

Extended Enterprise Vision

Business Management Division,
Sage Software

May 2008



sage
software

Your business in mind.

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Executive Summary

Today's small and midsize enterprises—like their larger enterprise counterparts—are faced with new challenges and opportunities that are reshaping the traditional ways of doing business. Technology has brought the world closer together. Change happens more quickly. Business environments are more dynamic. Individuals and teams are more collaborative.

The Sage marketplace includes start-ups, small enterprises, midsize enterprises, and divisions of large enterprises. As an innovation leader in this space, we are uniquely prepared to help our customers thrive amidst a changing environment. Our strategic vision is one of total-office integration. By linking people, processes, and workflows from inside and outside an organization, we will help our customers drive success. We call this strategy the Sage extended enterprise vision, and it began where many of our ideas and innovations begin: with our customers.

Through our conversations with our 5.4 million customers worldwide, we know that businesses today are facing tremendous global pressures, resulting in razor-thin margins and increased competition. At the same time, the Internet has spawned new methodologies, business models, and approaches to solving complex problems. Many bleeding-edge technologies of yesterday, which used to be prohibitive to small and midsize businesses due to cost and complexity, are finally becoming more affordable, mature, applied, and reliable. Considering these challenges and opportunities, we believe the small and midsize enterprise (SME) market is on the threshold of a significant shift—and Sage Software is prepared to lead the way.

Today, Sage Software is launching our first family of extended enterprise solutions for our mid-market flagship products—Sage MAS 90 Extended Enterprise Suite and Sage Accpac Extended Enterprise Suite. Both solutions support front-office processes such as sales, marketing, and support with SageCRM. They additionally feature consistent experience areas such as license agreements; maintenance plans; single user sign on; a uniform user experience based upon workflow, common order entry, common view of order and payment history; and a single customer support center.

What follows is an overview of our extended enterprise vision. In addition to providing the Sage Software perspective on market trends, this white paper will define the extended enterprise approach as well as key drivers of the Sage strategy going forward. Finally, the white paper will outline how Sage will create a differentiated position by marrying concepts such as service-oriented architectures (SOA), Web 2.0 capabilities, on-demand, analytics, open standards, and flexible mobility approaches with existing ERP and CRM applications—already recognized for best-in-class features and usability.

By linking people, processes, and workflows from inside and outside an organization, we will help our customers drive success. We call this strategy the Sage extended enterprise vision.

Trends That are Shaping a Flexible New Workplace

Five key trends are influencing the Sage extended enterprise solutions roadmap. These serve as our guide as we continue to refine our product portfolio, create end-to-end solutions, and help our customers thrive amidst rapid change.

Easy Everything

When it comes to business solutions, simplicity and ease of use have universal appeal to all Sage market segments (regardless of size). A younger generation of decision makers, reared on the Internet and accustomed to information accessibility, is assuming leadership of the business world. These Generation X and Y managers, workers, and entrepreneurs will demand business applications and solutions that are as easy to use, collaborative, and flexible as the consumer applications they're accustomed to using for e-mail, media management, and online banking. As a result, Sage Software makes simplicity the core principle in our delivery of extended enterprise solutions, which require extremely short learning curves and reduce the need for formal training.

Going Mobile

Advancements in mobile technology have been rapid and widespread. As business adoption grows, features advance, prices drop, wireless networks become more pervasive, and connectivity becomes ubiquitous, mobility has transitioned from an optional capability to a critical business enabler. Business will increasingly be conducted from smart phones, handheld devices, and notebook computers. Professionals will demand the ability to work on their own terms—where they want, and when they want.

Business on Demand

Many small and mid-sized enterprises (SMEs) do not have the luxury of having established IT departments or budgets. Thus, SME technology decision makers will continue to favor applications they can rapidly implement, manage, and use—and fit with what they already own. Although this trend alone may not fuel complete adoption of on-demand solutions across the SME market, over time SMEs will be more inclined to consider the benefits of an on-demand delivery model on a case-by-case basis. Adoption of on-demand models will range from fully-hosted software as a service (SaaS) applications to specialized on-demand services that complement existing in-house desktop solutions. As a result, Sage Software will expand and refine our on-demand offerings to provide customers flexible choice.

Globalization

Now more than ever, SMEs are rapidly expanding their global reach. Widespread and diverse markets of goods, services, and labor allow even the smallest companies to leverage opportunities for selling and outsourcing as a means to cut costs, improve service levels, and increase revenue. As a result, customers, partners, and suppliers are frequently located not just down the street or even in the next state; they may be on a different continent and dealing in a different currency. SMEs need technology that facilitates secure, real-time interaction and information sharing that manages these complexities.

Sage Software makes simplicity the core principle in our delivery of extended enterprise solutions, which require extremely short learning curves and reduce the need for formal training.

Connected Communities

The emergence of Web 2.0 and online social networks has revolutionized personal networking for individuals. As SMEs expand with remote offices, suppliers, and customers all over the world, businesses will increasingly leverage enterprise social networking, knowledge management, and resource identification in order to collaborate more effectively. Consequently, a growing function of information technology will be to facilitate intelligent self-service applications that drive marketing campaigns, focus on persistent customer engagement, and drive unstructured interactions among internal workers, as well as with external partners and suppliers. SMEs will increasingly demand that their business solutions readily identify and enable community participation and collaboration.

Restricted Enterprises vs. Extended Enterprises

In addition to their own internal functions, employees, and processes, SMEs typically interact with scores of suppliers, partners, distributors, outsourcers, contractors, and consultants on a daily basis. Together these internal and external constituents make up the business value chain. All parties have their own roles, priorities, circumstances, and self-interests, but they collaborate in various formal and informal ways in the planning, design, development, production, testing, and delivery of a product or service to the end customer or end user.

