Sage CRM Solutions 2010 Strategy

MARCH 2008

sage CRM Solutions

Table of Contents

INTRODUCTION

Since the inception of CRM, the balance of power has shifted dramatically between buyers and sellers, with the rate of change accelerating in the past five years. Today, companies must offer extremely cost-efficient, differentiable customer experiences to acquire and retain profitable customer relationships. In our highly globalized economy, CRM is critical to enable businesses of every shape and size to fulfill the needs and expectations of their customers.

The evolution of the CRM market is marked by important technology waves such as the introduction of PC-based applications, client/server applications, Web-based applications, on-demand applications, and mobile applications. The recent emergence of Web 2.0[1] and end-to-end business management solutions is driving another fundamental transformation in the CRM market.

Web 2.0 is enabling businesses to utilize new, dynamic, and highly interactive techniques to collaborate with their customers. At the same time, end-to-end business management solutions are connecting front-office and back-office solutions, enabling organizations to optimize their business processes to better support their desired customer experience.

Based on research and interaction with our large and diverse customer base, we have developed a powerful, but pragmatic vision for the future — The Sage CRM Solutions 2010 Strategy (CRM 2010). It identifies specific, tangible opportunities for businesses that utilize our solutions to maximize the value of CRM in their organizations.

OUR CUSTOMERS' UNIQUE CRM VISION

Technology innovations are enabling profound, new uses for CRM for the foreseeable future. Yet, any given business' unique CRM vision is shaped by three key drivers: its customer interaction model, its performance enhancement strategy, and its buyer influence. These drivers are typically present in most organizations and will determine the CRM vision for each entity.

Customer Interaction Model

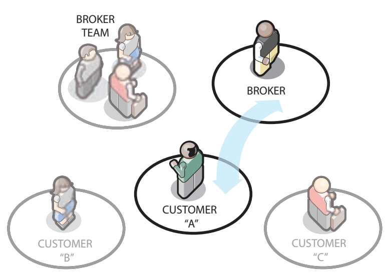
Small businesses, professional services firms, and/or businesses with agents and brokers tend to manage their customer interactions on a one-to-one or one-to-many basis in which there is one point of contact for one customer contact or one point of contact for many customer contacts. Typically, we find these organizations require low levels of CRM process automation and associated cross-functional collaboration.

[1]Web 2.0 generally refers to the highly interactive nature of Web-based access. The Web world has evolved from users simply browsing Web sites, to users being connected to and instantly aware of others. Information is dynamic and highly collaborative, with readily available access to information based on well-documented standards and highly flexible technologies.

Organizations that distribute ownership for their customer experiences across functional departments such as Sales, Marketing, and Service and Support exhibit many-to-one or many-to-many customer interaction models. In these models, there are many points of contact for one customer contact or many points of contact for many customer contacts. We typically find higher levels of process complexity in organizations that exhibit these forms of customer interaction. By definition, these organizations have achieved scale of operation, ranging from mid-sized businesses to large enterprises.

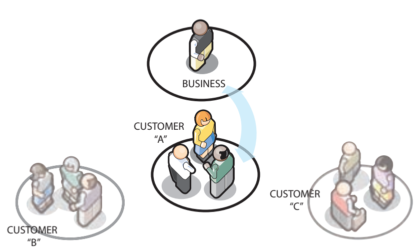
Within an organization, it is possible to have specific areas of the business that operate on a one-to-one or one-to-many interaction model, while other areas operate on a many-to-one or many-to-many model. For example, a real estate firm may have a residential division that interacts with customers on a one-to-one basis and exhibits low-levels of CRM process complexity, while the commercial property management division operates on a many-to-many basis and exhibits high levels of complexity.

One-To-One Customer Interaction Scenario



A national securities brokerage firm in the United States employs over 10,000 brokers who collectively service more than one million retail customers. The firm has organized its operations into six geographic regions. There are over 100 branch offices in each region. Large branch offices will have a branch manager. Small branch offices may share a branch manager. Typically, when a branch manager hires a new broker, the broker will bring a book of business or rolodex of customers. To ensure continuity when a broker is unavailable, the branch manager or the brokers themselves may form teams who can support a given customer. Still, despite the existence of teams, every customer is aligned to a specific broker, meaning that interactions are conducted on a one-to-one basis, despite the large overall scale of operation.

One-To-Many Customer Interaction Scenario



A florist in Chicago has been in operation for five years. Today, the owner/manager of the business employs three people and realizes over €1 million in annual revenue from a split of individual and corporate customers. Individual customers typically purchase arrangements for birthdays, holidays, and other special occasions. The florist does not attempt to maintain history of contact with individual customers. Corporate customers include restaurants, hotels, and local businesses that routinely purchase flowers for a variety of purposes. The florist does maintain a history of its contacts with corporate customers. Corporate customers tend to have several people who could purchase from the florist's owner/manager or need assistance with delivery and other matters. As the owner/manager interacts directly with several contacts at each corporate customer, the interactions are on a one-to-many basis.

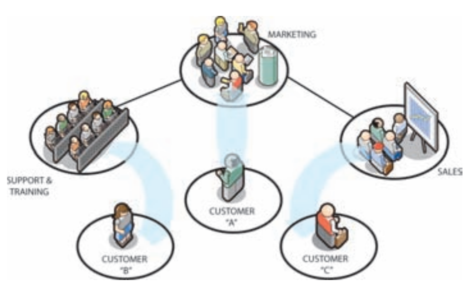
Performance Enhancement Strategy

Every organization wants to maximize the productivity of its individual employees or departmental teams. However, when an organization deploys a CRM solution, it tends to focus on enhancing either individual- and team-level performance or cross-departmental and process-level performance. Typically, certain types of organizations will gravitate to one performance enhancement strategy over the other.

Organizations with a one-to-one or one-to-many customer interaction model tend to focus on enhancing individual and team performance and-productivity. These organizations target individual performance improvements against key revenue-generating individuals, especially sales representatives and teams or other equivalent customer management roles.

In some cases, these organizations are early stage businesses which will, over time, formalize their sales or account management approaches. However, in other cases, these organizations are mature businesses which have intentionally adopted an employee-centric customer management approach. For example, a professional

Many-To-One Customer Interaction Scenario



A software publisher has 175 employees and over 15,000 users of its personal digital media solution. The solution is sold at brick and mortar retailers, various e-tailers, and the publisher's telesales center and e-store. The publisher provides customer service and technical support, as well as end-user training. The publisher frequently releases product upgrades, which are marketed to its growing customer base. The publisher's customer touch points, including: Sales, Marketing, Service, Support, and Training functions, as well as other functions, need to be coordinated to create a positive customer experience. For example, when a loyal customer calls Support with a "how-to" product issue, the support representative needs to be prompted to extend a special training offer to the customer. The publisher's customer interactions occur on a many-to-one basis.

Many-To-Many Customer Interaction Scenario

A heavy equipment manufacturer in Europe develops a family of products that is sold in Continental Europe, UK/Ireland, North America, and North Africa. The company is responsible for the manufacture, distribution, and after-market service of its products. The business generates over €100 million in annual revenue and employs 500 plus people in Engineering, Sales, Marketing, Service, and other critical business functions, many of which interface with its customers. As it typically sells to large business customers, the equipment manufacturer's various customer touch points across the organization must coordinate their interactions with multiple different contacts within each customer organization. These interactions occur on a many-to-many basis.

services firm would assume that the customer manager or client manager should have sufficient latitude to respond to customer requirements as he/she deems appropriate. In these types of organizations, management intends that the customer experience is defined by a specific employee in the company who is assigned ownership for a given customer relationship.

Both early-stage businesses and those organizations who have intentionally adopted employee-centric approaches place a particularly high premium on simplicity, as measured by ease of use, implementation, and maintenance. Given that these organizations do not have highly structured customer management processes, it is particularly important that end users are able to easily incorporate the CRM solution into their daily routine. Unless end users perceive immediate, direct productivity benefits for themselves, without any significant end-user overhead, we find very low CRM adoption in these organizations.

Businesses that exhibit many-to-one or many-to-many customer interaction models want to improve individual productivity, but they are primarily interested in aligning individual activities to support formal processes either within a department or across departments. In other words, these organizations are typically focused on process optimization, which can range from best practices implementation to holistic business performance management initiatives.

In these organizations, end-user adoption is critical. Organizations at this level typically tie incentive structures to these formal methodologies to help drive individual behavior. Therefore, the important goal of end-user adoption is usually balanced against management's requirement for better business visibility and for the consistent application of work practices.

Figure 1: Performance Enhancement Strategies

STRATEGY	DESCRIPTION
Individual and Team	One-to-one and one-to-many Target key revenue generation resources Early stage or employee-centered businesses High priority on ease of use and implementation/maintenance Strong end-user adoption
Cross Departmental and Process Level	Many-to-one and many-to-many Target process optimization End-user adoption can be influenced through internal controls Management requires visibility and consistent work practices

CRM Buyer Influence

In today's market, there are three general forms of CRM buyer influence: front office, back office, and integrated suite. Front-office driven buyers want to improve the performance and collaboration of Sales, Marketing, and/or Service and Support departments. In the back-office driven category, organizations own ERP solutions to which buyers want to attach a CRM system to connect critical front- and back-office information. In the integrated suite category, buyers want to purchase and/or deploy a fully integrated CRM and ERP solution on a simultaneous or near simultaneous basis, as an end-to-end business management suite to enable straight through processing from the front to back office and drive end-to-end business process improvements.

