



Industry Solutions Guide: Selecting a CRM Vendor in the Higher Education Market (Competitor Focus)

Diversity abounds for managing student relationships with CRM

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SUMMARY

Catalyst

After years of languishing on the sidelines, the recession has pushed the uptake of CRM solutions dramatically forward in higher education. In response to this growth, the competitive landscape has become crowded with a large and diverse set of solution providers, making the selection process difficult for institutions. This report examines the competitive dynamics for CRM in the higher education market and provides institutions with analysis to inform the selection process based on a vendor's technology strength, market impact and ability to support the entire student lifecycle.

Ovum View

When selecting a CRM solution, higher education has more choices than ever before. Consequently, Ovum believes institutions are in the envious position of being likely to find a solution well aligned to their own specific needs for relationship management. Yet, the diversity of the competitive landscape means that institutions must make important strategic decisions early in the selection process about issues such as whether they intend to expand their CRM deployment institution-wide, require considerable customization or are comfortable investing further with their existing SIS vendor. A few vendors have pulled ahead of the pack due to innovative product development strategies, but at this stage, Ovum anticipates that this will continue to be, at least over the short term, an exceptionally competitive market.

Key Messages

- Deep integration with other mission-critical applications is core to more substantive CRM uptake.
- Vendors are preparing for institution-wide CRM, but on the institutional horizon, it is only a glimmer.
- SIS vendors are pushing hard into the market with their CRM offerings.
- A gap exists between vendor-led professional services and the development of CRM strategies.
- Horizontal solutions do not necessarily mean compromise on higher education specificity.



Deep integration with other mission-critical applications is core to more substantive CRM uptake

The linkage between constituent relationship management (CRM) and student information systems (SIS) is becoming increasingly important in the higher education market, moving from a nice to have capability to a must have one. As the uptake of CRM grows and the amount of data generated and stored in the solution multiplies, institutions are looking to implement more sustainable, efficient and agile processes for linking to the SIS. The days of when relatively simple import and export processes for sending data back and forth between the two solutions was the standard are likely to be behind us in the industry. One of the challenges of this approach has often been the creation of duplicate data and inappropriate and inefficient 'lines in the sand' between the CRM and SIS in terms of the application process. Instead, institutions are looking for more substantive integration, even to the extent where the CRM exists within the SIS and thus is able to share important data points, provide communications capabilities and ensure valuable relationship or interactional data persist over the course of the entire student lifecycle.

SIS vendors are pushing hard into the market with their CRM offerings

Nearly every SIS vendor in the higher education market is investing heavily in expanding or launching its CRM strategy and product suite. This has significant implications for stand-alone CRM vendors. Where once partnerships flourished, SIS vendors are rolling up the welcome mat to some degree and pushing their own solutions aggressively in the market. Given the importance of deep integration in order to create a true 360° view of the student experience and avoid data integrity and quality issues – namely duplicates – Ovum anticipates that institutions will find this approach to CRM appealing. However, it is crucial for institutions to consider carefully their level of comfort with narrowing the number of vendors with which they work. Vendor lock-in is liable to be a top of mind concern, but as technology has become more sophisticated and flexible, the positive implications are increasingly outweighing the negative ones when it comes to going 'soup to nuts' with a single vendor. Instead, institutions should focus their concerns around whether the CRM solutions their SIS vendors are proposing fully meet the short-, medium- and long-term needs for relationship management.

Vendors are preparing for institution-wide CRM, on the institutional horizon, it is only a glimmer

Many of the leading CRM vendors in the market have already released or are preparing to release solutions that have the capability to support the entire student lifecycle – from the first prospective student enquiry to the last annual campaign donation and everything in between. Much of this work has required costly development to evolve existing point solutions designed for specific departments, oftentimes admissions or advancement, to more generic platforms where end users regardless of where they sit on campus can utilize the features and functionality. Unfortunately, the institutional transition has been somewhat slower than expected as colleges and universities struggle with conceptualizing strategies and delineating tactical details. Many are struggling to answer questions as fundamental as who owns retention to as direct as which roles will have access student data. Most college and university decision makers do recognize the value of applying relationship management tools against retention strategies, but few have taken the leap and implemented the technology. In the end, Ovum believes that higher education market is moving in the direction of institution-wide CRM uptake, and once it settles strategic and tactical issues, the pace will accelerate rapidly.