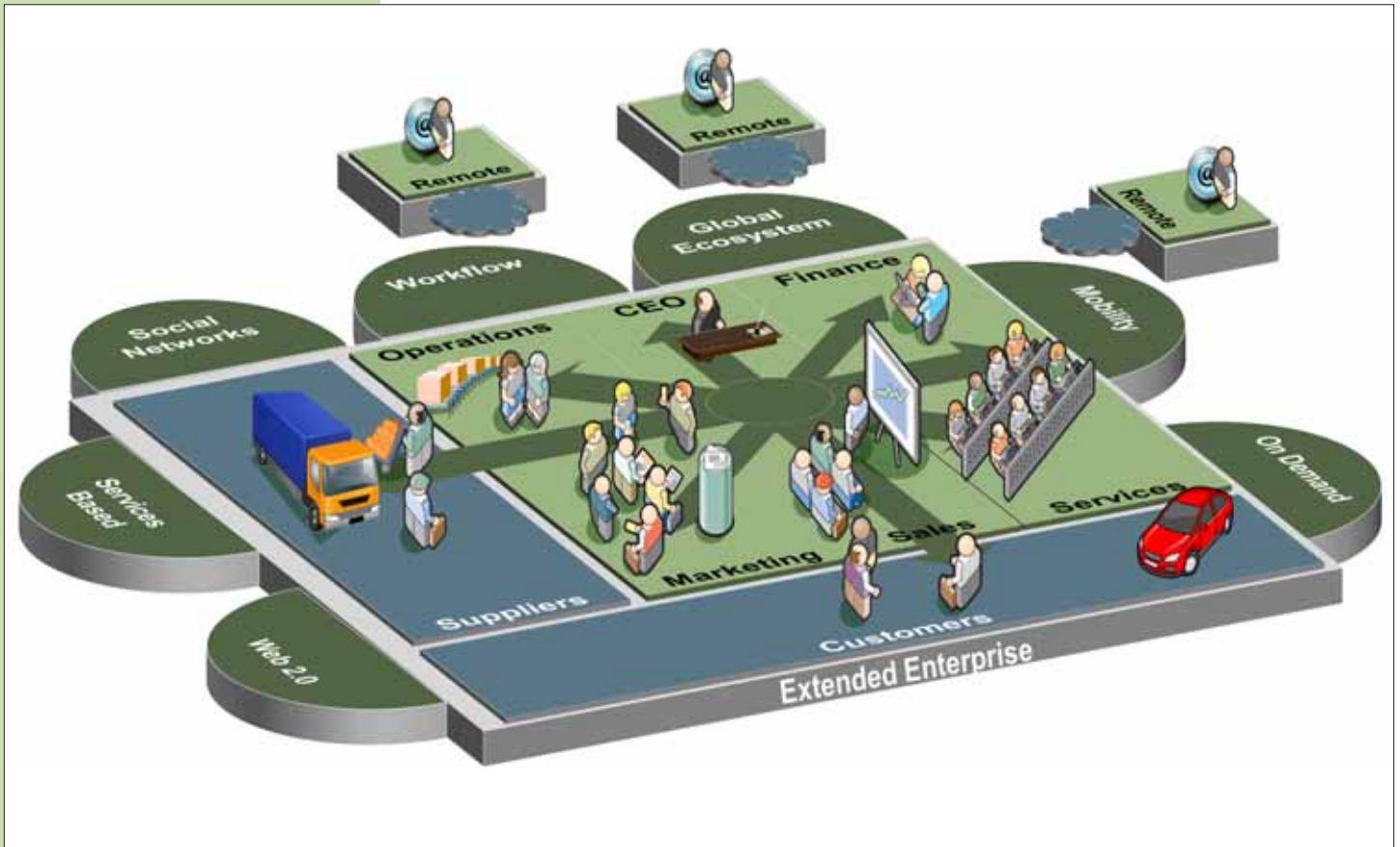
Internally, these value chains can be fragmented as departments operate within functional “silos” with each having their own data sources, formats, business goals, and processes. A common example is the relationship between front-office teams (sales, marketing, customer service/support) and back-office teams (accounting, receivables/payables, manufacturing). A sales team might be working with outdated product pricing or a manufacturing team may lack a view into recent quotes and updated forecasts. Both scenarios can set the stage for embarrassing (and potentially deal-breaking) interactions with customers.

Communication breakdowns not only occur within a business at the functional levels, but also beyond the walls (both real walls and firewalls) of the business with suppliers, business partners, and customers. Outside the business, information exchange is even more informal, inefficient, sporadic, and unstructured. This causes slow reactions to market demands and opportunities, lengthy delivery cycles, and poor customer service.

As SMEs expand with remote offices, suppliers, and customers all over the world, businesses will increasingly leverage enterprise social networking, knowledge management, and resource identification in order to collaborate more effectively.

In order to level the playing field with larger enterprises that are exploiting economies of scale and a faster velocity of business, SMEs must improve agility in all areas of the value chain (including planning, sourcing, design, development, costing, etc.). They must transform from restricted enterprises to extended enterprises. Sage extended enterprise solutions help businesses solve this mission-critical challenge by integrating data and processes, and providing the means to bridge the gap between internal business functions and external constituents.

SAGE EXTENDED ENTERPRISE MODEL



Leveraging open standards, flexible mobility approaches, Web 2.0, and other enabling technologies, Sage extended enterprise solutions provide end-to-end software connectivity that dynamically links people, processes, information, workflows, and communication channels—across internal and external functions.

Enabling the Extended Enterprise

What follows are overviews of the three key tenets of the Sage extended enterprise integration and technology vision. These focus areas will help SMEs (and divisions of larger enterprises that ascribe to run our software in a de-centralized manner) realize the full potential of managing their extended enterprise. Each describes where Sage Software is today and what is being worked on for delivery in the near future.

ENABLING WORKFLOW

There are literally thousands of processes and tasks that fuel the productivity, profitability, and sustainability of every SME. From the accounting clerk to the sales person to the CEO, each employee adds value independently and in unison. But when employees are fully empowered to interact seamlessly with internal and external stakeholders, they drive even further value for the company.

Today

By breaking down traditional barriers between internal functional silos and delivering solutions that span end-to-end processes in the enterprise, Sage Software is helping SMEs achieve tremendous efficiency and effectiveness gains.

Sage Software currently delivers is a suite of ERP and CRM solutions that provides seamless and differentiated front- and back-office integration. With ease-of-use as a fixture throughout, these extended enterprise solutions empower functionally-diverse employees from across the business with a complete view of the customer. This enables them to work together to build profitable customer relationships and provide a single consistent experience.

Sage Software solutions aggregate and combine customer data from the front- and back-office areas and translate it into meaningful intelligence, which can then be leveraged to strengthen decision making, understand a complete customer history, speed up sales processing and order fulfillment, and improve customer service. Integrated applications from Sage Software also enable improved partner relationships and supply chain management by providing real-time access to information that used to languish behind the firewall.

Innovations in Web and mobile platforms, particularly in the CRM segment, are key ingredients to delivering the promise of extended enterprise capabilities. Sage CRM Solutions provide total-office data access anywhere, anytime, and across a variety of devices, which enables SMEs to be more agile, responsive, and competitive.