We find the three CRM buyer influences exist for all customer interaction models. However, the back-office driven and integrated suite requirements are more sophisticated among organizations with many-to-one and many-to-many customer interaction models.

SAGE CRM SOLUTIONS 2010 STRATEGY

Application of an organization's customer interaction model, performance enhancement strategy, and buyer influence yield a distinct CRM vision. To address various CRM visions typically found in small- to mid-size businesses and divisions of enterprises, Sage CRM Solutions is focused on three strategic objectives:

- Optimize the Sage CRM Solutions family against a business requirements-driven segmentation model
- Differentiate our CRM solutions family on three dimensions: interoperability, anywhere workforce experience, and end-to-end solutions
- Implement a comprehensive technology strategy that leverages standards and emerging trends, including Web 2.0

Figure 2: CRM Buyer Influences

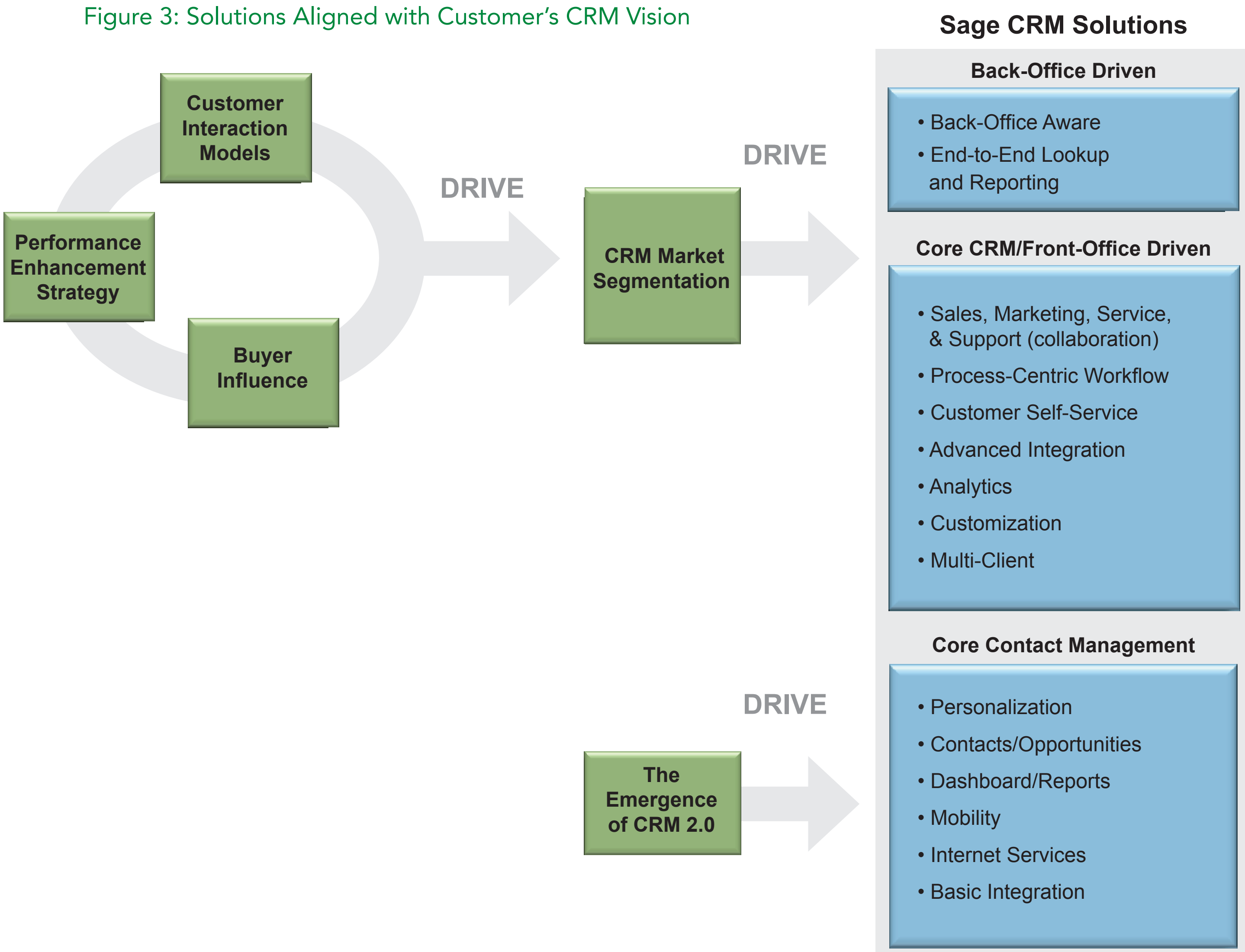
CRM BUYER INFLUENCE	KEY DECISION-MAKER	KEY INFLUENCERS	MARKET TREND
Front-Office Driven	CRM process owners (e.g. Sales, Marketing, or Service/Support)	CEO, COO IT Finance	Traditionally, most CRM purchases were targeted at a particular function (e.g. Sales). Increasingly, organizations are rolling out functionality that spans two or more CRM functions.
Back-Office Driven	Finance	CEO, COO CRM process owners IT	To date, most organizations have been interested to make front-office data available to back-office systems. In the future, most organizations will be interested to make back-office data available to front-office systems. This is likely to make CRM process owners key decision makers.
Integrated Suite	CEO, COO IT	CRM process owners Finance	This is a relatively immature solution offer to date. Integrated solutions will become increasingly sophisticated and cost competitive.

Business Requirements-Driven Segmentation Model

Examination of interaction models and performance enhancement strategies suggest two primary categories for an organization's CRM vision. As previously discussed, the one-to-one and one-to-many interaction models are focused on the need for individual users and departmental teams to effectively and productively manage relationships with customers. These interaction models can be optimized using a contact and customer management solution. The many-to-one and many-to-many models require process automation for cross functional team collaboration and can be optimized by using a full-scale CRM solution. The buyer influence within an organization further drives segmentation within CRM solutions, creating an emphasis on requirements toward front office, balanced front and back office, or integrated suites.

When an organization's CRM vision is contact management focused, the solution must support personalization, enabling individual users to adapt the system to reflect their personal work styles and preferences. Users are focused on managing contacts and opportunities, thus minimizing keystrokes and using shortcuts, turnkey reports, and dashboards all enable extreme efficiency. These users are often highly mobile and require up-to-date access to critical contact and calendar information, at any time, from their handheld devices or their office systems.

Figure 3: Solutions Aligned with Customer's CRM Vision



The Internet and the emergence of CRM 2.0[2] will blend traditional data within an organization's CRM system with online information, social networks, and other Internet services. The user expectation is a rich, highly interactive, seamless experience. This enables new and highly productive insight through additional information sources that are brought into all aspects of the organization's contact and customer relationships. This is a foundation of next generation CRM visions and is fully embraced by CRM 2010.

CRM solutions support the collaborative needs of Sales, Marketing, and Service and Support teams that interact with customers through many-to-one and many-to-many styles. Many of the contact management needs apply and serve as a baseline for CRM, so even though these are distinct product categories, a relationship exists between contact management and CRM.

Core CRM and front-office driven requirements include support for customized workflow across departments to ensure a well understood, orderly, and consistent customer experience. For example, this enables the capture of customer preferences at the time of initial contact in order to facilitate efficient and personalized Sales, Marketing, and Service and Support follow-up.

By enabling customers to interact with the company through self-service Web portals, "anytime" interactions can be captured and coordinated within the CRM system. Due to the number and variety of interactions, there are advanced integration requirements to connect various internal and external systems, enabling up-to-date information for all relevant parties.

Analytics play an increasingly important role in helping organizations strategically segment customers based on historical patterns and modeling predicted future behavior. For example, by identifying seasonal trends within groups of customers or prospects, business or marketing analysts can create highly selective lists for cost-effective campaigns and/or optimize for inventory against future sales.

The need to coordinate the efforts of the front and back office for greater organization-wide visibility and effectiveness is already driving new CRM requirements. Back-office awareness within the CRM system is necessary to provide visibility to orders, price lists, product lists, inventory levels, credit, etc. This information needs to be maintained in the appropriate place, but rendered in such a way that it can be leveraged by CRM users to deliver a superior, holistic customer experience. For example, end-to-end reports that span multiple applications are required to provide coordinated visibility of forecasts within the CRM system, pricing and discounts within the ERP system, and availability of product within the manufacturing system.

Sage CRM Solutions Differentiation

Interoperability and Migration

The first element of Sage's differentiated solutions strategy relates to interoperability and migration between contact management and CRM. Individuals or members of a Sales team may opt for a contact management or CRM solution based on their customer interaction model. However, at some point in an organization's evolution, members from other departments may need to interact with the same contacts and customers as well. This could be the result of a maturing organization and changing interaction model or a

[2]CRM 2.0 generally refers to a rich set of CRM functionality enabled by highly interactive connections to Internet-based content. Rich user experiences and the ability to blend information from within a CRM system and other rich data sources are envisioned to enable extreme productivity.

natural extension of the original interaction model. If a CRM system was selected initially, members of the Marketing and Support teams would simply connect and begin interacting with the prospect and customer base.

