technology architectures, the product configuration architecture and the Azure cloud platform for advanced capabilities such as predictive analytics and offline mobile functionality. Clients and prospects with significant customizations should be aware that Microsoft plans to migrate all Dynamics CRM Online services onto Azure, but has not yet publicly committed to a cut-over roadmap with firm migration dates.
- **Sales strategy:** Microsoft needs to improve how it sells to enterprises; it currently relies on an extensive partner network to source, sell and implement Dynamics CRM Online. Some Dynamics CRM Online customers have told Gartner that they had expected better input from Microsoft regarding product implementation and product best practices.
- **Application marketplace:** Compared with other leading SFA vendors, Microsoft offers relatively few sales-specific applications in the CRM App Store, which is a consideration for clients wanting to quickly extend their SFA implementation with additional processes without building extensive customizations.

## NetSuite

NetSuite is a Challenger again this year, based on the breadth of the NetSuite CRM product offering, the improved depth of capabilities in product releases, and the total number of SFA implementations. NetSuite offers a SaaS-based solution of integrated ERP, CRM, digital commerce, and professional services automation. NetSuite CRM offers a full set of SFA functions, including opportunity management and forecasting, plus relevant native SFA extensions (such as upsell

recommendations) that will be attractive to SMBs or business units. NetSuite has an application marketplace for third-party solutions, but Gartner notes that few of the listed apps relate specifically to sales.

### Strengths

- **Integrated business applications:** NetSuite's solutions are built on a common application framework, which means that SFA offerings integrate easily with other NetSuite capabilities such as billing, order management, HR and incentive compensation.
- **Product value:** Customer references cited CRM's low total cost of ownership, mentioning that CRM is highly configurable, offers helpful training materials and has good quality customer support services.
- **Product capabilities:** NetSuite gained strong scores from its reference customers for account and contact management, and for opportunity management. Gartner notes that NetSuite has added meaningful improvements to the core SFA product during the past year, including new customer segmentation and mobile capabilities.

### Cautions

- **Market strategy:** NetSuite CRM+ is targeted at midsize organizations already using NetSuite for ERP functions, and organizations that require integrated CRM/ERP functions. This is a consideration for buyers looking only for SFA capabilities.
- **Customer experience:** Customer references raised their concerns with the quality of NetSuite's help and training documentation, as well the quality of its implementation partner network.
- **Product capabilities:** NetSuite gained comparatively low scores from its reference customers for mobile smartphone, forecasting, collaboration and reporting capabilities.

### Oracle

Oracle Sales Cloud is a Visionaries entry again this year. The product offers a strong value proposition for IT leaders and sales leaders, featuring deep SFA functionality for B2B and B2C processes. Oracle Sales Cloud is central to Oracle's unified CRM offering, which includes products for CPQ and marketing automation. Oracle has continued to deliver a good product vision, featuring advantages such as industry-specific products and new advanced analytics capabilities. Oracle offers a product upgrade program to Siebel clients, Customer 2 Cloud, in which Oracle provides specialized services to assist with incremental migration onto Oracle Sales Cloud.

### Strengths

- **Industry-specific capabilities:** Offering more than 20 different industry-specific Sales Cloud products, Oracle has one of the deepest vertical-specific product offerings of any vendor in the SFA market, which is relevant to enterprise customers.

- **SFA capabilities:** Oracle Sales Cloud has a full set of SFA capabilities, as well as good noncore functions such as partner relationship, content management and territory management.
- **Product enhancements:** Oracle Sales Cloud features one of the strongest records for product enhancements in the past year; notably, releasing Sales Predictor, a predictive analytics solution for opportunity management, a new REST API, and improved sales content management functionality.

### Cautions

- **Implementation partners:** Oracle received comparatively low satisfaction scores from its reference customers for its system integration partners. References noted issues with getting access to qualified implementers, with the quality of product knowledge, and with the quality of the implementation work performed.
- **Sales execution, contracting and pricing:** Customer references gave Oracle comparatively low scores for pricing and contract flexibility, and also expressed concerns about how Oracle explains the technical implementation considerations to prospects.
- **Marketing strategy:** Oracle positions its CRM offerings as industry-specific, customer experience solutions, which may not be relevant to prospects seeking only a SFA system.

### Pegasystems

Pegasystems is a new entrant for the Niche Players quadrant, and was added to the Magic Quadrant because of the SFA functionalities in its Pega Sales Automation product and its ability to automate complex selling processes. Pega Sales Automation is a model-driven, BPM-based solution that offers predictive analytics functionality with its SFA capabilities as part of its unified CRM product suite. Pegasystems targets B2B and B2B2C large enterprise customers — mostly in insurance, communications, banking and healthcare. Pega Sales Automation will be most relevant to companies that want to unite complex, rule-intensive sales methodologies across many different customer-facing roles. Pegasystems Customer Decision Hub manages all customer data and interactions. It provides deep insights into customer behavior, data and previous buying patterns, and proposes next-best-action recommendations to sales representatives.