Through the use of digital dashboards, business performance management solutions, and business intelligence tools, Sage Software is helping SMEs better forecast, analyze, manage, and control their business performance. By providing instant access to real-time information across the enterprise, Sage Software solutions help professionals make rapid and confident decisions at all levels of their organizations.

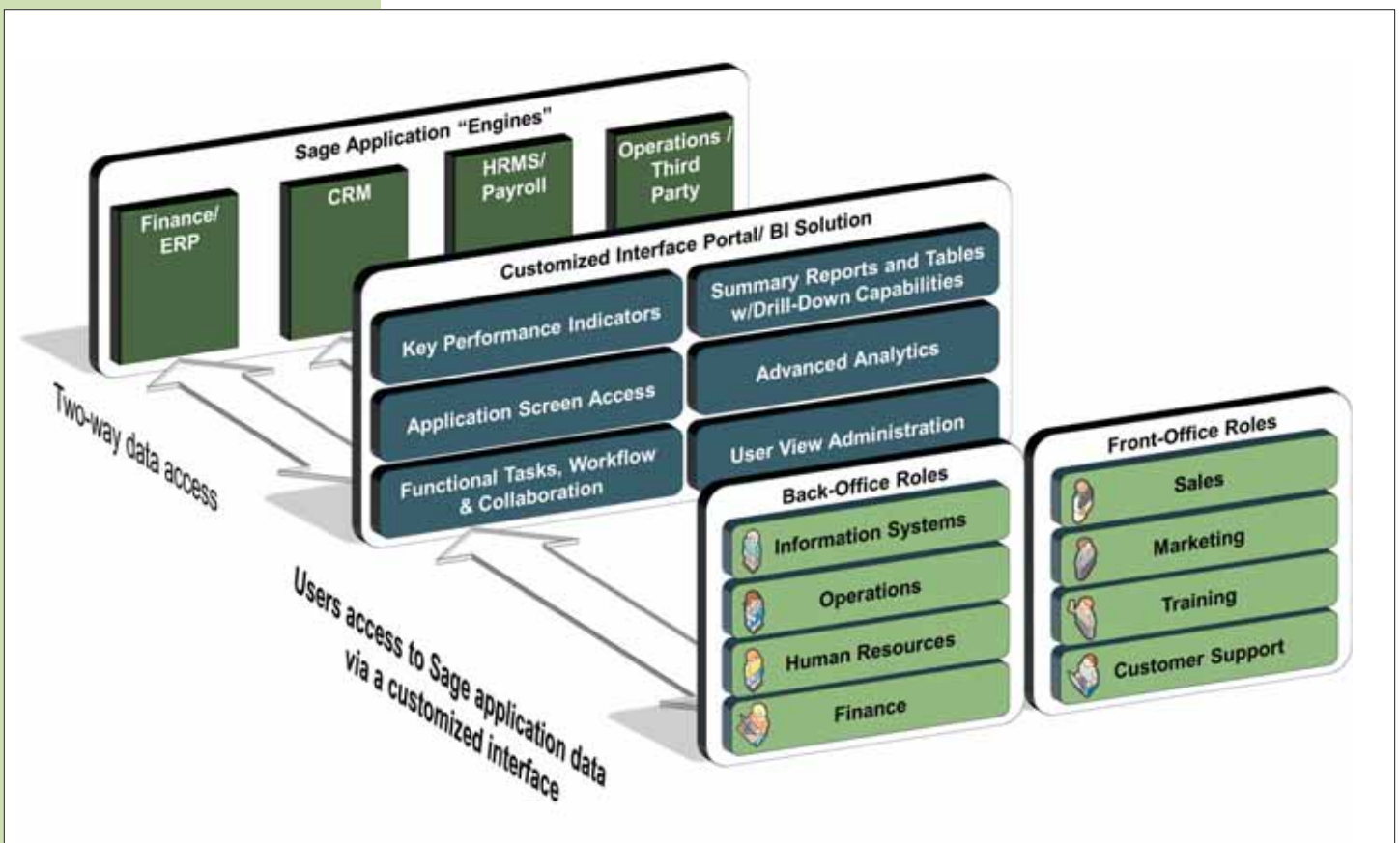
With ease-of-use as a fixture throughout, Sage extended enterprise solutions empower functionally-diverse employees from across the business with a complete view of the customer.

Tomorrow

SMEs are actively preparing for the next phase of integrating their business processes, information, and workflows. To achieve this, it is essential that businesses fully integrate their disparate internal applications. This includes real-time transactional linkages with external suppliers, resellers, partners, and customers. Information sharing across these critical relationships is critical in order to realize competitive and operational advantages.

Sage Software believes the market will value end-to-end solutions that provide complete transparency and control of the entire operation. In the future, the Sage extended enterprise solutions of today will evolve into role-based applications powered by portal technology and Web 2.0 capabilities. These suites will provide unfettered transaction, process, and data access anywhere, anytime, on any device, and across diverse organizational boundaries. This real-time or near real-time data connectivity will power a “total-office” solution that dramatically enhances collaboration both internally as well as with external trading constituents.

EXTENDED ENTERPRISE “ROLES-BASED” WORKFLOW MODEL



Extended enterprise suites from Sage feature a roles-based orientation, which drives workflow and provides user-defined views, business intelligence, analytics, and reporting in the right context to the right person at the right time.

Extended enterprise suites will support the increasing fluidity of roles that employees must fill within an SME organization over time. Flexible application mashups—solutions that quickly and easily merge data residing in multiple sources—will deliver role-relevant insight in the appropriate context and at the correct interval, giving workers the knowledge, capabilities, and control needed to be productive. Integrated business intelligence will uncover highly-qualified opportunities by identifying subtle trends and buying behaviors within the customer base. Predictive analytics will enable customer behavior to be modeled and compared for several "what-if" scenarios. Embedding the power of analytics within the extended enterprise will yield extreme productivity as users transparently leverage accumulated knowledge in real time.

In order to accommodate target markets and existing customers, Sage Software will create these extended enterprise suites using three approaches. First, we will enhance and build new applications by leveraging the current flagship ERP and CRM solutions including Sage MAS ERP, Sage Accpac ERP, Peachtree by Sage, and Simply Accounting by Sage, as well as Sage SalesLogix, SageCRM, and ACT! by Sage. Secondly, our partners will develop new components to augment Sage solutions to ensure that they fit into specific markets. Finally, existing development partner solutions will be utilized where they deliver specialized capabilities.