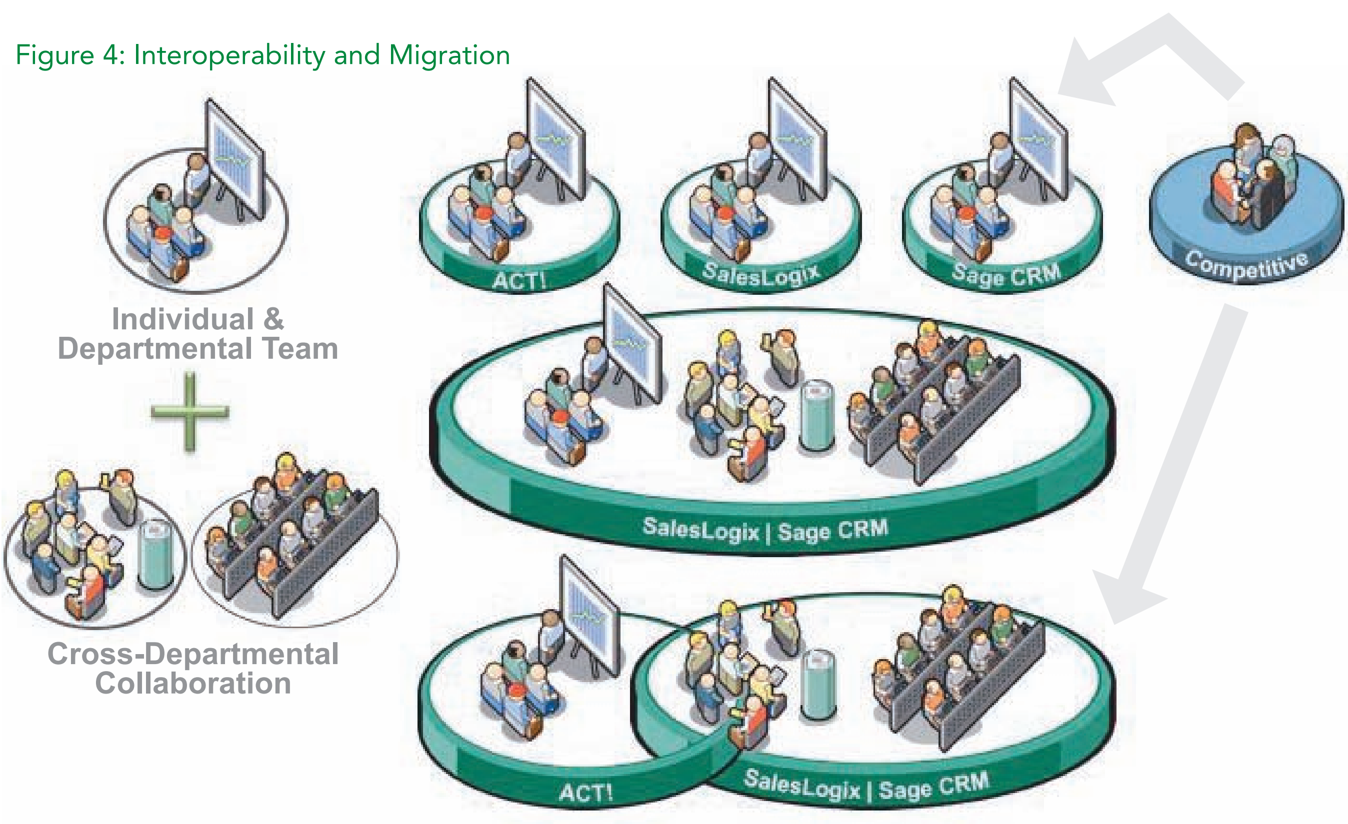
A unique differentiator for Sage within the marketplace is strength in both contact management and CRM. ACT! by Sage is the market-leading contact and customer manager with more than 2.8 million users worldwide and 43,000 corporate customers[3]. CRM 2010 will drive interoperability between ACT! and Sage CRM and Sage SalesLogix. This will enable:

- Users in separate departments to use different products, yet interact through synchronized or shared databases
- A seamless transition from ACT! to Sage CRM or Sage SalesLogix, without requiring a one-way, one-time migration of data

For example, a professional services firm wants its client managers to have the latitude to work independently using ACT!. However, in this same firm, the Marketing department may plan and execute a marketing campaign in which they need to understand the individual interactions with the customers and the buying patterns. In this case, it would apply Sage CRM or Sage SalesLogix for the Marketing team without making the client managers change its proven model using ACT!. This provides a significant differentiator for this company, enabling various departments to employ their relevant interaction models, using their systems of choice, yet working collaboratively on the same customer data.

Since Sage CRM Solutions products will interoperate, migration technology will be provided to assist users of competitive contact management and CRM products to transition to the Sage CRM Solutions family.

Figure 4: Interoperability and Migration



[3]A corporate customer is defined as an organization that purchases a corporate license for 10 users or more.

Anywhere Workforce Experience

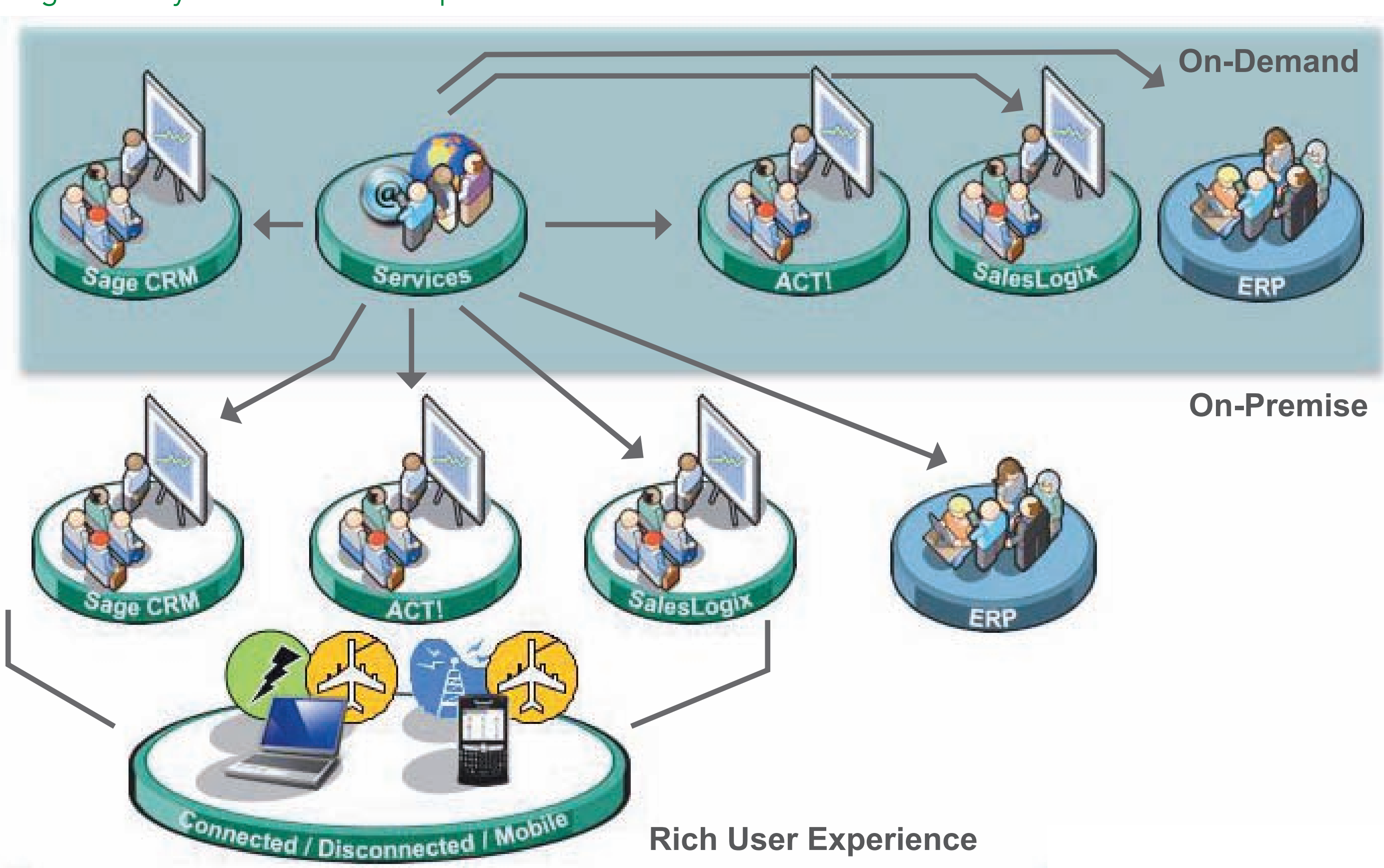
To maximize productivity, CRM users require the ability to have anytime access to critical information from a variety of locations and devices. Sage's anywhere workforce experience will address these needs by supplying solutions as both services and applications, with delivery choices that include on-premise and on-demand applications. Today, Sage supplies on-premise as well as on-demand applications that provide a rich user experience when connected to or disconnected from the network, from a range of devices. The anywhere workforce experience is designed to deliver:

- Customer choice of applications on-demand or on-premise, based on preference
- On-demand services offering additional, complementary functionality to the Sage CRM Solutions products and/or Sage ERP products
- Combinations of applications and services, both on-demand and/or on-premise
- Rich CRM user experience delivering relevant functionality when connected, disconnected, or when working from a small form-factor mobile device

The differentiation for Sage in this strategy is choice. Some vendors tout on-demand as a solution to everything, whereas practical thinking reveals benefits to offering different access and deployment options based on organizational need. For Sage's millions of customers, on-demand services can deliver considerable added value through context-aware functionality. For example, maps and driving directions in the context of the selected contact/account delivered via a text message can be very helpful.

