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# The Essentials Series

# Communications Enabled Business

*by Ken Camp*

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# Communications-Enabled Business Processes for Service and Solution Providers

***By Ken Camp***

Communications-Enabled Business Processes (CEBP) are an important new innovation in the automation of human communications within the context of business applications. CEBP is defined as tightly integrating communications technologies with business processes and applications to enable concurrent or consecutive communication among customers, suppliers, and employees.

For providers delivering enterprise application software solutions, there are new expectations coming from enterprise businesses. An off-the-shelf solution may be enough for some organizations, but most are looking for tighter integration coupling between network services and business workflow processes. This integration must come at the enterprise business application level.

Managed services providers (MSPs) have to continually evolve and provide greater depth and breadth of services. An MSP who evolves in parallel with initiatives such as CEBP is well-positioned to be viewed as a value-added partner. The MSP that simply keeps pace with the trailing edge of innovation and integration runs the great risk of becoming nothing more than another commodity infrastructure solution.

## Enterprise Software Solution Providers

Enterprise solution software providers are many and varied, but they all deliver a common set of enterprise business applications with some slight variation. The following sections explore these applications.

### ***Enterprise Resource Planning***

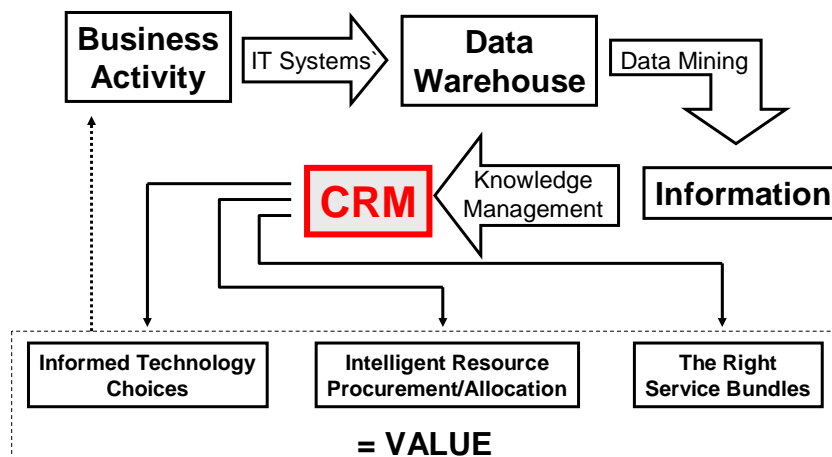
Enterprise Resource Planning (ERP) systems are designed to merge organizational data and processes into one unified system. The enterprise database is a component that is nearly universal across ERP systems. The most basic ERP software system includes at least two business systems, such as payroll and accounting. In most current implementations, the ERP system encompasses the full array of enterprise applications.

## Customer Resource Management

Customer Resource Management (CRM) solutions focus on methodically locating and targeting customers. CRM applications directly support sales and marketing efforts. CRM is a broad discipline that describes how organizations manage their relationships. CRM is a subset of knowledge management (KM) theory and often includes multiple technology applications:

- Data collection or gathering
- Data mining
- Data warehousing

## How Do We Build Value?



**Figure 1: Building value with CRM.**


Figure 1 shows how CRM plays a pivotal role in creating the value of intellectual capital we call business intelligence. CRM has three different aspects that might be implemented either separately or together. Together, these three are ripe for CEBP adoption.

- The operational aspect describes business process automation
- The collaborative aspect of CRM defines how an organization communicates with customers
- The analytical aspect leverages KM techniques to provide business intelligence about how the business is doing

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## **Sales Force Automation**

Sales Force Automation (SFA) systems are most often a subset of the CRM solution. They provide an information technology (IT) system to support sales and marketing efforts. They deliver a mechanism for tracking each step of the sales cycle. One vital role SFA solutions play is in delivering comprehensive contact management tools that can track every interaction with the customer. Many SFA solutions also integrate lead generation and tracking, order management, and future sales forecasting.

 What's your Salesforce.com strategy? Salesforce.com ([www.salesforce.com](http://www.salesforce.com)) has proven to be one of the most successful integrators of tools to support the sales process for many organizations, especially in the small-medium business (SMB) market. They claim to be "The Leader in On-Demand Customer Relationship Management." It's a claim that's widely supported by their growing customer base. They pride themselves on making it easy for customers to share and manage business information.