ENABLING ECOSYSTEM TRANSACTIONS

The business management solutions of yesteryear were generally horizontal in nature and didn't offer much functionality to address challenges specific to unique markets. With rising competitive pressures and the demand for shorter delivery cycles, that approach is no longer sufficient. Be it a durable goods manufacturer, a retail boutique, or a property management firm, today's SMEs require solutions that automate transactions and service delivery throughout their value-chain every step of the way—regardless of how unique they are.

Today

A vibrant network of 6,600 business partners, master developers, and independent software vendors is a key competitive differentiator for Sage Software in the marketplace today. Our partner network is a vital contributor in our extended enterprise model because they have an intimate understanding of the key roles, workflow, and operating rhythm of our customers' businesses.

In close collaboration with this community, Sage Software offers SMEs a broad range of applications and capabilities to facilitate transactions with customers and suppliers throughout their own business value-chain. These solutions enhance the capabilities of Sage ERP Solutions and Sage CRM solutions through integration that solves very specific business challenges, automates tasks, and simplifies processes.

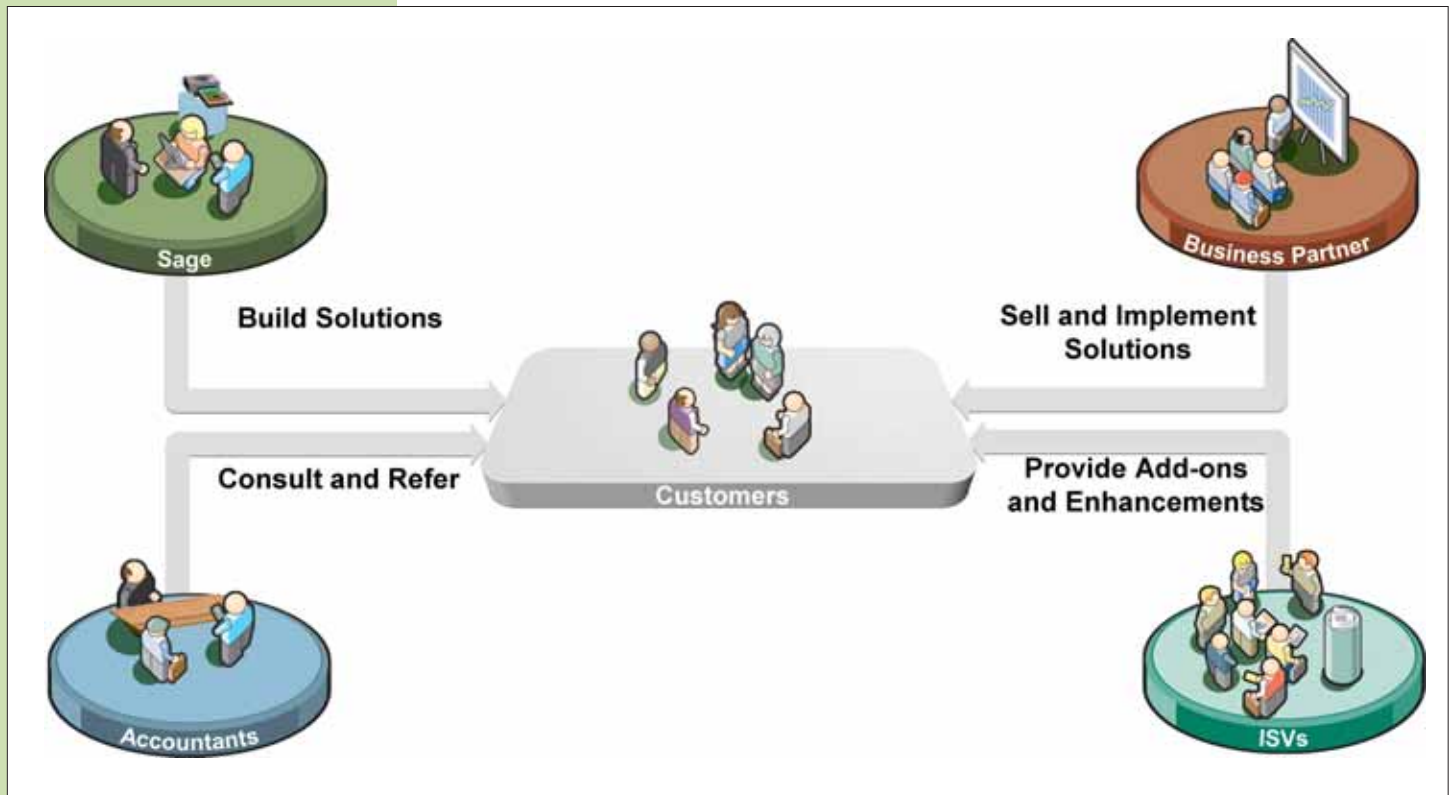
Extended enterprise suites will support the increasing fluidity of roles that employees must fill within an SME organization over time.

In addition to our network of developers and value added resellers, Sage Software also leverages ecosystem partners—including accountants, financial institutions, third-party developers, and other industry authorities. These partners serve as influencers and enablers to the markets Sage Software serves. They provide substantial value and ancillary services to our customers in helping them to choose the right solution, fit it to their business model, and continually improve it over time.

Sage Software business partners must pass a stringent review and certification process in order to be part of this specialized development and distribution channel. They must also agree to support their solutions in accordance with Sage Software best practices. These guidelines ensure our partners understand Sage Software products and have a comprehensive knowledge of the markets in which our SME customers compete.

Finally, Sage Software continues its leadership in making our solutions more customizable. Each new release of our solutions provides more extensive customization capabilities that are designed to further simplify our partners' abilities to fine tune applications to accommodate the needs and perspectives of individual customers, their business models, their workers, and their constituents. Comprehensive testing and certification capabilities will ensure that these offerings are worthy of deployment and an endorsement by Sage Software.

SAGE ECOSYSTEM MODEL



The Sage ecosystem is a collaborative network of business partners, independent solution vendors (ISVs) and development partners, accounting firms, and other partners that delivers value to customers via a broad range customized products and services.

Tomorrow

Sage Software recognizes the importance of its rich partner network. In order to further empower our existing community and attract additional partners, we will emphasize a continued evolution of our products to support open, standards-based technologies.

Upcoming releases of our extended enterprise solutions will also introduce Web 2.0 enabling technologies, RESTful interfaces (representational state transfer) and RSS (really simple syndication) capabilities. As these principles become a fixture in Sage extended enterprise solutions, they will enable development partners and independent software vendors to streamline the creation of components that make ecosystem transactions easier and more efficient—and better deliver against the extended enterprise vision. SaaS delivery of both applications and complementary services will add further deployment choice and flexibility. (For more information on these enabling technologies, see Appendix A.)