Additional capabilities such as payment services, marketing services, and collaborative meeting services significantly extend the application utility by leveraging Web 2.0 technologies to deliver a rich and interactive experience as envisioned in CRM 2.0. Sage's strategy is to offer selected services directly and to formulate

Figure 5: Anywhere Workforce Experience



strategic partnerships for others to ensure rich availability across all relevant applications, whether on-demand and/or on-premise.

Expecting users to manage missing or diminished functionality when switching between access methods and devices leads to limited and inconsistent adoption. In other words, combinations of client choices are ineffective unless a rich and highly relevant user experience is maintained. Anything less is a barrier to adoption. As most companies have users working with laptops, PCs, and mobile devices — in some cases connected to the network, in other cases not — Sage CRM Solutions will maintain the desired user interface, workflow, and data persistence when on a plane or at a customer site, even without connectivity.

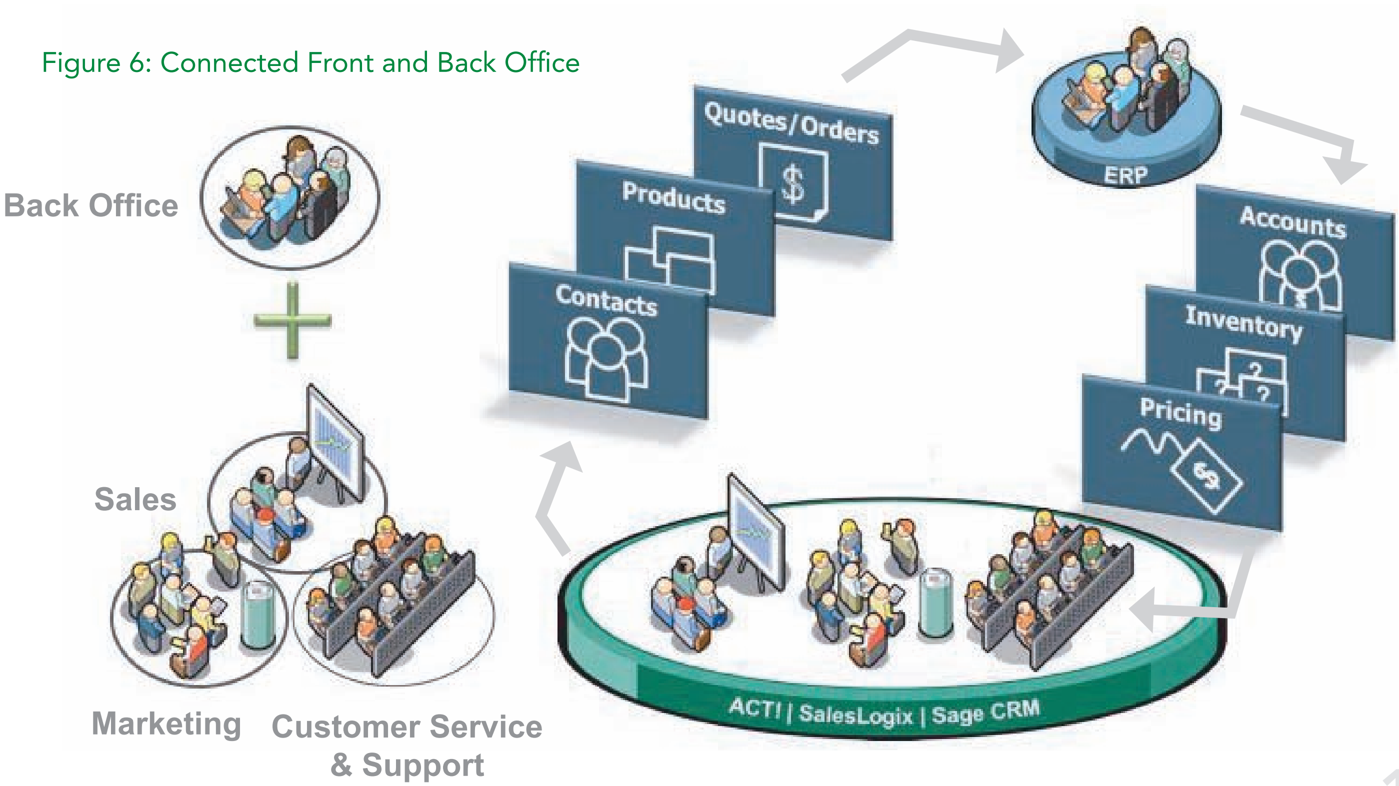
Connected Front and Back Office

Sage has differentiated strength in both front- and back-office products. With tens of thousands CRM customers and several million ERP customers, Sage is unique in terms of knowledge, penetration, and credibility in small- to mid-size businesses and divisions of enterprises. We recognize these businesses require depth of product functionality in both CRM and ERP solutions, but also demand tight, seamless integration between their Sage business applications.

The wealth of transactional data in the back office must be rendered in a meaningful contextual interface, enabling the front office to be more effective. Duplication of data between systems should be carefully minimized to reduce the possibility of errors caused by stale information. The connected front and back office must enable straight-through business processes from front to back office, delivering end-to-end business process automation, as well as organization-wide visibility.

Sage CRM Solutions will be increasingly optimized to expose relevant data between the front and back office, enabling accuracy when delivering quotes and reviewing orders, discounts, pricing, and product availability with a prospect or customer. Further, as companies change and grow it may be necessary to move from ACT! to Sage CRM or Sage SalesLogix.

Figure 6: Connected Front and Back Office



Therefore, CRM 2010 will realize common integration interfaces to enable moving from one Sage CRM Solutions product to another, while maintaining existing back-office integration functionality. Likewise, a customer can move to another Sage ERP product while maintaining front-office connectivity with their Sage CRM Solutions product.

Resulting Market Position

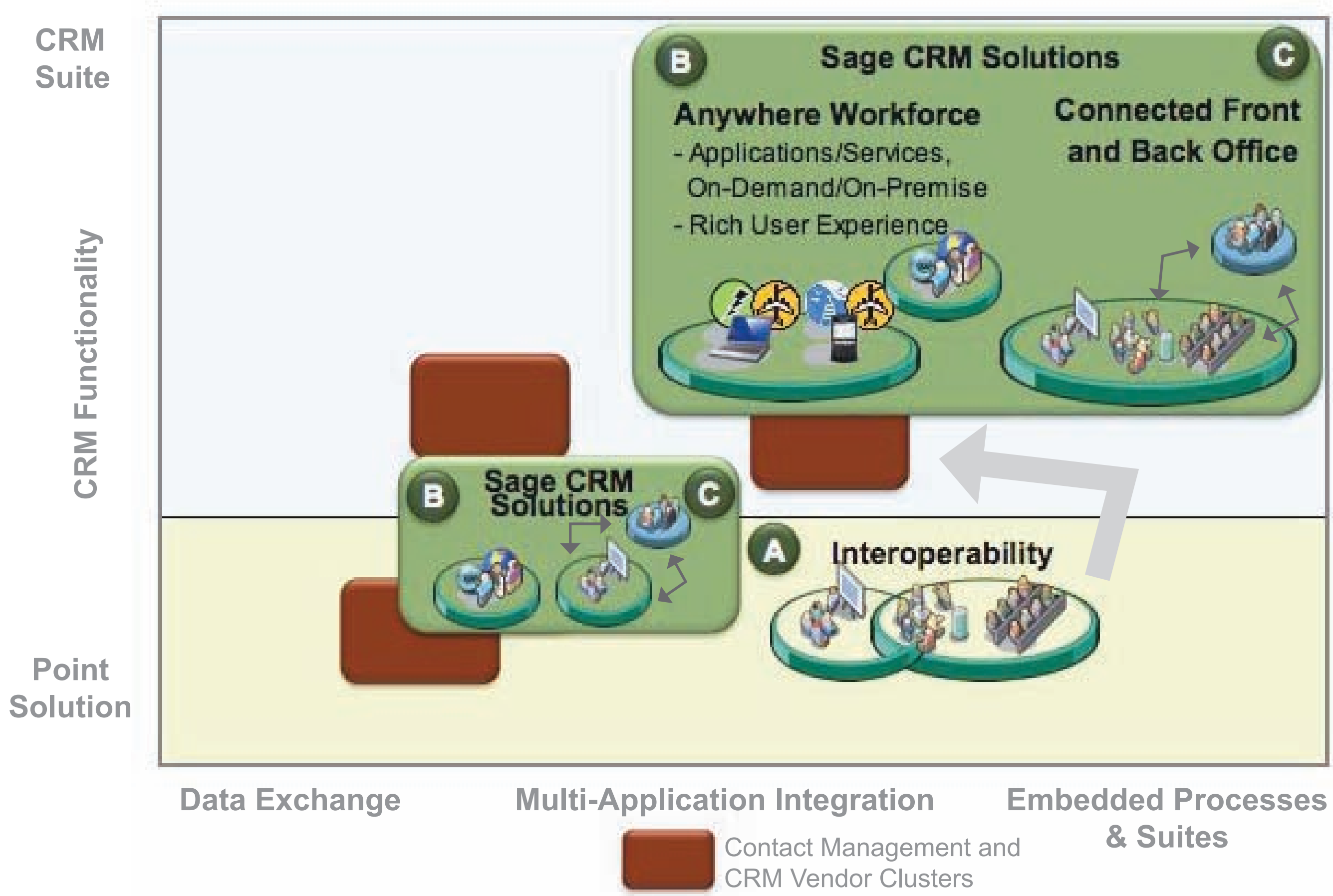
The Sage CRM Solutions strategy delivers a number of highly differentiated customer benefits. The following chart depicts a solution map that describes the level of multi-application integration on the x-axis and the degree of CRM functionality on the y-axis. Traditional vendors cluster in contact management and in CRM. Within CRM, vendors are further segmented based on whether they compete primarily on the strength of their CRM functionality or their integration capability.