### Strengths

- **Platform:** Pegasystems supports many business models and delivery modes, including virtual private cloud, multitenant SaaS and on-premises and business process outsourcing. This latter capability is unique in the SFA market, and is relevant to companies that want to outsource some of the roles in their sales processes.
- **Customer experience:** Pegasystems customer references cite several business benefits from the company, including an accelerated sales cycles, increased revenue per sale and faster time to productivity for new hires.

- **Scope of product capabilities:** Pega was given a high rating by reference customers in the areas of partner relationship management functionalities and lead management. Its ability to align lead process steps and status values with the customers' selling process has been acknowledged by references. Pega's ability to convert leads into accounts, contacts and opportunities has also been rated highly by its customer references.

### Cautions

- **Implementation considerations:** Reference customers gave Pega below-average scores for ease of deployment. Gartner notes that the learning curve for achieving competence in configuring and customizing Pegasystems' products is long compared with other vendor solutions that do not offer model-driven application development and process automation.
- **Opportunity functionality:** Pega was rated comparatively low by its reference customers in the areas of opportunity forecasting, (especially for the ability to create forecasts by territory), maintaining sales team forecasts and maintaining opportunity splits.
- **Email integration:** Pega reference customers had concerns about integration with Office 365 Live, Gmail and Google Calendar. They also cited concerns with the ability to manage and resolve duplicate calendar entries resulting from synchronization conflicts.

### PipelineDeals

PipelineDeals is a new vendor in this Magic Quadrant and is rated a Niche Player based on the scope of its offerings, pricing and comparatively low number of implementations. PipelineDeals is a SaaS-only offering that runs on Amazon Web Services. PipelineDeals is built specifically for SMB organizations that need an economical, easy-to-deploy B2B and B2C SFA solution that offers comprehensive account, lead and opportunity management capabilities. PipelineDeals will be most attractive to sales organizations that require representatives to manage the entire prospect life cycle, from lead acquisition to deal close.

### Strengths

- **Customer experience:** Customer references cited strong satisfaction with PipelineDeals' customer service department and with the ability to quickly implement the solution. The company does not impose configuration governor limits on its clients, which is a positive for organizations that want to add increasing process complexity over time.
- **Email integration:** PipelineDeals offers native functionality that will be attractive to SMB companies, such as email campaign management and QuickBooks integration. It also offers native integration with Microsoft Exchange, Microsoft 365, and Google Gmail services.
- **SFA capabilities:** Customer references gave PipelineDeals comparatively strong scores for account and contact management, activity management and lead management.

## Cautions

- **Core SFA capabilities:** PipelineDeals provides opportunity pipeline reporting, but it does not have a forecasting module — which is a consideration for companies that use a formal forecast submission process to manage their sales teams and revenue cycles.
- **Financial viability:** Gartner notes that PipelineDeals has a lower customer retention rate and smaller average total contract value than other SFA vendors, which puts the company in a comparatively weak financial position compared with the larger CRM vendors.
- **Product capabilities:** PipelineDeals does not offer many noncore SFA capabilities, such as partner relationship management, territory management or quota management.

## Sage

Sage remains a Niche Player, due to the comparatively limited changes in the Sage CRM product during the evaluation period. Sage CRM is aimed squarely at the SMB buyer, particularly those with the Sage range of accounting ERP systems already installed. Sage CRM has sufficient SFA capabilities to meet complex user requirements with its flexible platform and integration capabilities. Apart from the introduction of an improved mobile version, little has changed or improved regarding the browser client UX. Sage CRM quoted one of the lowest average contract value retention rates among the vendors in this Magic Quadrant, a condition explained by the fact that Sage sold off its ACT and Saleslogix businesses (in 2013), and because Sage primarily emphasizes its ERP capabilities.

## Strengths

- **ERP integration:** Sage CRM offers close integration with Sage accounting and ERP capabilities. It is used to share and sync accounting data in the CRM records. Sage CRM also provides CPQ capabilities through real-time access to product entities in the ERP.
- **Mobile:** The Sage CRM mobile version provides geomapping capabilities and the ability to send and record SMS texts and outbound calls.
- **Forecasts:** Sage CRM offers the ability for sales reps and sales managers to separately maintain and submit forecasts, and offers an acceptable quota management module.