Partner-developed solutions will further automate and simplify an expanding range of market-specific work tasks, transactions, circumstances, analytic tools, and processes—enabling our customers to transact within their own business ecosystem more effectively. These add-on applications and components will serve as building blocks for SMEs, enabling them, with minimal effort, to “snap-on” additional solutions to their existing Sage Software applications as they are needed. This will substantially enhance their business capabilities and efficiency at a nominal, incremental cost.

Because these solutions will be re-usable, standards-based and therefore easily interconnected, Sage Software will offer a component marketplace in which customers and partners can readily view and share components that they have developed. This method of constructing and sharing business applications will reduce redundancy and facilitate greater collaboration and innovation among the Sage Software partner and independent software vendor communities.

ENABLING RELATIONSHIPS

Business relationships in the SME marketplace have traditionally been highly structured and formal in nature. The Internet and the advent of online social networks have enabled businesses to collaborate in new ways. Online communities and networks enable SMEs to develop more meaningful and productive relationships between employees, customers, and partners.

Today

Sage Software's current direction in enabling relationships has been to manage customer and supplier/vendor relationships completely within a single solution and via a single user experience—even if the information is contained in disparate applications and databases. Achieving this complete view of the customer requires meaningful dynamic integration between the disparate applications.

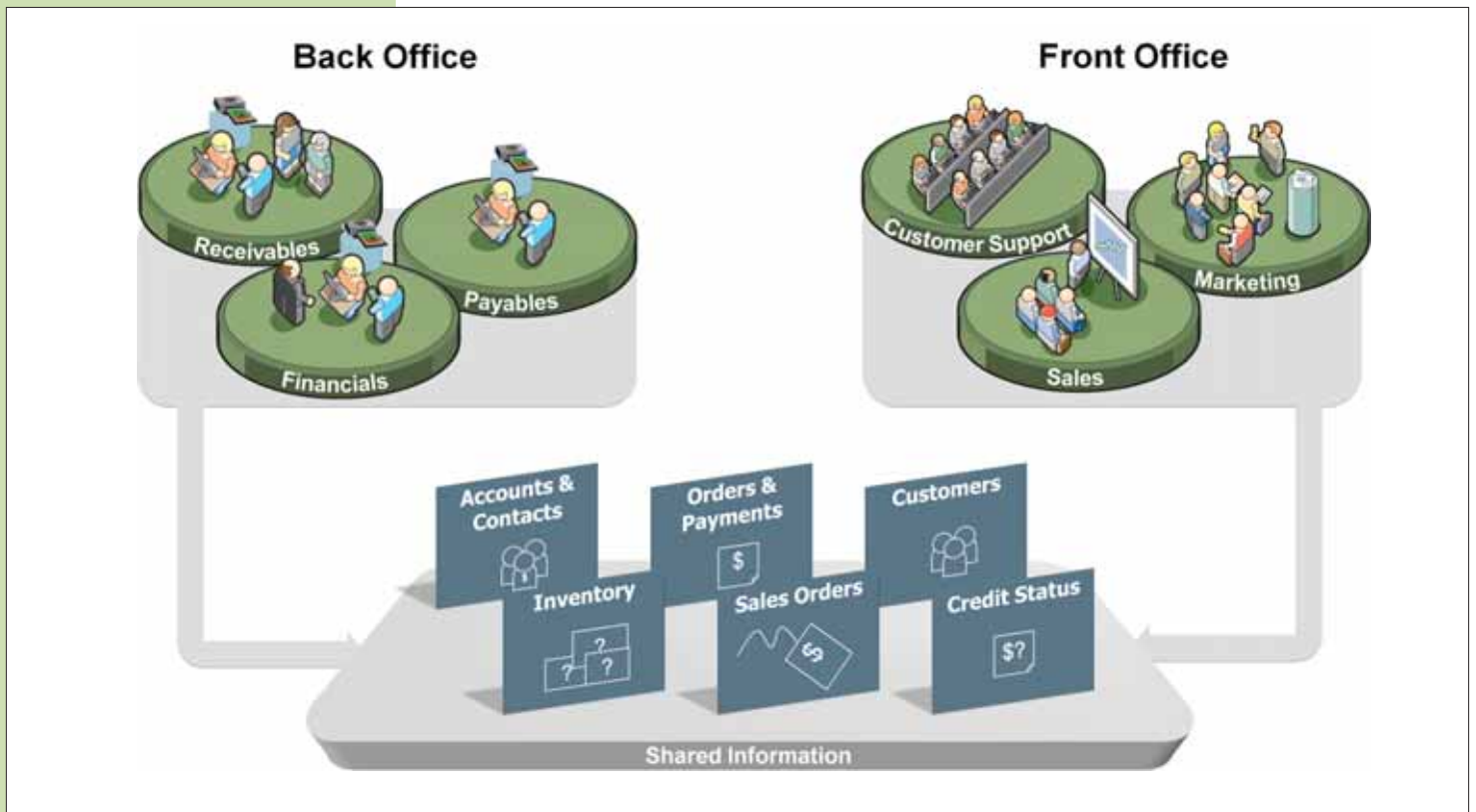
In order to further empower our existing community and attract additional partners, Sage Software will emphasize a continued evolution of our products to support open, standards-based technologies.

Sage CRM and ERP Solutions deliver this flexible integration today, which enables many Sage Software customers to have a complete 360-degree view of their enterprise—from the specific vantage point of every unique role represented within the company. Sage Software customers are experiencing increased effectiveness and efficiency gained by empowering their employees with the structured relationship data they need to act, at the time and within the context that it is needed.

Our current applications will evolve to further enhance customer value in areas of relationship enablement in new and unique ways. Sage CRM Solutions provide the capability to store relevant notes, activities, communications, and documents related to contacts, groups, or accounts. These solutions will progress to identify relationships and patterns to provide a basis for networking and identifying additional connections.

The key to unlocking further customer value in this area is to capture other tacit information that the business may not know is valuable, and to facilitate the analysis of these customer profiles, transactions, and workflows to determine important connections that exist. Refining these capabilities utilizing the Sage customer-connected design approach will yield additional relationship enablement abilities that can greatly enhance a customer's reach, productivity, effectiveness, and success.

SAGE INTEGRATION MODEL



Sage CRM and ERP Solutions deliver flexible integration that enables front- and back-office workers to have a complete 360-degree view of the customer, including account history, credit status, and more.