Three elements will differentiate our Sage CRM Solutions products in the marketplace. The first is interoperability between the contact management and CRM solutions. Customers enjoy the solution today, but retain flexibility to easily move to or co-exist with another Sage CRM Solutions product in the future.

The second, anywhere workforce, enables a powerful and rich user experience and extends CRM functionality through practical combinations of on-demand/on-premise applications and services.

And finally, the connected front and back office further differentiates Sage by providing solutions that deliver depth of functionality and integration, without compromise.

Figure 7: Sage CRM Solutions 2010 Market Position



Comprehensive Technology Strategy

A comprehensive, holistic technology strategy underpins CRM 2010, providing a roadmap and architecture for the development of compelling CRM 2.0 services, as well as the seamless consumption of services by Sage CRM Solutions.

The CRM 2010 technology strategy creates significant value for our customers including:

- **Flexibility:** organizations can benefit from Sage CRM Solutions' common components approach to development, enabling them to combine new software modules easily as their business requirements change over time
- **Integration:** organizations can manage end-to-end business processes seamlessly with best-in-class, standards-based, integration to back-office applications, as well as interoperate between Sage CRM Solutions applications
- **Software as a Service (SaaS):** organizations can choose to access their applications on-premise or on-demand
- **Internet Services:** organizations can extend their Sage CRM Solutions easily by attaching a portfolio of value-added, on-demand services
- **Access Awareness:** organizations can choose to access their applications, whether connected or disconnected, from a range of devices such as rich clients, Web terminals, and smart phones, confident that the best user experience is always provided by Sage CRM Solutions

Common Components

The CRM 2010 technology strategy is supported by a practical program for adoption of common components and frameworks across the product lines. While initially focused on new feature development, where the biggest ROI is likely to be obtained, the program will eventually encompass strategic areas, which would benefit from a common approach across applications.

Figure 8: 2010 Technology Strategy Elements

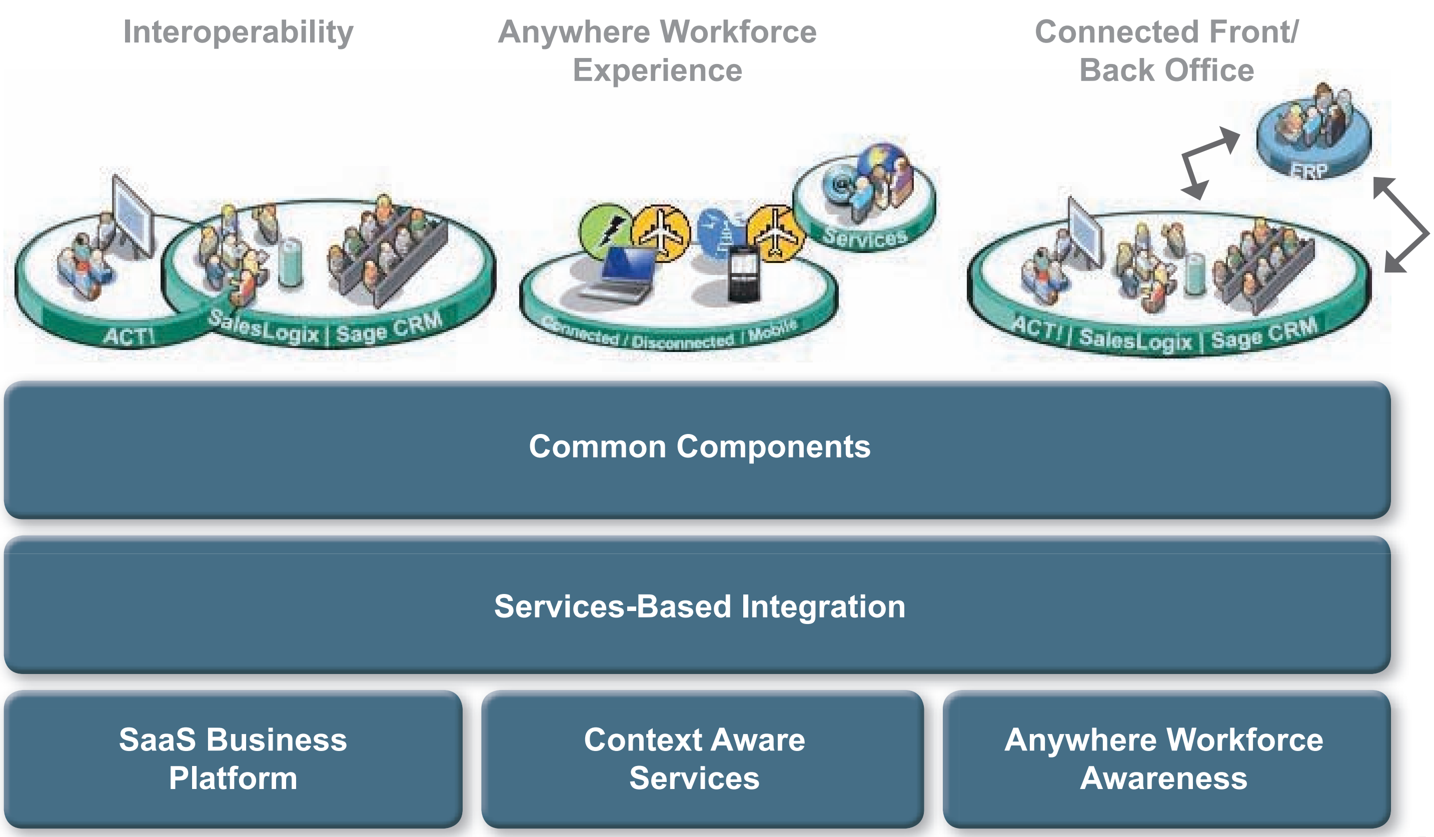
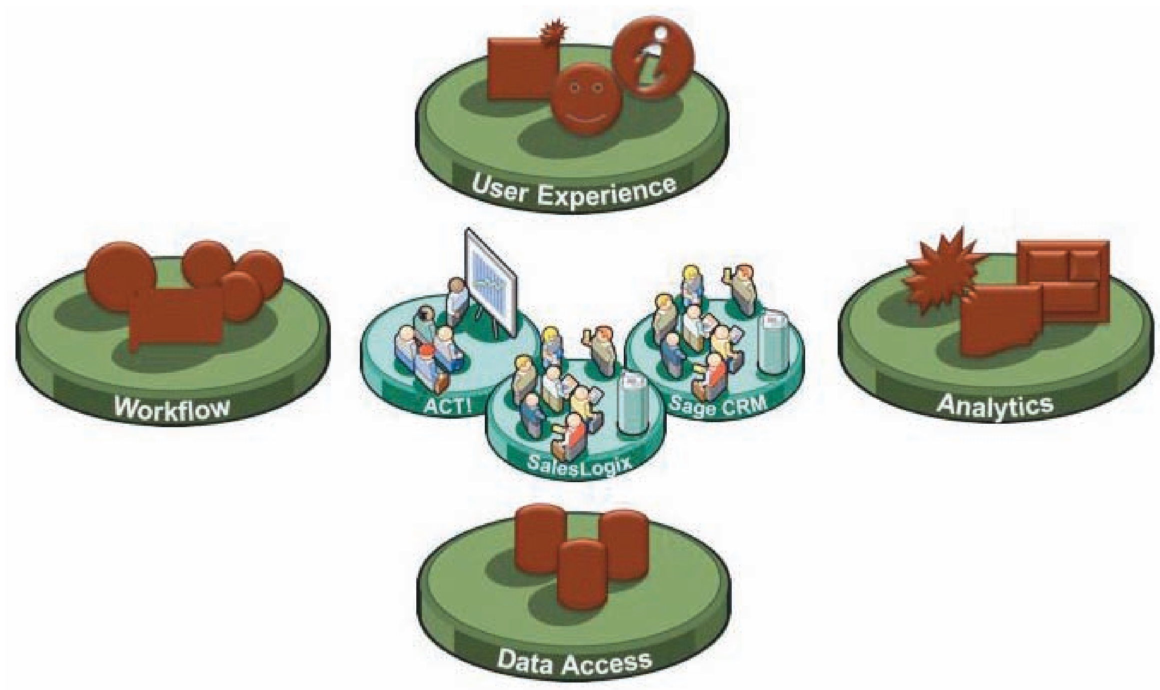


Figure 9: Sage CRM Solutions Common Components



The list of common components will naturally evolve and change as new features are introduced, however, these will likely encompass:

- Common user experience with a set of components, including icons, navigation, wizards, setup, and look and feel
- Common approach to business intelligence, supporting the connected, integrated, and standalone markets for CRM
- Shared data access layer components, allowing high fidelity access to supported databases without necessitating the traditional overhead of multiple database support
- Common approach to workflow management. Not limited to actual components for design and rules execution, this will also encompass a common approach across applications to handling information under the "control" of workflow and a common format for exchange of information for workflow enablement. The common approach to workflow will support the scenarios where the CRM product is integrated with a back-office ERP product. Workflow, in these scenarios, needs to seamlessly execute across application boundaries

Services-Based Integration

Companies continue to use many applications and services to support their business needs. With these varied applications come varied repositories of data. In the past, vendors have made many attempts at data consolidation systems and enterprise integration software, but no silver bullet has emerged. Services-based integration recognizes the reality that a customer's data storage is not unified and embraces the idea that data resides within many systems and repositories. The key is to enable standardized access to the data using simple access rules. Both the method and the language/lexicon need to be as simple as possible to encourage loosely-coupled, upgrade-resilient integrations.