## Cautions

- **Roadmap:** Sage has a limited stand-alone SFA roadmap. It is focused mainly on re-engineering the user interface to a more modern HTML version, aligning it with the mobile app. One minor release was made in 2015, which concentrated on user experience and mobile devices. Sage has separately built some of its newer ERP offerings in Salesforce's development platform, which may cause some confusion for customers.
- **Marketing strategy:** The dedicated Sage CRM website, social channels and marketing materials have not been significantly updated for two years, which should give concern to its

existing and prospective customers. There is limited mention of CRM on the main Sage website.

- **Functionality:** Sage CRM scores comparatively low with its reference customers in overall SFA functionality, with particular gaps in social collaboration, native lead management, content, and integrated analytics.

## Salesforce

Salesforce maintains its position in the Leaders quadrant, based on the strength of Salesforce Sales Cloud's functionality, plus product improvements, the size of its customer installed base, and marketing execution. Salesforce is a SaaS-only SFA solution that provides a wide set of sales automation capabilities, ranging from mobile sales productivity apps to advanced analytics, which are relevant to all types of sales organizations. In late 2015, Salesforce updated Sales Cloud with the Salesforce Lightning user interface platform and the Sales Wave app; it also released its first sales productivity applications, capabilities adopted from the RelateIQ acquisition. Salesforce has expanded its vision for sales execution by acquiring the CPQ vendor SteelBrick and announcing its intention to acquire the digital commerce vendor Demandware.

### Strengths

- **Product vision:** With recent improvements in mobile sales productivity and Lightning, combined with promised capabilities on the Sales Cloud roadmap, Salesforce continues to maintain a strong product vision for sales efficiency and effectiveness.
- **Application marketplace:** Salesforce has the deepest application marketplace of any SFA vendor, featuring more than 1,000 third-party applications for sales. This is an important consideration for companies that want to deploy new sales capabilities without extensive custom development.
- **Platform:** Salesforce continues to have the strongest SaaS platform offering in the SFA market. Customer references cite the strength of the Force.com platform for customizing, extending and scaling their sales processes. Salesforce also rates well for the ability to create custom mobile apps.

### Cautions

- **Perception of value and sales execution:** Customer references gave Salesforce the lowest score of all providers for perception of product value. They also gave Salesforce comparatively low scores for contract negotiations and pricing flexibility.
- **Lighting:** Salesforce has not yet migrated several important Sales Cloud functions onto Lightning — notably, forecasts, person accounts, several activity functions, and certain opportunity product functions.
- **SFA capabilities:** Reference customers cited concerns about Salesforce's relatively low capability in content management. They also noted concerns about the quality of its Outlook

integration, with gaps in advanced analytic capabilities and a lack of mobile offline capabilities on iOS devices.

### SAP (CRM)

SAP CRM returns to the Challengers quadrant on the strength of its sales execution within the SAP installed base and the number of enterprise-size implementations. SAP CRM is SAP's traditional SFA solution. An on-premises-only solution, SAP CRM is built upon a different technical architecture to SAP Hybris Cloud for Sales. SAP CRM offers functional offerings in several process-intensive industries such as consumer products, banking, life sciences and telecommunications. Although SAP is increasingly focusing its go-to-market efforts on the flagship product SAP Hybris Cloud for Sales, it is still committed to supporting and growing SAP CRM — as shown by the number of new clients acquired, including a large enterprise deals secured in Asia/Pacific, during 2015.

#### Strengths

- **Customer experience:** Reference customers for SAP gave it very strong grades for professional services and support from the customer success organization.
- **Product enhancements:** SAP has introduced selected high-value Hana components into SAP CRM, including the in-memory querying and processing functionality of SAP Hana Live, which is useful for building dynamic dashboards for large datasets.
- **Product capabilities:** Reference customers noted the strength of SAP CRM's core SFA capabilities and its ease of use, specifically citing how the SFA application can be used without end-user training.

#### Cautions

- **SFA capabilities:** SAP CRM's customer references gave it comparatively low scores for content management functionality and integration with third-party social channels, which is a consideration for prospects that want to implement complex long-cycle sales processes.
- **Product enhancements:** Unlike other SFA vendors that offer both SaaS and on-premises products, SAP does not commit to maintaining product parity between SAP CRM and SAP Hybris Cloud for Sales.
- **Sales execution:** Reference customers cited concerns with pricing and contract flexibility for SAP CRM. Gartner clients included SAP CRM on few shortlists, and most SAP clients stated a strong preference for implementing SAP Hybris Cloud for Sales.

### SAP (Hybris Cloud for Sales)

SAP Hybris Cloud for Sales, the SFA product formerly known as SAP Cloud for Sales, is a Visionaries entry on the Magic Quadrant again this year, based on the vendor's product improvements and development of industry-specific solutions. SAP improved its sales and marketing execution for the SaaS product in 2015, adding more new clients and introducing a new

customer success program. However, Gartner notes that SAP's sales execution lags behind that of other leading vendors, because it only markets its services to large enterprises. SAP has aligned this SFA product with the Hybris product suite.