Tomorrow

One shortcoming of today's business management applications is that they are generally utilitarian and transactional in nature. They have little or no knowledge about the role or position of the user in the organization and only know about relationships to the extent necessary for transaction processing purposes.

Future Sage Software solutions will understand the organizational structure and intelligently assist the business in work processes such as assigning work items, escalating tasks that require attention, and meeting service level agreements. This future extended enterprise generation of applications and services will be built around relationship enablement, context aware services, and embedded business intelligence. It will also leverage enterprise social networking capabilities. In doing so, Sage Software solutions will help businesses move away from a bureaucratic, transactional culture to a high service level empowered culture.

A key distinction to our extended enterprise approach is that, while traditional enterprise applications software would apply formal structure, linkages, and conventions prior to use, Sage Software solutions and data models will leverage what is learned through actual use to create dynamic structure, linkages, and conventions. This creates a model where individual users are able to control and adapt their own experience with less (or no) reliance on IT, resulting in a workspace that they find personally intuitive and more efficient. It also creates an environment in which virtual teams can utilize, enhance, and retain consistent knowledge on an as-needed basis, unifying as necessary, delivering and then disbanding as dictated by business conditions and opportunities.

Some applications Sage Software envisions in this area include: solutions that leverage persistent customer interaction in order to maximize exposure, value, and reliance; solutions that provide more effective ways of working with all of the various stakeholders in the extended enterprise—customers, suppliers, partners, and employees—by managing emerging and evolving linkages and connections based on the history and strength of transactions and workflow; and solutions that drive marketing campaign effectiveness through use of click-thru and landing page analysis of prospect purchasing behavior.

Sage Software is committed to helping our customers maximize their productivity, effectiveness, and reach by enabling the growth of their business relationships.

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Sage Extended Enterprise Solutions

The roadmap for the Sage extended enterprise vision calls for Sage Software solutions to transition from applications-oriented products, which simply exchange and link data, to total-office solutions that seamlessly collaborate. While separate front- and back-office applications will never go away, it is imperative for them to become increasingly more interactive. This collaboration will require a roles-based orientation, which drives workflow and user-defined views and provides quick insight leveraging common business intelligence, analytics, and reporting tools. These applications will support concepts such as Web 2.0, mobility, collaboration, analytics, and Web services. Further, they will serve constituents both inside and outside the walls of the business.

Today

Sage Software has launched its first generation of Extended Enterprise solutions for our mid-market flagship products—Sage MAS 90 and Sage Accpac. Sage MAS 90 and Sage Accpac Extended Enterprise editions support front-office processes such as marketing, sales, and customer service—powered by SageCRM. These new extended enterprise solutions bridge the traditional front- and back-office processes with consistent experience points such as license agreements, maintenance plans, single-user sign on, a uniform user experience based upon workflow, common order entry, common view of order and payment history, and a single customer support center.

In delivering these solutions to market, our objective is to provide complete awareness, automation, and accuracy. This starts the journey of making Sage Software solutions aware of one another, delivering workflow automation for key functional users, and driving 100% data accuracy by removing redundant data entry and the need for synchronization. In doing so, we will enable our customers to provide a higher level of service to their customers while increasing productivity and efficiency.

Benefits for front-office users include the abilities to:

- Create new customer accounts from prospects
- Confidently deliver quotes knowing they are based on current pricing and discount information
- Check customer receivable status, aging, and credit
- Convert a proposal into an order
- Know the current status of customer support/service contracts
- Render and deliver a customer invoice
- Validate inventory availability and track customer shipments

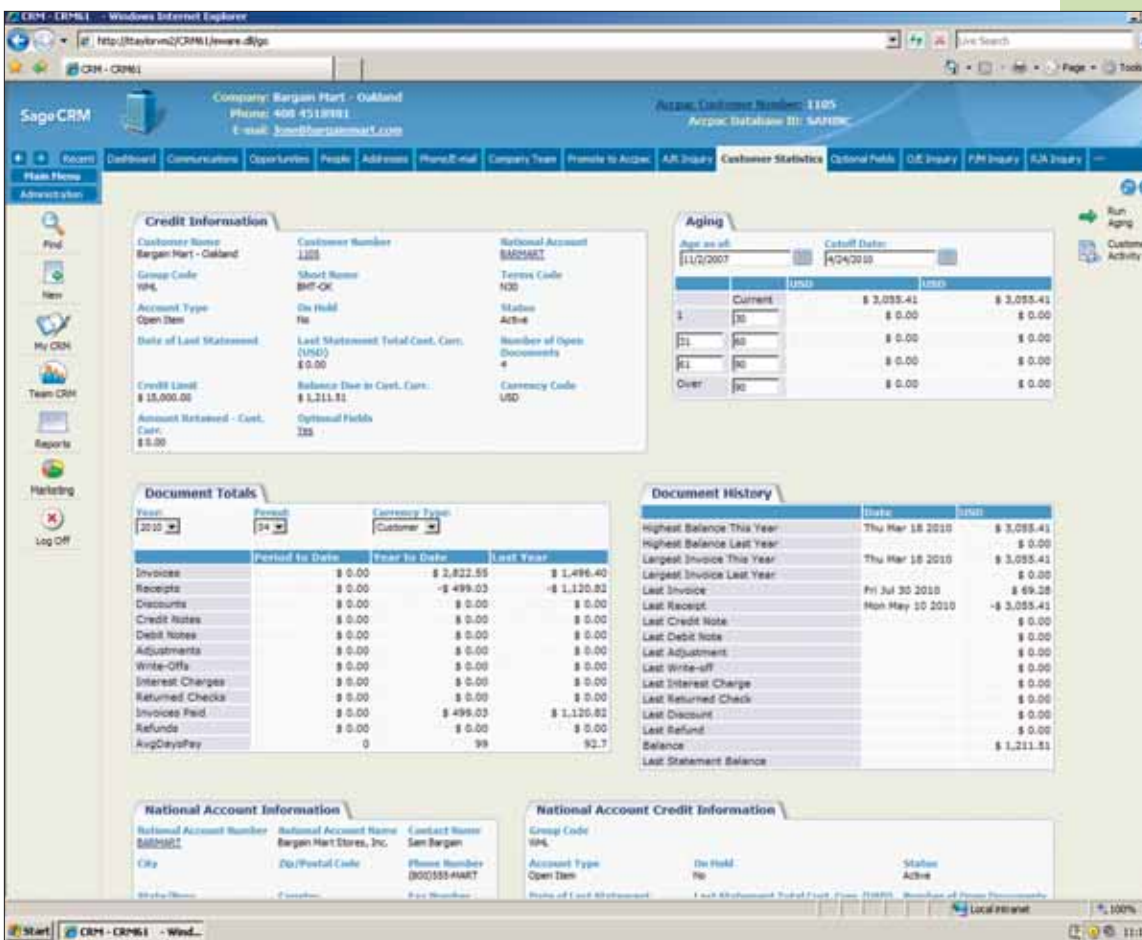
Benefits for back-office users include the abilities to:

- Forecast cash flow from pending orders in the sales pipeline
- React immediately to open new accounts or increase customer credit
- Receive customer record changes directly from the customer or front office users
- View and update customer contact history when resolving customer billing issues
- Create business plans and forecasts leveraging a total view of opportunity
- Create comprehensive budgets based on current marketing and sales activities

Sage MAS 90 and Sage Accpac Extended Enterprise editions support front-office processes such as marketing, sales, and customer service—powered by SageCRM.



Sage MAS 90 Extended Enterprise provides a total business management solution that supports diverse workflow across the enterprise, and provides a single view of all business activity.



Sage Accpac Extended Enterprise expands its integrated CRM capabilities into a total business management solution, leveraging a common and familiar user experience.

Sage Software has embarked on an important journey—one that will define how we will deliver value for years to come.

Tomorrow

Sage Software has embarked on an important journey—one that will define how we will deliver value for years to come. Sage MAS 90 Extended Enterprise and Sage Accpac Extended Enterprise will continue to grow their capabilities along three key value dimensions:

- Ease of use will be an ongoing value dimension that will continue to solve for improving the user interface by making it more role and workflow based, more intuitive and consistent, and more adaptable and customized.
- Product breadth as a value dimension will involve the continual refinement and addition of the capabilities that a business needs in a total office solution, including operations management, business intelligence, workforce management, and external portals supporting outside-in access.
- Product depth as a value dimension will involve creating and delivering industry and market specific versions of the extended enterprise solutions—both created directly by Sage Software and through the Sage ecosystem of business partners, independent software vendors, and value added resellers.

Delivering on these value dimensions will yield a new class of enterprise solution that will eclipse traditional application capabilities in supporting the enablement of workflow, transactions, and relationships.

Sage CRM Solutions will continue to grow and differentiate themselves in the areas of interoperability between ACT! and Sage SalesLogix / SageCRM, anywhere workforce experience, and connected front- and back-office capabilities. Additionally, Sage Software products such as Peachtree, Simply Accounting, and Sage MAS 500 will also benefit from this evolution to extended enterprise solutions. The Sage extended enterprise approach will also continue to broaden across other business segments such as human resource management, budgeting, asset management, etc. The extent and speed of this evolution will be governed by the type of market and the type of customer that these products serve.

Summary

The modern small and mid-sized business is no longer a clearly defined self-reliant organization. All kinds of constituents—partners, suppliers, employees, customers, and others—extend and expand the boundaries of the enterprise. Transparency, simplicity, and relationship management are the rules of the game—and increasingly the degree to which businesses play by these rules will determine their success or failure. In order to succeed, businesses need integration-enabled applications that collectively deliver end-to-end coverage to help them react to market demands, improve competitiveness, and generate greater profitability.

Sage Software has already implemented, or begun implementing, many of the extended enterprise technologies and approaches outlined in this white paper. By 2010, we aspire to apply them on a broad scale throughout our product portfolio. Specifics are available by reviewing each of our individual roadmaps for our Sage Software solutions. Customers who choose Sage Software can be confident that they are working with a partner that understands their needs and is committed to delivering solutions that will help them get the most value out of their extended enterprise. For SMEs, there will be significant benefits to adopting the Sage Software technologies and solutions that result from the extended enterprise model, including:

Improved Cash Flow

Sage extended enterprise solutions give sales representatives the rich information they need to quickly and accurately configure and quote an order from a single, consistent source. Providing these sales agents with contextual, relevant data such as prior financial transactions, credit verification, pricing, discounts, shipping charges, and taxes, businesses can reduce the amount of time it takes to deliver an order, thereby improving cash flow.

Improved Customer Acquisition and Retention

By delivering role-relevant insight and analytics, Sage extended enterprise solutions help business employees better understand the factors that motivate a customer to make a purchase, drive satisfaction, and improve loyalty. With this knowledge and visibility, frontline sales and service teams can deliver a more personalized, consistent experience—and define cross-sell and up-sell opportunities more effectively. Marketing professionals can use business intelligence to improve promotion uptake and make offers that have a higher likelihood of being accepted.

Greater Speed, Flexibility, and Visibility

Through the development of extended enterprise applications, Sage Software provides end-to-end solutions that support both internal and external integration, while enabling 360-degree visibility and control across the business value chain. As a result, SMEs will be able to identify and capitalize on business and market opportunities faster than ever before.

Customers who choose Sage Software can be confident that they are working with a partner that understands their needs and is committed to delivering solutions that will help them get the most value out of their extended enterprise.

Sustained Competitive Advantage

With a modern product architecture and flexible delivery process, Sage Software helps our customers carve out an advantage by pushing the right information to the right people at the right time—both inside and outside the organization. Sage is investing in new technologies, but ensuring that we are vigilant to keep pace with our customers' desire and ability to consume these technologies. By enabling key stakeholders to get information faster, businesses and their communities can work together to respond more quickly to market conditions and opportunities.

Simplified Regulatory Compliance

Regulatory compliance is an increasingly visible and cost-intensive management function that requires businesses to cull data from multiple sources. By uniting disparate systems, Sage extended enterprise solutions make the compliance process easy, helping businesses demonstrate accountability and data integrity across all business processes.

With a modern product architecture and flexible delivery process, Sage Software helps our customers carve out an advantage by pushing the right information to the right people at the right time—both inside and outside the organization.

Appendix A

Enabling Technologies

The following technologies provide a solid foundation for delivering the three pillars supporting the Sage extended enterprise concept, and will be prime areas of Sage Software focus and investment over the next three to five years.

Service-Oriented Architecture (SOA)

SMEs need a way to keep their business systems flexible and adaptable while at the same time reusing their existing software resources. SOA is a business-driven architectural approach that supports the interconnection of various disparate business software tasks to create a cohesive solution. By continuing to adopt SOA principles in our strategic solutions portfolio, Sage Software will make supporting diverse and changing business processes easier by providing the building blocks (services) necessary to construct solutions to meet specific business needs. By leveraging open standards, these services can easily be combined with other systems independent of the technologies used to create extended enterprise solutions. SOA at Sage is not just about technology, but more about how technology and the business link together to meet a common goal of success.