A key part of the CRM 2010 technology strategy is to evolve all Sage CRM Solutions products to support integration with other applications using a common CRM integration contract approach. This approach is Web services-based and is independent of any particular implementation. Any service provider or service consumer can implement the contract. This leads to flexible, lightweight, loosely-coupled integrations.

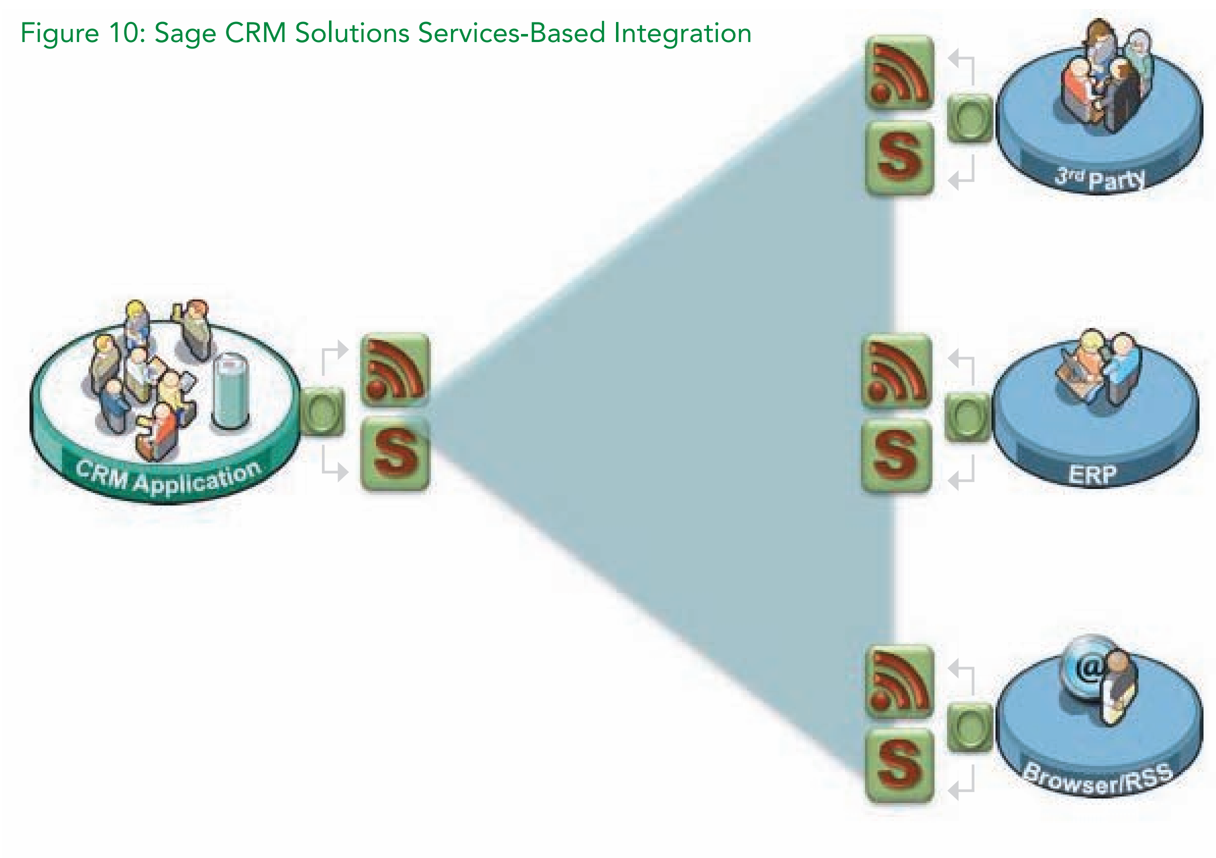
The initial use of the contract integration is for application to application integration — this could be ACT! to Sage 50 Accounts for example. Each application can choose to publish information, as well as consume information. This same system is then used to generate feeds of information from the CRM application so that customers can view information through a standard Web browser or feed reader.

The system can be used for simple third-party application integration, or building composite applications such as simple sales ordering, stock control, and credit management. Third-party developers could make full use of this system to read and write information in Sage CRM Solutions products.

A new paradigm in information transfer is being widely adopted in the Web world. This paradigm consists of a network of Web pages that form a virtual state machine, allowing a user to progress through the application by selecting links or submitting data entry forms, resulting in a transition to the another state.

Representational State Transfer (REST) is a software architectural style for distributed hypermedia systems like the World Wide Web. It allows systems to communicate and gather information from other systems by supporting a small number of verbs (POST, GET, PUT, DELETE) and relies on the URL to locate the appropriate resource to exchange information using simple XML format.

Figure 10: Sage CRM Solutions Services-Based Integration



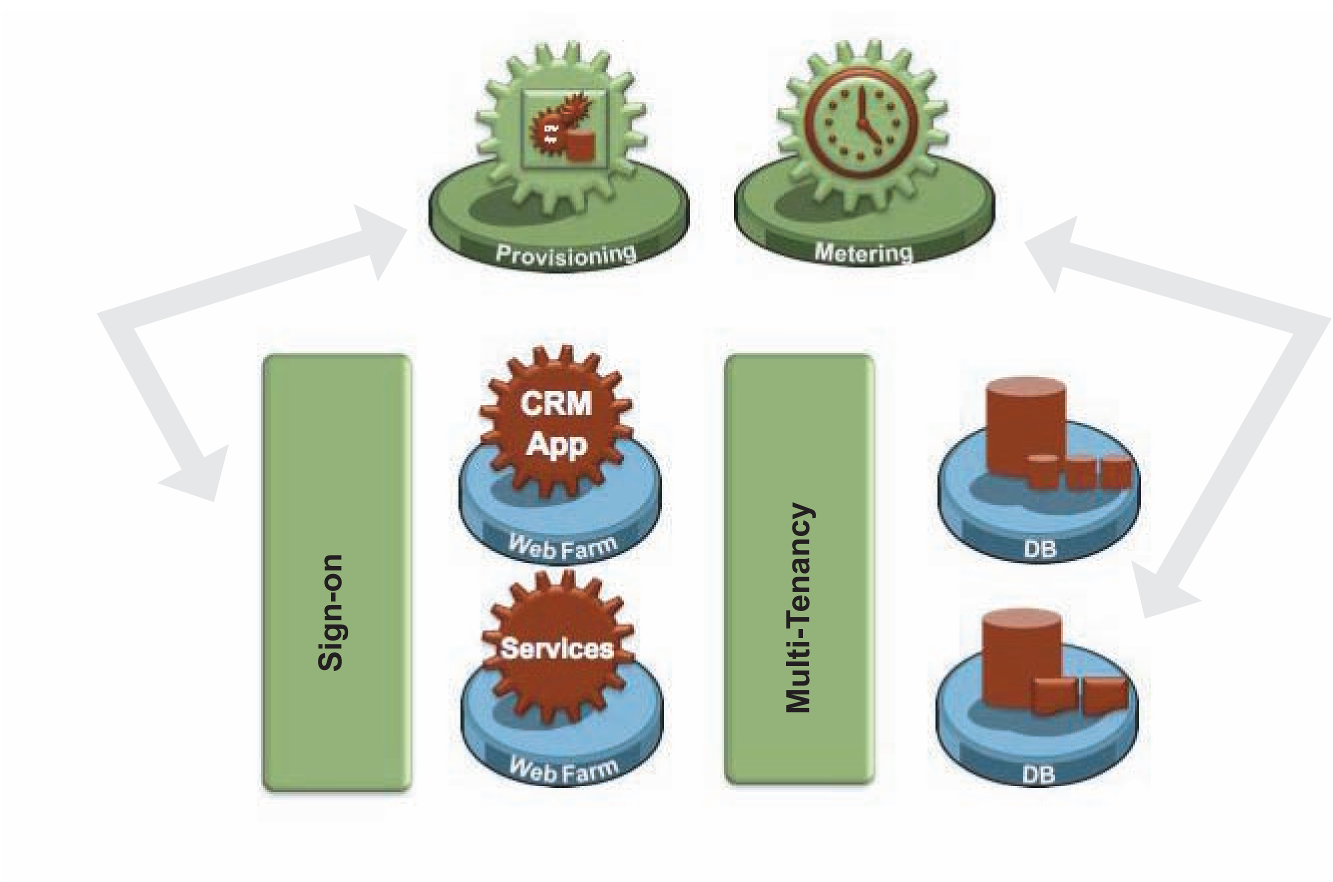
Increasingly, all of the Sage CRM Solutions products will include adoption of new Web-Oriented Architecture (WOA) standards such as Really Simple Syndication (RSS), Atom (a simple way to read and write information on the Web), and REST to ensure that the integration capability of the products evolve to provide services-based integration from all product lines. The benefit of services-based integration is having a single API that could be used to query, update, and index structured data in a Sage CRM Solutions product and integrate these with such data in other third-party applications and on the Web.