A gap exists between vendor-led professional services and the development of CRM strategies

Few vendors deliver substantive professional services offering beyond traditional support for the implementation and usage of their CRM solution itself. Unfortunately, most institutions have more far-reaching needs for CRM support, particularly



around developing their own relationship management strategies. Launching a new approach to delivering service to and engaging with students and other constituent groups is a massive undertaking and often represents a deep culture change. Early steps into the CRM arena are likely to be successful without a radical transformation around how interactions with students are managed. This is particularly the case in the admissions or development departments, where industry best practice has been established and well known. However, if institutions are to realize the full value of their investments in CRM, they will require professional services that support strategic development and change management activities. Consequently, Ovum strongly advises vendors to development more complete professional services offerings around CRM. Some of the top CRM vendors have already made significant progress towards the creation of these services, which will position them well for growth once the market moves towards supporting the entire student lifecycle with CRM.

Horizontal solutions do not necessarily mean compromise on higher education specificity

While the need for close alignment between out-of-the-box CRM functionality and the pressing pain points facing higher education institutions has never been greater, horizontal vendors have made considerable progress towards fulfilling this need without compromising the appealing benefits of horizontal solutions. Enhanced configurability is key, but new strategies including partners, platforms and industry extensions are giving horizontal vendors a stronger position in this market than they have historically held and institutions a wider set of options than they are likely to have expected. Consequently, Ovum encourages institutions to expand the field of players that they evaluate when selecting a CRM solution. Oftentimes the best horizontal vendors bring forward-looking technology, capabilities and expertise to the table due to their own need to support industries, such as financial services or telecoms, which were early and innovative adopters of CRM. Colleges and universities should perceive these as especially valuable assets in a vendor particularly when CRM adoption spreads across the institution and relationship management strategies become increasing sophisticated, and thus require more robust and agile technology. At the end of the day, however, institutions should base their decision to select a specific solution, horizontal or industry-specific, its ability to meet their strategic needs and goals.



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MARKET DEVELOPMENTS

CRM teeters on the brink of widespread adoption in higher education

The higher education industry is on the brink of moving substantially forward with its adoption and usage of CRM solutions. Prompted by an increasingly competitive and changing market, institutions are keen to manage relationships with key constituent groups, such as prospective and matriculated students, alumni, and businesses, more effectively. Recognizing the value of developing deeper relationships with prospective students through personalized and proactive communications, the admissions office has been an early adopter of CRM-type functionality, using this technology to dramatically improve the quality and cost effectiveness of the recruitment process. Similarly, alumni affairs and advancement offices have used CRM to strengthen existing relationships with alumni as well as to identify potential donors. The considerable fundraising success of these offices, the past two years notwithstanding, is clear evidence of CRM's utility to their ability to meet institutional goals. As the economic recession has unfolded, many institutions have moved forward with either implementing CRM for the first time, investing in more robust solutions or expanding their existing installation beyond admissions and advancement to include areas such as retention and external relations.

In this report, Ovum will take a close look at the competitive landscape for CRM in the higher education market. While the list of included vendors is not intended to be exhaustive, Ovum believes that it is a representative one, offering readers an in-depth analysis of the leading vendors within the specific context of higher education, as well as an illustrative view of some unique and innovative approaches. The fifteen vendors considered in this report are listed in Table 1 below.

Table 1: Vendors included in the CRM in Higher Education Industry Solutions Guide	
Azorus	
Blackbaud	
Campus Management	
Datatel	
Education Systems	
EnrollmentRx	
Hobsons' EMT	
Intelliworks	
Jenzabar	
Microsoft	
Oracle	
RightNow Technologies	
Salesforce.com	
SunGard Higher Education	
TargetX	

Source: Ovum OVUM

Ovum expects the following developments over the next 12 – 36 months:

- **The uptake of institution-wide uptake of CRM remains is further out on the horizon** – although many vendors are prepared with CRM solutions capable of supporting a diverse array of institutional departments, from admissions to alumni affairs and everything in between, many colleges and universities have been reluctant to take the leap with an enterprise-wide deployment. There are many factors contributing to this reluctance, but Ovum believes that it lies primarily with the need to re-align existing organizational structures, processes and conceptions of institutional services. Implementing a solution or expanding an existing deployment that includes a major change management undertaking is likely to be considered a risky and unappealing proposition, particularly in an era of declining or flat budgets. However, as higher education becomes increasingly competitive due to demographic, financial consumer market and overall globalization trends, the ability to manage relationships with prospective, existing and alumni students effectively will become a crucial determinant of a college or university's success and even long-term viability. Consequently, the relative strength of the hurdles to institution-wide CRM uptake will diminish as moving beyond just admissions or alumni becomes a mission-critical objective.
- **SIS vendors are taking a powerful position in the CRM competitive landscape** – important enterprise applications vendors such as Campus Management, Datatel, Oracle and SunGard Higher Education have all made recent and significant investments in the development of their CRM solutions and strategies. The format of these investments has varied widely from acquiring a leading solution, to leveraging a horizontal platform, to developing a new, custom solution, and even to expanding the capability of existing offering. Regardless, the message to the higher education market should be clear; SIS vendors intend to take a powerful or even dominant position in the CRM competitive landscape. To some extent, this is the natural result of the US market for SIS maturing: these vendors need a new source for revenue growth and CRM is likely to grow rapidly over the near-term. However, Ovum would suggest that these vendors also recognize the potential for a shift in the institutional IT infrastructure where the CRM solution might take on the role of the 'external-facing' solution and end users draw key transactional functionality from the SIS and ERP through it.
- **SaaS and hosted delivery models are gaining ground** – a number of vendors in this report deliver their solutions exclusively through an on-demand model and still more offer clients the option of on-premise or hosted. Citing security and control issues, the higher education market has been historically opposed to software-as-a-service (SaaS) and hosted delivery models for enterprise applications. Yet with the surging popularity and success of the outsource email applications from Google and Microsoft, the ice is thawing rapidly. As CRM is a relatively new entrant to the higher education industry and many colleges and universities have yet to adopt the solution, it is not necessary to migrate on-premise deployments and thus CRM is prime target for SaaS delivery. Moreover, institutions are evaluating and implementing CRM in a context of flat or declining IT budgets and thus, the ability to avoid capital expenditures, reduce deployment times and cut costs associated with ongoing solution administration is particularly appealing. However, as CRM becomes a mission-critical application through more sophisticated usage and institution-wide deployments, the uptake of on demand may change, whereas colleges and universities 'pick and choose' the functionality or usage areas that utilize this delivery model and keep others on-premise.
- **Insightful analytics will become an increasingly key differentiator** – analytics and reporting functionality has a long-standing history in the CRM solution area, as the solution's underlying philosophy is to use information

collected from previous interactions to inform the strategy around future ones. Consequently, it is not surprising that all of the vendors profiled in this report have strong analytics capabilities. However, a few vendors are taking the next step with this capability by delivering the information in more insightful and actionable ways. This is seen most concretely in the development of thoughtful 360° views of the student experience, where instead of including every data point, careful editing is employed to create actionable insight. Similarly, the delivery of indices for recruitment desirability and enrollment likelihood offer end users incredibly powerful information. As the industry advances with CRM and institutions gain facility with relationship management strategies, the appetite for more sophisticated analytics and reporting will grow. As a result, Ovum anticipates that vendors able to deliver reporting and analytics as decision support tools for both day-to-day tasks and strategic planning will quickly differentiate them in the market.

- **Institutions will move beyond email to true multi-channel communications strategies** – email is the communications channel of choice for many colleges and universities. Institutions use it for communicating everything from missing information for applications, course schedules, school closings, library hours, cafeteria menus and football ticket sales. As a result, students, at every stage of the lifecycle, are inundated with information through this channel and not surprisingly, they increasingly forward institutional email to a folder in a commercial email solution such as Google, Yahoo or Hotmail. The effectiveness of email as a method for interacting with students has degraded with over usage. With the incredible popularity of social networking websites such as Facebook or Twitter, institutional awareness of the potential for alternative communications channels has risen dramatically. CRM vendors have been quick to capitalize on social networking and add it to their multi-channel communications capabilities; notable examples include RightNow Technologies Cloud Monitor and salesforce.com's Chatter. Ovum is optimistic venturing into the usage of social networking to engage students will prompt institutions to recognize that other channels, such as SMS text, chat, phone and even postal mail can provide valuable alternatives to email in specific contexts and for specific purposes.