Web 2.0

Web 2.0 is a second generation of services available on the Web that aims to facilitate collaboration and sharing between users. The list of technologies considered to be Web 2.0 is long and varied including Weblogs (blogs), wikis, podcasts, RSS feeds, social software, and online Web services. As the Web 2.0 world evolves, SMEs will benefit from the creation of relationships and the growth of online social networking in business. As with SOA, Web 2.0 provides flexibility and reuse through the creation of new business applications by combining existing services and processes. But while SOA is more focused on providing the building blocks of flexibility, Web 2.0 provides users the ability to collaborate, create, and share information in new ways. By supporting SOA and creating services, Sage will provide tools for SMEs to create business mashups. These business mashups will enable SMEs to be able to look at their businesses from new perspectives that were not easily created in the past. Because these mashups can be created by anyone, businesses will have the ability to quickly adapt to the changing needs of their markets.

By continuing to adopt SOA principles in our strategic solutions portfolio, Sage Software will make supporting diverse and changing business processes easier by providing the building blocks (services) necessary to construct solutions to meet specific business needs.

Sage Software is addressing the challenges of mobility through innovative solutions that will provide data availability even when connecting to the back office is not possible, and will allow provisioning of security permissions to individual mobile devices.

Application Programming Interfaces (API)

Standard and well-constructed APIs will enable Sage Software to fully enable our developer community, ISVs, and business partners to creatively build and integrate solutions designed to enhance the Sage Software solutions value to the end customer. These APIs will support real-time data transfer and will generate a consistent workflow experience to the user of the product, allowing adaptation without breaking functionality and withstanding upgrades without severing linkages. Architectural enhancements and flexible database initiatives in our strategic products will support these interfaces, and will facilitate the expansion of the Sage ecosystem.

Mobility

Mobile technology is a critical component to enabling the extended enterprise. As the workforce becomes increasingly less tied to their office, there is a growing need to be able to access key business systems from anywhere. Two of the challenges SMEs face with a mobile workforce are reliability and security. Sage Software is addressing the challenges of mobility through innovative solutions that will provide data availability even when connecting to the back office is not possible, and will allow provisioning of security permissions to individual mobile devices. Providing our customers with the comfort of knowing their data is readily available yet protected will allow SMEs to work when they want and where they want.

On-Demand

The on-demand marketplace has evolved into a vast array of applications and services. The choices vary from software as a service to hardware as a service to communication as a service. While all of these technologies have their place, SMEs frequently struggle with deciding which options best suit their business models and processes. Sage Software works closely with its customers to understand their needs to develop solutions that solve current and future business needs. Sage solutions range from on-premise applications to pure SaaS delivery. These applications will be complemented by a range of on-demand services that provide functions such as mobility synchronization, payment services, marketing services, and more. Provisioning will be done as needed to enable Sage Software customers flexible and time relevant choices that fit their business needs. Because of this focus on solving real-world problems, Sage customers will benefit from our ability to apply modern technologies where they best fit to increase the flexibility and adaptability of their businesses.

Enabling Processes

Several business processes that have been consistently adopted across Sage North America will assist in the delivery of customer value and the extended enterprise concept.

Applied Innovation

Applied Innovation (AI) is a process approach for driving new customer value concepts to rapid definition, prototyping, and validation within a reduced timeframe. The process sets specific process gates for evaluating a concept, and seeks to learn and prove by going to market with actual customers, as opposed to analyzing and modeling possibilities within Sage Software. Sage Software has created AI teams within most of the product and R&D organizations within Sage North America. Deliverables planned from these AI teams range from the initial extended enterprise solutions coupled with Sage MAS 90 ERP, to entry level business management solutions designed to automate billing and transaction management.

Customer Connected Design

Customer Connected Design (CCD) is a set of procedures and principles that define how new solutions are conceived, designed, developed, and validated. This involves the structured and extensive collaboration of customers and target prospects in all areas of the development process, from the time a solution is first proposed and designed, to the time it is deployed in the marketplace. Each Sage Software business has created a CCD team that is responsible for ensuring that all new enhancements leverage this approach, and reap the benefits of this “decision insurance”. In addition, Sage CCD teams are provided with guidance by a central team supplying user interface design standards, guidelines, and “interaction design patterns” to product development groups. This central CCD team also sets direction for the visual design of Sage Software and Sage Web applications, and supports product teams’ adoption of CCD methods and processes with method and process training.

Product Development Life Cycle

Product Development Life Cycle (PDLC) is a standard process approach for how new Sage Software products and enhancements are conceived, defined, architected, designed, coded, tested, and launched in the marketplace. The process leverages a set of explicit roles that apply to each of eight process steps, and supports complete visibility from internal and external stakeholders into a project so new release opportunities can be exploited and issues addressed as they occur. The process supports both agile and traditional waterfall approaches to product development.

Customer Connected Design (CCD) is a set of procedures and principles that define how new solutions are conceived, designed, developed, and validated.

About Sage Software

Sage Software is the North American business operation of The Sage Group plc (London SGE.L), a leading global supplier of business management software and services. Formed in 1981, Sage has more than 5.5 million customers worldwide, including more than 2.8 million in North America. The company employs over 13,000 people in operations in the United States, Canada, the United Kingdom, France, Germany, Portugal, Spain, Switzerland, South Africa, Australia, and Southeast Asia. Sage Software is comprised of four divisions in North America: Business Management Division, Industry and Specialized Solutions Division, Healthcare Division, and Payment Solutions Division.

Our rich history of innovation and growth has enabled us to build a portfolio of products and services widely recognized for ease of use and low total cost of ownership. Our solutions help empower every aspect of an organization's operations. Businesses of all sizes—including small businesses, midsized businesses, and divisions of large enterprises—use Sage Software solutions to unlock potential, reduce costs, and improve performance.

As Sage Software has grown, we've remained dedicated to providing enterprises with cost-effective, flexible solutions that are supported by a single provider. Standing behind that commitment are our principles for operating the business—with a focus on agility, innovation, trust, integrity, and simplicity—all of which keep us closely connected with our customers.

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The front cover features Kevin Cantwell, president of Big River Telephone Company, a Sage CRM and Sage ERP Solutions customer, and just one of more than 2.8 million businesses using Sage Software solutions in North America.

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