## Strengths

- **Product vision:** SAP has one of the most comprehensive offerings of industry-specific products in the SFA market, providing solutions for consumer goods, automotive and retail. Because of prebuilt links to SAP ERP, SAP CRM and Hybris digital commerce, SAP has also defined a meaningful vision for linking all elements of the sales life cycle.
- **SFA capabilities:** SAP gained strong scores from its reference customers for overall SFA functionality. Gartner notes that Hybris Cloud for Sales offers relevant capabilities such as sales route planning, predictive analytics, in-memory query processing and mobile offline functionality.
- **Product release schedule:** Reference customers gave SAP high scores for its disciplined product release schedule — offering five major releases during the past 18 months. SAP has also delivered a deep set of functionalities in each release.

## Cautions

- **Customer experience:** Customer references for SAP Hybris Cloud for Sales cited concerns with the quality of help and training materials, the availability of implementation best practices and the quality of customer support.
- **Sales execution:** Reference customers gave SAP Hybris Cloud for Sales comparatively low scores for its contract negotiations and pricing flexibility, factors that limited the vendor's Ability to Execute score.
- **Integration with non-SFA systems:** Prospects that want to extend beyond core-SFA functions should note that customer references gave SAP Hybris Cloud for Sales comparatively low scores for its integration with marketing automation, content management and contract management systems.

## SugarCRM

SugarCRM remains in the Visionaries quadrant this year on the strength of its strategic vision and product improvements in core SFA functionality. SugarCRM is the only offering in this Magic Quadrant based on an open-source technology stack. It offers multiple delivery methods (public multitenant SaaS, private single-tenant SaaS and hybrid SaaS), which has made this vendor an attractive option for multinational and financial services organizations. SugarCRM has moved upmarket in recent years, building a product that appeals to larger enterprises, and the company has acquired new enterprise-size accounts. SugarCRM was the third-most considered vendor in our customer reference survey for this Magic Quadrant, trailing only Salesforce and Microsoft.



## Strengths

- **Marketing strategy:** Because of its multiple delivery methods and attractive pricing and platform offering, SugarCRM has appropriately positioned this SFA solution as a lower-cost, high-functionality alternative to the leading SFA providers.
- **Mobile capabilities:** SugarCRM strongly improved the mobile functionality of its solution during the past year, adding automated call logging, offline mobile capabilities and a new analytics platform. Users can now save personal drafts of their opportunity forecasts.
- **Platform capabilities:** Reference customers give SugarCRM strongly positive scores for quality of configurability, published APIs and technical architecture.

## Cautions

- **Sales execution:** SugarCRM gained far fewer clients in 2015 than it did in 2014, a condition that is explained by its having de-emphasized sales to smaller companies. However, reference customers have also noted issues with the vendor's sales execution.
- **Product innovation:** The level of improvement to SugarCRM's core SFA product has been comparatively low compared with other leading SFA vendors, as it completes the rollout of the version 7 release series. Reference customers cited issues with the upgrade process for on-premises deployments following product releases.
- **Product capabilities:** Customer references cited concerns with native functionality for SFA extensions; for example, with Outlook integration and campaign management, and with content management functionality.

## Tour de Force

Tour de Force remains in the Niche Players quadrant this year, because it sells primarily to wholesale distribution and manufacturing companies. While Tour de Force is a solution for B2B sales organizations, it provides dedicated solutions within the distribution/manufacturing space for verticals such as energy (electrical), industrial tools, industrial equipment, and others within distribution and manufacturing. Tour de Force sells primarily in the U.S., but has also increased its selling efforts in Europe. Tour de Force Cloud was launched in March 2016, which enables customers to access the application with a web browser from their preferred device — including desktops, laptops, PCs, tablets and smartphones.

## Strengths

- **Integration:** Tour de Force provides integration with more than 45 leading ERP systems and can import accounts, contacts, orders, quotes, invoices, inventory and purchase orders, along with several hundred data points about customers and vendors. This data can be used to identify trends, optimize business processes and monitor sales and revenue.

- **Specialization:** Reference customers recognize Tour de Force's understanding of the manufacturing and distribution process. Activity management, opportunity management, and account and contact management functionalities are highly valued by Tour de Force customers.
- **Platform:** Tour de Force was rated very high by customer references for its creation of custom fields and custom objects, and the customization of the user interface for desktop and web browser users. These capabilities are particularly appreciated by customers with nonstandard information requirements.