Enterprise business application providers in the CRM/SFA space must have a "Salesforce.com strategy" to survive. Failure to present a comprehensible value proposition coupled with an easy-to-implement and use software solution will fuel incentives for customers to abandon commercial software solutions in favor of proven managed services.

## **Supply Chain Management**

Supply Chain Management (SCM) is a discipline for planning, implementing, and controlling supply chain operations as efficiently as possible. Process improvement in manufacturing environments was the primary driver for developing what we now call SCM solutions. SCM solutions commonly provide tracking for the finished goods to point-of-sale or consumption in addition to inventory control and management tools.

## **Human Resources Management**

Human Resources Management (HRM) is the current iteration of what used to be referred to as *personnel management*. For many companies, HRM helps manage their most important asset—employees. In the information economy, the employees work every day to meet business objectives and are the cornerstone of success or failure.

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## Anticipating Customer Needs

When we consider the idea of a *mature CEBP deployment*, the benefits of integrating communications services with enterprise business applications will be a primary factor in customers' decision-making process. Customers analyze solutions to fully understand the benefits of this convergence. There are some fundamental benefits of CEBP that solution providers must be able to explain fully and succinctly:

- Faster response times come about in business workflows by reducing or removing human latency from the process
- Improved accuracy improves process interactions by reducing and removing human error from the process
- Integrated communications technology solutions provide a better social context for communication between the enterprise, business partners, and customers
- CEBP can reduce costs, making business processes more profitable
- Revenue increases through improved customer acquisition, service, and satisfaction are quite common

## Articulating the Next-Generation CEBP-Enabled Enterprise Business Applications

For some software solution providers, it's easy to fall into the trap of using current industry buzzwords. Advertising that solutions support a Software Oriented Architecture (SOA) or Software as a Service (SaaS) is a common technique. What's important for application providers is not using the right buzz phrases but being able to clearly articulate and demonstrate the value proposition your solution delivers.

Companies such as Oracle, SAP, and Microsoft are widely acknowledged as leaders in the enterprise application software space, yet the trap these leaders sometimes fall into is relying on their market penetration and presence rather than clearly articulating the value of their solutions.

One very successful approach to delivering enterprise application software is to treat the software as simply a framework for supporting business processes. For the solution provider, this frequently sets up the need for a consultative services group or service integration team. The advantage of this approach is the strategic partnership that develops with customers. CEBP can only be effective when the business processes and workflows are thoroughly understood. Integration for the sake of integration has limited value. Integration with thoughtful planning, focusing at vital steps in the business process, will produce greater value.

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## Managed Service Providers

In the past 5 years, managed services have proven their value time and again to companies large and small. What we once simply referred to as outsourcing has become a new approach to partnering for core network services and business applications.

The idea of a telecommunications vendor or an Internet Service Provider (ISP) as an MSP has spread widely to encompass several areas. Telcos routinely provide an array of voice services including Interactive Voice Response (IVR) systems and Computer Telephony Integration (CTI) solutions. Although neither technology is new, the way these types of technologies have matured over time has led to a natural progression into what we now call CEBP.

ISPs have broadened their suites of services as well. What began as a set of data and security services, such as managed firewalls or VPN services, now include integrated voice and video services and integrated support for a number of enterprise business applications.

Regardless of whether managed services are approached from a voice or data communications legacy, the advance into CEBP is continuing to gain momentum and traction in the market. CEBP are clearly a key business differentiator in the future of managed services.

### ***Differentiating Real Value for a Competitive Edge***

As the MSP market continues to mature, the requirement for delivering value-added services and clearly differentiating that value will be one of the vital criteria for success. Salesforce.com was pointed out earlier as a competitor for the software solution provider set, but it also provides an outstanding example of how MSPs must evolve and embrace CEBP across a wider array of network services and business applications. Today, Salesforce.com offers solution services for several key business areas:

- SFA
- Service and support
- Marketing
- Partner relationship management
- Content management
- Innovation management
- Analytics
- Mobile
- AppExchange applications

Looking at the list, there is an obvious gap that for some competitors could be a chink in the armor in competing against an MSP such as Salesforce.com. There are no network services notably present. No voice, video, or data services. Any integration of their solutions has to be accomplished either by the customer or with the help of a third-party integrator. In short, they deliver part of the solution set but not a mature CEBP solution.

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## Core Infrastructure vs. Strategic Value

Although the difference between core infrastructure and strategic value might seem clear, there is at least one aspect that is too often overlooked. Core infrastructure can quickly degrade into nothing more than commodity service. As an MSP, if you're delivering a set of services that are so basic that they don't embrace the richness of CEBP, your services may quickly be relegated to competing on cost. Once pricing becomes the differentiator in a customer relationship, you've become a commodity and nothing more.