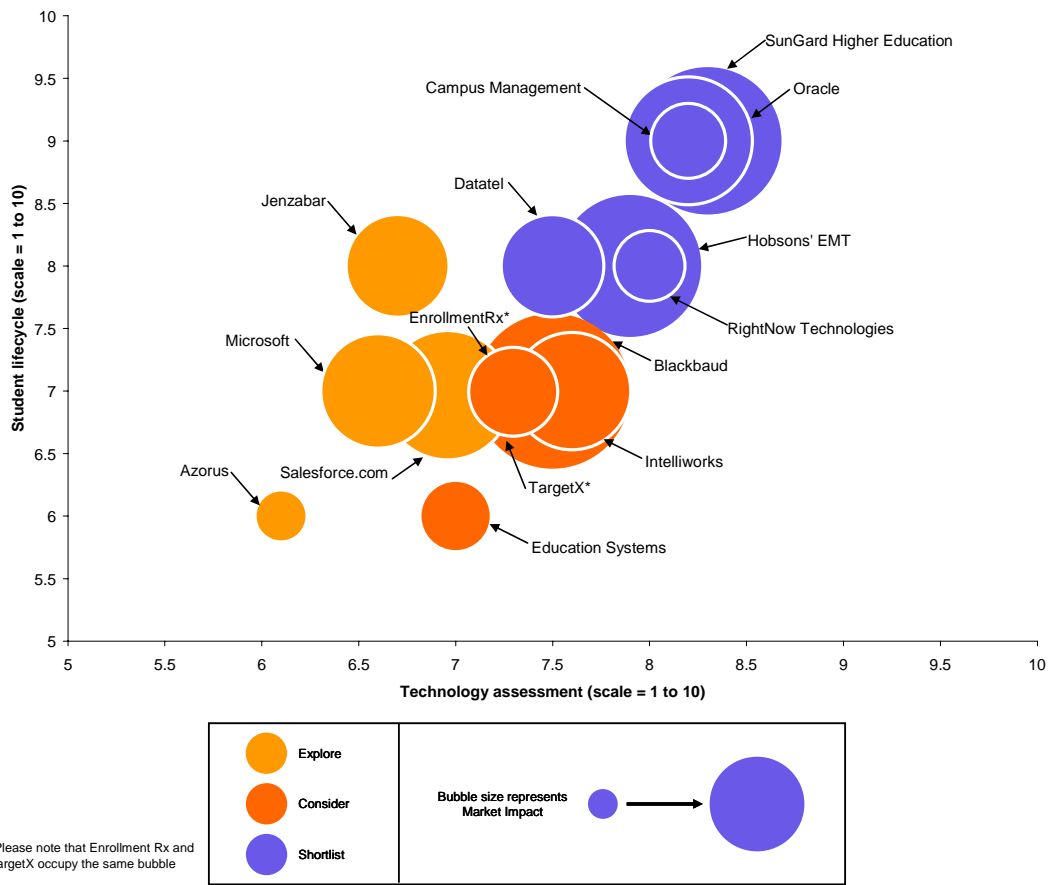
THE CRM IN HIGHER EDUCATION INDUSTRY SOLUTIONS GUIDE

In the Industry Solutions Guide, Ovum provides a summary of CRM vendors' capabilities based on a quantitative assessment of their influence in the market, the quality and breadth of the technology features that they offer and the ability of their solution to support the entire student lifecycle. The detailed scores underpinning the Industry Solution Guide can be found on individual vendor assessments and in Table 3 in the Appendix. Ovum also provides guidance for institutions looking to deploy CRM solutions and advises whether they should immediately shortlist, consider or explore solutions from these vendors. Ovum uses the following definitions for each of these recommendations:

- **Shortlist** – these vendors' products and services should always be placed on an institution's shortlist for CRM technology selection. This category represents the leading solutions that Ovum believes are worthy of a place on most technology selection shortlists. The vendor has established a commanding market position with a product that is widely accepted as best of breed.
- **Consider** – the vendors in this category have good market positioning, and are selling and marketing the product well. The product offers competitive functionality and good price/performance, and should be considered as part of the technology selection process.
- **Explore** – solutions in this category have less broad applicability, and may have limitations in terms of the product's functionality, or the vendor's execution capability. However, they will still be suitable to meet specific requirements and may be worth exploring as part of the technology selection process.

Because realizing value from a CRM deployment is critically dependent upon the solution's ability to execute the institution's overall relationship management strategy, a decision to purchase a specific solution should be based on a broad array of factors, including, but not limited to, the degree of alignment between the solution's functionality and the specific objectives of the institution's relationship management strategy. As a result, Ovum's recommendations of shortlist, consider and explore should be taken only within the context of an institution's specific solution requirements.