## Cautions

- **Implementation partner ecosystem:** All customer references for Tour de Force stated that they use its implementation services. The company added its first four authorized implementation partners in 2015, but this level of authorized partnerships is much lower than for other SFA vendors. Given the historical reliance on Tour de Force's professional services and its limited partner network, access to implementation resources could be an issue for companies that want to implement Tour de Force rapidly.
- **Market strategy and execution:** Compared to the leading SFA vendors, Tour de Force is not very visible in its marketing activities, which might hinder its expansion into new customer segments.
- **Product innovation:** Tour de Force is known for its specialization in its dedicated customer segment, but not for product innovation. Recent product enhancements include functionality such as customizable reports and mobile apps, which other SFA vendors have been offering for some time.

## Zoho

Zoho remains in the Niche Players group, but has improved its position more toward the Visionaries quadrant because of product improvements and product vision. Zoho's CRM vision is to lower the administrative burden and free up time, especially for sales teams, to perform selling. Zoho is educating business unit leaders on how to use CRM technology best, showing them what's in it for their users to ensure a higher adoption rate. Zoho is targeting midsize organizations and offering an attractive pricing model. Almost two-thirds of the Zoho customer base is in the U.S.

## Strengths

- **SFA enhancements:** In the past 12 months, Zoho has released several product improvements that bring its product closer to the functional capabilities of the top SFA vendors. Zoho has delivered a new gamification function, a new mobile application and a new function for triggering workflow processes.
- **Pricing:** Zoho offers one of the most flexible pricing structures in the SFA market; it also offers a freemium product. Enterprise customers can sign up for a monthly fee and cancel at any time.
- **Functionality:** Customer references for Zoho value its opportunity management functionalities the most (it has received the highest scores in the Magic Quadrant here). Zoho's functionality

for creating selling teams for specific opportunities, the creation of opportunity pipeline reports and the maintenance of product hierarchies that match the product master are especially noted by its users.

## Cautions

- **Platform:** Zoho's reference customers rated it as low in the areas of customization of the interface for desktop, and also for the installation of third-party sales applications from the vendor. Another area of concern was the quality of the vendor applications, and also the creation and maintenance of the custom mobile application.
- **Implementation delivery and support:** Zoho does not offer professional services for implementation. Even though Zoho has a number of implementation partners available, some of its clients state that it is hard to find support outside of the vendor's own organization.
- **Product capabilities:** Zoho was rated lowest of all the evaluated vendors in this Magic Quadrant for its content management functionalities. Another weak rating was for its contract management features.

## Vendors Added and Dropped

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We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

### Added

- bpm'online
- Pegasystems
- PipelineDeals

### Dropped

- No vendors were dropped from the Magic Quadrant this year

## Inclusion and Exclusion Criteria

To qualify for inclusion, a vendor needs to demonstrate that it has:

- A solution that automates core selling processes, including but not limited to account, contact, opportunity, and sales activity management.
- A solution that supports opportunity pipeline reporting and sales forecasting.

- Customers in at least three verticals/industries.
- Made multiple releases with significant functional improvements during the past 18 months; a new or acquired offering from an established vendor in this market will also be considered if it can be validated with customers.
- At least five new, named customers (not unique new contracts sold to an existing client) that have actively deployed its SFA functionality during the past 12 months.
- Demonstrated corporate business viability through business performance, new customer adoption and strategic partnerships over multiple years.

## Evaluation Criteria

### Ability to Execute

Different sales organizations require different levels of depth and complexity of capabilities. Vendors that support a wide range of complexity have greater market potential and are rated accordingly. This is a cross-industry Magic Quadrant; therefore, the evaluation of a provider's offering is focused on the ability to serve several distinct industry sectors, not to provide industry-specific solutions.

In many cases, an SFA application will combine several functional components, some of which require third-party vendors. A key evaluation criterion is how well the SFA vendor's application integrates with third-party products and customer data sources. This is measured primarily by the number and complexity of data and application integrations, as demonstrated by live customer deployments. Vendors that have fostered an ecosystem of value-added application suppliers and partners will rate well for this subcategory.

Extra weight will also be applied to vendor support for tablets and smartphones. This includes the ability to provide access to relevant SFA functionality leveraging targeted device value-added benefits.

**Product or Service:** The overall vendor product/service functionality rating is developed by evaluating specific SFA functionality, mobile access and architecture (for example, openness, flexibility, usability and workflow), and sales reporting and analytics. The overall vendor product/service functionality rating is developed by evaluating specific SFA functionality, mobile access and architecture (for example, openness, flexibility, usability and workflow), and sales reporting and analytics.