One of the benefits of adoption of open RESTful interfaces across our CRM product lines is that interoperability between the CRM products becomes easier to achieve. Indeed, as our customers' needs change and evolve, the CRM 2010 technology strategy will enable truly seamless migration among our Sage CRM Solutions.

SaaS Business Platform

SaaS is mostly known to users as a business application deployed off-premise relative to the enterprise. To some organizations, this business model may be appealing as the time-to-value is often faster than dealing with internal issues such as capital expenditures or an IT review of the solution, etc. From a technical point of view, applications provided as a service do not differ from the on-premise Web-based applications, except in the licensing of the usage.

Figure 11: SaaS Business Platform



In order for a vendor to efficiently deliver applications in a SaaS business model, the vendor's internal delivery architecture must often be adjusted as well. Providing SaaS applications to a wide customer base implies that multiple environments must be deployed in a shared resource environment to reduce deployment resource capacity. Efficiency in the SaaS model is often tracked by the cost of adding or removing a user organization. Naturally, vendors look at minimizing this cost, while maintaining the best user experience.

To provide a cost-effective SaaS solution, vendors often modify their applications to allow a single instance of the application to serve multiple user organizations, therefore reducing cost of application maintenance and updates. Or, in some instances, the vendor would allow a single database to hold data for multiple user organizations. This is often referred to as "application multi-tenancy," "database multi-tenancy," or simply "multi-tenancy."

The CRM 2010 technology strategy includes developing a SaaS business platform, which will allow for the development, testing, deployment, and management of SaaS applications. This will include the Sage CRM Solutions application portfolio as well as new context aware services. The SaaS business platform will include four major components.

The first component of the SaaS business platform is to enhance the Sage CRM Solutions product lines to allow for multi-tenancy.
We believe that support for a one-to-many relationship between the application and the customized user databases provides the greatest user flexibility, while maintaining operational efficiencies in deployment and upgrades.

In addition, the SaaS business platform will support the product multi-tenancy by providing three additional components:

- Easy, simple, on-demand deployment and provisioning
- Single sign on and authentication services
- Intelligent metering that accommodates flexible licensing and billing

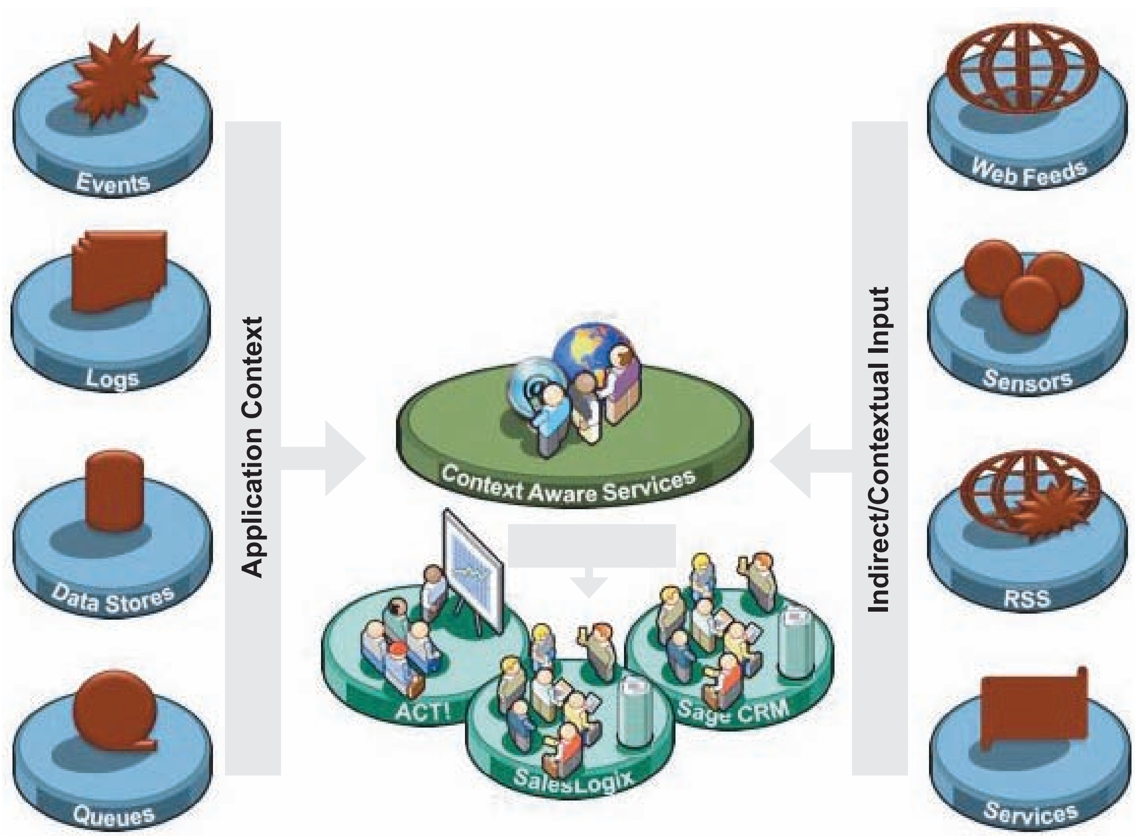
Context Aware Services

To allow loosely-coupled systems to communicate using Web Services, a Service Oriented Architecture (SOA) approach was developed and recommended for enterprise applications. However, the SOA approach proved to be cumbersome and complex, requiring a range of additional standards such as directory services, security services, discovery, and more. As a result, the Web community resisted the adoption of infrastructure heavy SOA standards, deciding instead to adopt a different pattern that is founded on representing the state of information in a URL and being able to freely extract information states and share the same. The WOA paradigm is rapidly gaining momentum and overtaking the SOA approach.

This RESTful world is driving a new pattern of the context aware application and services. These new services will prove to be more useful as they can apply indirect context from external feeds and sensors (e.g. context from social computing systems or GPS location reports in mobile systems), dynamically adapting as new feeds emerge. In addition they will apply direct application context such as the current information in databases, logs, and preferences.

For example, in the context of a sales-oriented service, a user could get wireless updates to his/her mobile device calendar and contact information at any time from any of the CRM products. The service would have access to the fact that a trip is planned in two weeks and that the activity system includes meetings with contacts that have not had previous interaction with the sales person.

Figure 12: Sage CRM Solutions Context Aware



Then, a context aware service would be able to gather indirect context available on the Web and social networks (in this example, let us assume there is a LinkedIn® profile of the contacts and a ZoomInfo™ profile of the company). If this information is automatically available for review, it would add great value to the simple wireless sync service. If the service can also gather that the trip is inter-state (therefore implying a long period of offline access needed), then this information could be accessed and cached on the system and available offline.