### ***Are You a Strategic partner or Simply a Service Provider?***

Strategic value as part of the value proposition you deliver to customers is a competitive differentiator that will always be the biggest success factor. If customers view you as a strategic partner with a vested interest in their success, they will not only be loyal customers but also become a word-of-mouth marketing ally.

Understanding CEBP and how it impacts your customers requires understanding your customers' business workflows and processes. In some vertical industries, these workflows are fairly common across the sector. Financial services sector businesses, for example, follow a fairly consistent set of workflow procedures. Although the actual steps in a process may vary widely from company to company, the basic business flows are very similar.

## Seizing Competitive Advantage—Positioning Against Everyone Else

One of the greatest differentiators an MSP can offer today is open dialogue and conversation with customers. How you engage your customers sets an expectation of your presence in the market.

Although virtually every company in business today in the information services sector has a Web site, the level of engagement with customers varies widely. This communication can no longer be a unidirectional broadcast of services offered. The corporate Web site that was used to deliver marketing material is an information repository that quickly stagnates. In the current climate of what are often referred to as *Web 2.0 services*, that legacy Web site may be far less valuable than it once was.

Today, blogs and wikis provide a platform for open discussion with customers, employees, and business partners. They offer a place to not only participate in the IT community but also provide a platform that adds value in important ways.

- Blogs allow for bi-directional conversation between experts within your company and customers. Customers can engage and ask questions. Blogs can provide an open footing to frame the early stages of business conversations. They provide entry to an audience of leading-edge users.
- Wikis enable customer interaction on a different level. They can provide excellent support and collaboration tools. They encourage interaction between sales, support, and engineering teams with customers and between customers. A strong MSP can leverage a wiki-like solution into focus groups, customer innovation teams, and as a strong marketing tool.

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## ***Do You Use Your Own Solutions? Are They Shining Examples of Success?***

If you aren't using your own tools and can't cite how they've improved your own operations, you don't have the most important success story of all for your customers. It's important that you use your own tools and that you tell a compelling story about how CEBP within your business—whether as a software solution provider or an MSP—has streamlined your business, improved your processes, enhanced communications between people, cut costs, and improved the bottom line. Write your own case study about how your solutions have positively improved your business.

## **What's Ahead for CEBP**

The explosion of CEBP solutions is right around the corner. Business enterprises are moving quickly in an effort to stay competitive and win in their respective market segments. There are a number of key areas in the evolution of CEBP. These are areas to focus on and ensure you've built effective strategies for.

Voice services have been too oriented toward VoIP in the past few years. Now is the time to recognize that voice is one more service of the network and that VoIP is just one way to deliver voice services. Voice services are crucial to the success of almost every business enterprise. Whether they're delivered over traditional TDM telephony, VoIP, cellular/wireless, or some other technology isn't a real differentiator to the business enterprise who is focused on their core competency.

Conferencing and collaboration tools will be an area central to the evolution and widespread adoption of CEBP. Solutions, such as IBM's Lotus Sametime Unyte, provide examples of how innovative services and integration that originated in a smaller, entrepreneurial company can be quickly expanded to provide full-blown enterprise collaboration solutions.

Application Programming Interfaces (APIs) are becoming a vital component. Whether we call it SOA, SaaS, or CEBP, the concept of using APIs to build and connect via "hooks" into services and applications provides the technical freedom to quickly innovate and develop new CEBP solutions. Companies such as Jaduka deliver API functionality that treats voice as simply a service. Imagine the ease of integrating voice services into enterprise business applications if we add a simple API to the wide range of voice services available in the Public Switched Telephone Network (PSTN). The power of APIs is undeniable.



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## Summary: The Full Spectrum

The CEBP landscape is filled with opportunity across the spectrum of enterprise business applications. The foundation cornerstone is to deploy a fully converged network in the customer environment. That's simply helping customers position to win and use integration tools to the best possible advantage. The converged network provides the first layer of the foundation for CEBP.

For most organizations, adoption will come based on business drivers—business trends, industry segment trends, and regulatory factors. These will all be balanced carefully against the ROI and effort. To tell a compelling and winning story for customers, the service and solution provider needs to understand the basic framework of enterprise business applications across the family of ERP, CRM, SFA, SCM, and HRM solutions. The winners will be those who can understand the needs of the enterprise customer and prove the value they add in understanding and delivering mature CEBP solutions.