Opportunity management capabilities are weighted more heavily than other SFA application building blocks. This reflects market demand for SFA functionality by sales organizations. The vendor must have a stable product development team for each product module it sells. Increased emphasis will also be placed on the value that SFA applications provide directly to salespeople.

**Overall Viability:** Key aspects of this criterion are the vendor's ability to ensure continued vitality of a product, including support of current and future releases, as well as a clear roadmap for the next three years. The vendor must have the cash on hand and consistent revenue growth during four

quarters to fund employee burn rates and to generate profits. The vendor is also rated on its commitment and ability to generate revenue and profits specifically in the SFA market.

**Sales Execution/Pricing:** The organization's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support and the overall effectiveness of the sales channel. The vendor must provide global sales and distribution coverage that aligns with its marketing messages. The provider must have specific experience of and success in selling SFA applications to sales buying centers (that is, the VP of sales or sales operations).

**Market Responsiveness and Track Record:** We evaluate the vendor's ability to respond, change direction and be flexible to evolving customer needs and market dynamics. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** This refers to the clarity, quality, creativity and efficacy of programs designed to deliver the vendor's message to influence the market, promote its brand and business, increase awareness of its products, and establish a positive identification of the product, brand or vendor with buyers. This mind share can be driven by a combination of publicity, promotions, thought leadership, word of mouth and sales activities.

**Customer Experience:** Feedback from active customers on generally available releases during the past 12 to 18 months is an important consideration. Sources of feedback include vendor-supplied references, Gartner client inquiries and other customer-facing interactions such as Gartner conferences. Customers' experiences are evaluated based on the vendor's ability to help customers achieve positive business value, as well as sustained user adoption, quality implementation and ongoing support.

**Operations:** This criterion evaluates the vendor's ability to meet its goals and commitments. Factors include the quality of the organizational structure — skills, experience, programs, systems and other vehicles that enable the provider to operate effectively and efficiently on an ongoing basis. For SaaS offerings, operations will also include the vendor's ability to manage operational infrastructure requirements to meet client demand.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (August 2016)

## Completeness of Vision

**Marketing Understanding:** The vendor has shown the ability to understand the business issues facing the vice president of sales, and has shown the ability to demonstrate and explain how SFA applications can be applied to improve the overall sales effectiveness and performance of a prospect's sales organization.

**Marketing Strategy:** A clear, differentiated marketing strategy has a set of messages that appeals to selling organizations and is consistently communicated throughout the organization, and externalized through the website, customer programs and positioning statements. Vendors will be evaluated on how their solution appeals to selling organizations in multiple verticals. If the vendor gets a significant percentage of revenue from recurring revenue-based products, it must also have a customer retention strategy.

**Sales Strategy:** The strategy for selling SFA software uses the appropriate network of direct and indirect sales, marketing, service and communications affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base. Key elements of the strategy include a sales and distribution plan, internal investment priority and timing, and partner alliances.

**Offering (Product) Strategy:** The vendor should demonstrate a vision for new application functionality across the breadth and depth of product capabilities; this is critical for meeting the needs of a maturing market. Subcriteria include the vendor's vision for opportunity management; sales effectiveness capabilities, such as guided selling, sales configuration, quote management and content management; territory management; access and architecture (such as openness, flexibility, extensibility and usability); and sales reporting and analytics. The product strategy can be a combination of organic development, acquisitions and/or ecosystems. However, for ecosystems, close attention is paid to the quality and support of third-party partners.

**Business Model:** Vendors need to have clear business plans for how they will be successful in the SFA market. These business plans should include appropriate levels of investment to achieve profitability and healthy revenue growth during a three- to five-year period. Sales channel and partnership strategies are important components.

**Innovation:** Vendors must show continued investment in improving core SFA capabilities. They must also have growth into new areas, such as improving sales execution, analytics, social collaboration and SaaS; or devices, such as the tablets and smartphones; or new technology directions, such as the Gartner Nexus of Forces.

**Geographic Strategy:** We examine the vendor's strategy to direct resources, skills and offerings to meet the specific needs of regions outside the corporate headquarters' location, directly or through partners, channels and subsidiaries, as appropriate for that geography and market.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	Medium
Marketing Strategy	Medium
Sales Strategy	Low
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Not Rated
Innovation	High
Geographic Strategy	Medium

Source: Gartner (August 2016)

## Quadrant Descriptions

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### Leaders

Leaders have the ability to execute against their vision through products, services and demonstrated, solid business results in the form of revenue and earnings. Leaders have significant successful customer deployments in North America, EMEA and the Asia/Pacific region in a wide variety of vertical industries, with multiple proof points above 500 users. Leaders are often the ones against which other providers in the market measure themselves.