Figure 13: Example - Sales-Oriented Context Aware Service

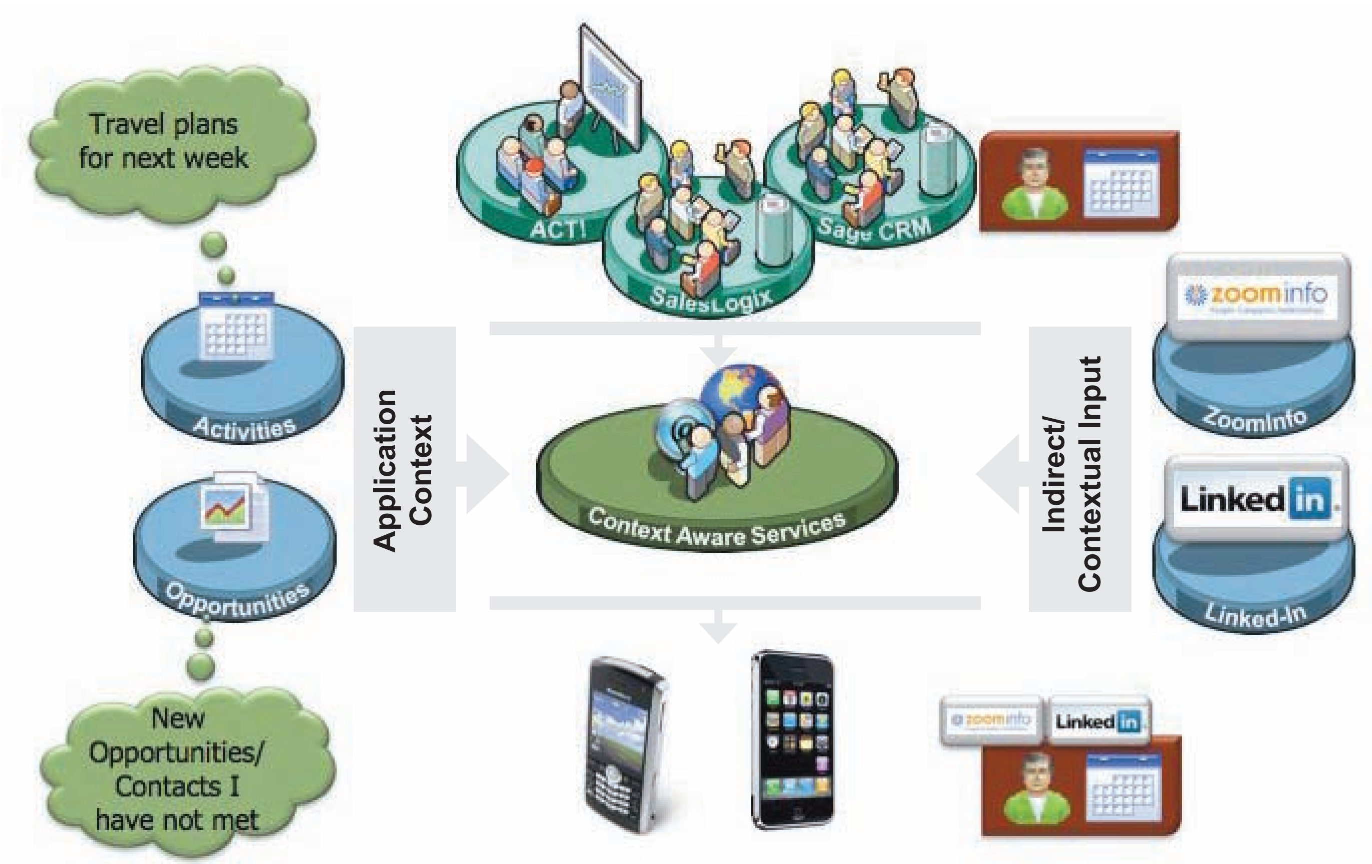
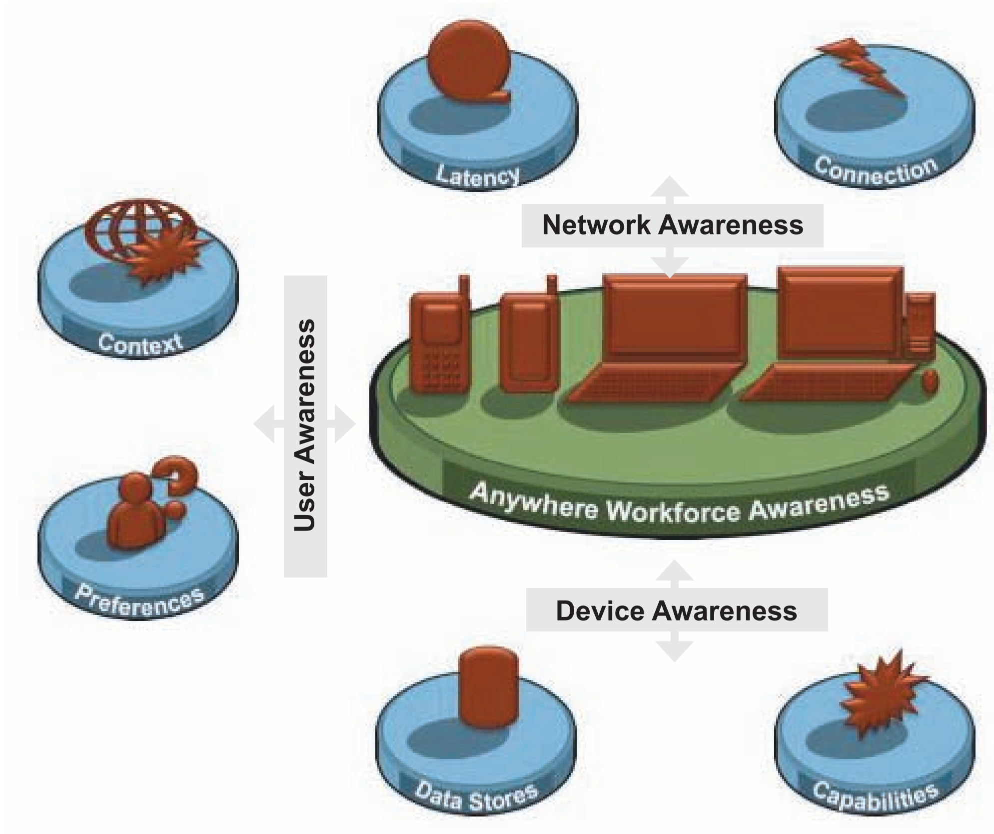


Figure 14: Anywhere Workforce Awareness



Anywhere Workforce Awareness

The CRM 2010 technology strategy includes a key component to support the anywhere workforce experience. Customers expect continual access to their CRM information, regardless of device, connectivity, or type of information they seek. By making applications aware of the device that they are executing on and enabling them to leverage the device capabilities and local data stores, mobile users can realize a rich user experience.

Applications need to be aware of the network connectivity and capabilities in order to present a Web-based view, or perhaps switch to a disconnected offline view of the information. This implies that a business analyst or developer needs to be able to customize the CRM application once and deploy those customizations on a Web-based platform, on a disconnected device, and/or on a mobile device that is online or offline.

The five key elements of the CRM 2010 technology strategy (common components, services-based integration, SaaS business platform, context aware services, and anywhere workforce awareness) directly support the strategic goal to differentiate our Sage CRM Solutions product family in the areas of interoperability, anywhere workforce experience, and connected front-office and back-office applications. As the lines between on-premise and on-demand applications blur, with applications supporting the new Web 2.0 technologies and standards, Sage CRM Solutions will play a leading role in the incorporation of CRM 2.0 services with existing applications, as well as in the definition of new context aware services.

Figure 15: Key Roadmap Elements by Area of Differentiation

AREA OF DIFFERENTIATION	KEY ROADMAP ELEMENTS DELIVERED INCREMENTALLY IN 2008 - 2010
Interoperability and Migration	• ACT!/Sage CRM/Sage SalesLogix Interoperability • Competitive Migration Tools to Sage CRM Solutions family • Common Components - Outlook Integration, Reporting, Analytics, Workflow - Icons/Consistent Style
Anywhere Workforce Experience	• Hosted ACT! and Sage SalesLogix • Hosted Services, Context Aware Services • Device/User/Network Awareness • Rich User Experience - Connected/Disconnected • Create Once/Deploy Multiple Customizations
Connected Front and Back Office	• SData, RSS, Open Standards • End-to-End Look-up and Reporting • Integrated Suites • Real-time Data Views • Common Integration Interface

SAGE CRM SOLUTIONS 2010 ROADMAP

The Sage CRM Solutions family currently delivers a robust set of capabilities within the key elements of our strategic vision. Today, there is interoperability within specific product families like ACT! and Sage CRM and migration tools are available to assist customers in moving their data from ACT! to Sage CRM or Sage SalesLogix.

In the future, greater interoperability can be expected within our product family. In addition, a consistent look and feel, as well as common components such as Outlook integration, common reporting, analytics, and workflow will enable our customers to utilize multiple Sage CRM Solutions within their organization or migrate from one solution to another, with ease, as their business requirements grow and change.

The anywhere workforce experience will include on-demand and on-premise versions of our three product lines. Complementary on-demand services will be available to provide even greater value and utility. And, through the application of modern technology, applications will be network, device, and user aware to deliver a very rich, context aware experience.

Combinations of modern technology like REST, RSS, and standard data formats will streamline data exchange between the front and back office. End-to-end look-up and reporting functionality will make it easy to find and report on relevant information, wherever it resides, in a seamless manner. And, a common integration interface will enable customers to interchange various Sage CRM Solutions products or Sage ERP products, while maintaining the integration functionality and user experience. The Sage CRM Solutions 2010 Roadmap not only offers compelling benefits to our customers, but it will also enable Sage Business Partners to leverage and re-use knowledge across a wider range of Sage products — enabling them to deliver greater service to Sage customers.

CONCLUSION

CRM 2010 is a powerful, but pragmatic vision. It addresses the functional requirements of key market segments, while leveraging technology innovations that will transform the CRM market. CRM 2010 is focused on three strategic objectives:

- Optimize the Sage CRM Solutions family against a business requirements-driven segmentation model
- Differentiate the Sage CRM Solutions family on the basis of interoperability, anywhere workforce experience, and connected front-office and back-office solutions
- Implement a comprehensive technology strategy that leverages standards and emerging trends, including Web 2.0

Unlike multi-year strategies from other CRM vendors, CRM 2010 is designed to deliver near-term benefits for our customers. Our roadmap will realize exciting innovations as early as 2008, with additional enhancements coming available on a tightly sequenced schedule through 2010. As designed, those organizations that use Sage CRM Solutions will realize significant benefits that include:

- Quick time-to-value with solutions that are purpose-built to support the CRM visions of our customers
- Functional synergies among Sage's CRM, ERP, and vertical products through the adoption of a comprehensive, standards-based technology strategy
- Enhanced end-user productivity and cross-organizational collaboration through the application of Web 2.0
- Streamlined, end-to-end business processes through seamlessly connected front-office and back-office applications
- Unsurpassed flexibility and investment protection with a combination of on-premise and on-demand delivery options that enables organizations to mix and match functionality to meet their unique business needs

CRM 2010 was developed through extensive research and dialogue with Sage's large and diverse customer base. As we execute this strategy, we will continue to collaborate with our customers to refine particular aspects of the strategy.

About Sage CRM Solutions

Sage CRM Solutions is a portfolio of market-leading applications consisting of ACT! by Sage, Sage CRM, and Sage SalesLogix.

ACT!, the #1 selling contact and customer management solution for over 20 years, assists individuals and teams by centralizing contact and calendar information, increasing communication effectiveness, and improving individual and team productivity.

Sage CRM and Sage SalesLogix are award-winning CRM suites which address the business process needs of fast-growing organizations across Sales, Marketing, Service, and Support. Sage CRM is fully Web-based and can be deployed on-premise or on-demand. It also offers out-of-the-box integration with leading Sage ERP applications. Sage SalesLogix delivers deep, rich customization capabilities and high levels of user adoption across all deployment methods including Web, Windows, and mobile devices.

Over 56,000 organizations and 3.1 million users worldwide rely on Sage CRM Solutions to develop profitable, long-term business relationships.

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