## Challengers

The vendors in the Challengers quadrant are often larger than most (but not all) vendors in the Niche Players quadrant, and demonstrate a higher volume of new business for SFA. These vendors have the size to compete worldwide; however, in some cases, they may not be able to execute equally well in all geographies. They understand the evolving needs of a sales organization, yet may not lead customers into new functional areas with their strong functional vision. Challengers tend to have a good technology vision for architecture and other IT organizational considerations, but have not won over the top sales executives.

## Visionaries

Visionaries are ahead of most potential competitors in delivering innovative products and/or delivery models. They anticipate emerging/changing sales needs and move the market ahead into areas where it hasn't yet been. They have a strong potential to influence the direction of the SFA market, but are limited in execution and/or demonstrated track record.

## Niche Players

Niche Players offer products for SFA functionality, but may lack some functional components; they may not show the ability to consistently handle deployments of more than 500 users across multiple geographies, or may lack strong business execution in the SFA market. These vendors may offer complete portfolios for a specific vertical, but face challenges in one or more important areas necessary to support cross-industry requirements — such as complex forecasting or sales effectiveness. They may have an inconsistent implementation track record, or may lack the ability to support the requirements of large enterprises. Despite the issues described, in many cases Niche Players can offer the best solutions to meet the needs of particular sales organizations, considering the price/value ratio for the solution.

## Context

All vendors included in the 2016 Magic Quadrant for SFA have customers that are successfully using their products and services; however, this is not an exhaustive list of vendors in the market. To give as accurate a cross section of offerings as possible to our clients, Gartner intentionally includes vendors with comparatively low annual revenue and smaller installed bases. However, because there are more than 70 vendors in the SFA market, some regional and/or vertical industry SFA specialists did not meet our inclusion criteria.

This Magic Quadrant encompasses a wide cross section of vendors, including those that offer different delivery models (such as on-premises, SaaS or hybrid), and differing levels of functional breadth and sophistication.

Consistent with the concept of core SFA capabilities as described in the Market Definition/Description section, Gartner puts particular emphasis on vendors' core SFA capabilities for this Magic Quadrant. However, we also evaluate vendors' noncore SFA capabilities, such as content management, lead management and PRM. By collecting and analyzing a wide range of sales



automation capabilities, Gartner has developed a sufficiently broad and deep understanding of vendors' solutions. This also means that Gartner has a strong understanding of how the full range of sales automation technologies applies to a variety of industries and selling practices. Software buyers should note, however, that SFA requirements are unique to each B2B sales organization, based on the maturity and culture of the organization in its use of technology, the sophistication of its sales practices and the anticipated return on investment.

SFA has distinct implications for different types of sales organization:

- Product-driven transactional sales organizations will find value in basic lead and opportunity management capabilities to reduce sales cycles and improve sales management visibility, but will also value enhanced configure, price and contract functionalities.
- Large, complex sales organizations that support multitier, matrixed sales teams require role-specific functionality for inside field and strategic account salespeople, as well as scalability and performance attributes to manage large volumes of data.
- Consultative solution selling will require rich-content process support to tie together proposals, bids, configurations and quotes with authorizations and order-capture systems. Organizations operating in this space require granular forecasting and pipeline management features.

Regardless of the provider you are considering, ask: "Will this vendor help my sales organization sell more effectively?" In many cases, a sales organization must evaluate not just a vendor's suite of products, but also the ecosystem of providers that can fill in functional white space for capabilities the considered vendor may not offer.

Use this Magic Quadrant as an important reference for your evaluations, but explore the market further to qualify the capacity of each vendor to address your unique business problems and technical concerns. Your shortlist will depend on the complexity and scale of your requirements. The Magic Quadrant for SFA is not designed to be the sole tool for creating a vendor shortlist; use it as part of your due diligence, and in conjunction with discussions with Gartner analysts.

Magic Quadrants are snapshots in time. In order to be impartial and to complete our analysis, we stop our data collection efforts at a consistent time across the board. In this case, the cutoff date was 31 March 2016. While this means that some observations about product capabilities may have changed since the publication date of this Magic Quadrant, the same is true for all vendors evaluated.

## Market Overview

In 2015, the SFA market grew at an annual rate of 9.8%, to \$5.9 billion, with almost all growth related to cloud-based revenue. More than 69% of sales were SaaS and the vast majority of total SFA revenue (61%) was in North America. Almost 86% of all worldwide sales in 2015 were concentrated within 10 countries. The SFA market is projected to grow to more than \$9.4 billion by 2019, with SaaS-based solutions continuing to take a larger revenue share of the total SFA market (see "Market Share Analysis: Customer Relationship Management Software, Worldwide, 2015").

While SFA is a mature sector, the CRM segment hides substantial innovation beneath its top-line growth. Innovation in SFA will expand to the wider sales-enablement sector — a range of add-on tools and functions designed to make the sales rep's life more efficient and organized within an SFA environment. Sales enablement includes third-party solutions that cover the entire life cycle of sales reps — from recruitment and selection to onboarding, coaching and training — as well as making reps more efficient in sales situations, with just-in-time training, curated account intelligence, recommended sales content and optimized pricing solutions. This emerging sales enablement subsegment is not considered to be a core part of SFA, but it is receiving a lot of attention, startup activity and VC funding.

As part of the Magic Quadrant analysis process, Gartner collected input from more than 146 vendor reference customers using the SFA solutions reviewed here. The insights we gained include the following:

- Sales automation implementations are a considerable investment. Respondents spent an average of \$232,247 on non-SFA solutions in their most recent fiscal year, compared with spending an average of \$346,500 on SFA solutions.
- Eighty-four percent of respondents bought SFA solutions to improve operational efficiencies, and 62% to drive revenue growth (multiple responses allowed).
- The top three reasons for selecting an SFA solution were: functionality (73% of respondents); architecture scalability (65%); and competitive costs (54%).
- Ninety-five percent of the respondents are "very satisfied" or "completely satisfied" with their SFA solution.

Based on data we have collected from hundreds of client interactions and references, the SFA market is driven by four key buying considerations:

1. **Core SFA functionality:** Buyers of SFA solutions continue to purchase SFA to automate their basic sales processes, especially sales activity tracking, account management, opportunity management and forecasting.
2. **Revenue growth through increased sales effectiveness:** Gartner regularly speaks with clients that want to improve their sales execution with new sales technologies.
3. **Integration:** Enterprise SFA buyers seek systems that offer good integration with back-office systems and with master data sources. SMBs value easy integration with third-party systems, such as sales enablement tools, that allow them to rapidly implement new processes.
4. **Financial investment versus business value:** Clients with mature SFA implementations frequently review their level of investment in SFA technology, looking for how their total cost of ownership and return on investment compare with those of other companies.

Based on recent innovations and product improvements on vendors' roadmaps, the following product considerations will shape the SFA market during the next two years:

- Mobile SFA applications that are deeply functional and are optimized for mobile form factors, replacing desktop, web browser design paradigms

- Predictive analytics for improving sales forecasting and lead conversion
- Data-driven selling, whereby companies apply big data analysis techniques to their sales program, surfacing new insights about sales execution best practices
- Model-driven SFA applications, using business process modeling techniques and methods that are already well-established in the fields of B2C selling and customer service

Just as each sales organization is different, so not all SFA systems are created equal. Furthermore, factors such as selling style, organizational size, sales processes, integration demands, diversity of roles, number of users and organizational structures are unique to each company.

A successful vendor selection strategy will assess providers that support data requirements, access modes and functionality for each sales role. It will also include a good understanding of how sales processes will dictate the functional components that best satisfy organizational and individual sales requirements.

Implementation methods for SFA vary, ranging from self-implementation to global system integrator (SI)-led efforts for comprehensive global, multiple business unit implementations. Companies that have low to moderate sales process complexity and that do not need to integrate to back-end systems can self-implement some of the systems reviewed here. Companies with complex processes that span multiple departments and require data integration commonly employ third-party SIs. In cases with exceptional process complexity, it is common to hire the vendor's professional services group for the implementation. As a general rule of thumb, regardless of the complexity of your sales process, Gartner recommends that you employ an SI if you are new to the vendor's technology.

### Acronym Key and Glossary Terms

<b>BPM</b>	business process modeling
<b>CPQ</b>	configure, price and quote
<b>PRM</b>	partner relationship management
<b>PSA</b>	professional services automation
<b>SaaS</b>	software as a service
<b>SFA</b>	sales force automation
<b>SMB</b>	small or midsize business
<b>VC</b>	venture capital

## Gartner Recommended Reading

*Some documents may not be available as part of your current Gartner subscription.*

"How Markets and Vendors Are Evaluated in Gartner Magic Quadrants"

"Best Practices for Developing a Pace-Layered Application Strategy for Sales"

"Predicts 2015: CRM Sales"

"Market Share Analysis: Customer Relationship Management Software, Worldwide, 2015"

### Evidence

As part of the Magic Quadrant process, Gartner collected input from several hundred reference customers (who had been identified by the vendors) using a formal online survey, as well as through inquiries from Gartner clients evaluating the vendors' products. We also interviewed vendors and attended product demonstrations.

### Evaluation Criteria Definitions

#### Ability to Execute

**Product/Service:** Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability:** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market Responsiveness/Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can

be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

#### Completeness of Vision

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either

directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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