Figure 1: The CRM in Higher Education Industry Solutions Guide



Source: Ovum

OVUM

Table 2: The CRM in Higher Education Industry Solution Guide

Shortlist	Consider	Explore
Campus Management	Blackbaud	Azorus
Datatel	Education Systems	Jenzabar
Hobsons' EMT	EnrollmentRx	Microsoft
Oracle	Inteliworks	Salesforce.com
RightNow Technologies	TargetX	
SunGard Higher Education		

Source: Ovum

OVUM

Market leaders: Campus Management, Datatel, Hobsons' EMT, Oracle, RightNow Technologies & SunGard Higher Education

The large number of vendors that offer excellent CRM solutions to the higher education industry should embolden colleges and universities to move forward with a CRM investment. Market leaders in the CRM for higher education competitive landscape include, Campus Management, Datatel, Hobsons' EMT, Oracle, RightNow Technologies and SunGard Higher Education. These vendors deliver robust, complete solutions that are able to support a significant portion of the student lifecycle and have an established presence in and commitment to the higher education industry. Consequently, Ovum recommends that institutions shortlist these vendors when selecting a CRM solution.

- Campus Management's Talisma solution is no stranger to the leader's circle in Ovum's evaluation of the competitive landscape for CRM in higher education. An exceptionally complete solution that is thoughtfully aligned to the day-to-day realities of institutional end-users evidenced by functionality such as a myriad of out-of-the-box role-based views of the solution and automated workflows with strong visual tools and the ability to track expenditures against events. Institutions will also find the ability of the Talisma solution to support the entire student lifecycle to be appealing, particularly when they move from single- to multi-department deployments.
- Datatel's decision to leverage the Microsoft Dynamics CRM platform to build its Enterprise CRM solution enabled it to bring robust product functionality, specific needs of higher education, to the market relatively quickly. As the solution uses Microsoft technology, end users will find a familiar and intuitive user interface. Additionally, Datatel has developed a thoughtful approach to displaying a 360° view of the student experience, including probability and desirability ratings for prospective students. While recruitment is the initial focus of many early adopters, Enterprise CRM supports the entire student lifecycle, so institutions should feel confident that purchasing this solution represents a solid, long-term investment.
- Hobsons' EMT is a well established in the CRM for higher education market. With a large and growing installed base, the Connect and Retain solutions are broadly appealing to the industry. Over the last few years, Hobsons' EMT has invested in evolving its applications into an integrated and complete solution. Fully hosted, deployment times are greatly reduced for Connect and Retain. These benefits, however, do not compromise the ability to deliver a uniquely branded experience to prospective or matriculated students as the solution has robust configuration capabilities. Supporting both admissions and student services, Hobsons' EMT has made considerable progress towards supporting the entire student lifecycle.
- Oracle is a leading vendor in the global higher education market. The PeopleSoft Enterprise CRM for Higher Education v.9.1 and complementary Oracle CRM On Demand solutions provide a complete and robust set of tools for managing relationships with students and other important constituents across the entire student lifecycle. Through tight integrated with Oracle's Campus Solutions product and by leveraging a CRM data warehouse, PeopleSoft CRM for Higher Education is able to provide exceptional access to a 360° view of the student experience. The addition of the PeopleSoft Event Management module enables end users to manage events from conception through to evaluating results.
- RightNow Technologies, while having a relatively small position in the higher education market, offers a complete and innovative CRM solution to the industry. By packaging robust, corporate sector functionality in a higher education accessible package, institutions can leverage exceptional multi-channel communications capabilities and visually appealing workflow functionality. Delivered exclusively through a multi-tenant SaaS

model, the RightNow CX solution enables faster deployment times and reduces the ongoing burden of its administration. Moreover, as the solution manages interactions and relationships regardless of department, RightNow Technologies is able to support the entire student lifecycle.

- SunGard Higher Education is a long-standing leader in the higher education market. With a large, global, solution addressable installed base, SunGard has considerable influence in the industry. Consequently, with the introduction of its Banner Enrollment Management Suite, the visibility of CRM in general rose dramatically amongst institutions. Structured as an extension of Banner, the solution provides a truly 360° view of the student experience at every stage of the lifecycle. Moreover, as SunGard Higher Education has an impressive services organization, it is able to pair the solution with a complete set of professional services from strategic consulting to technical and implementation support.

Challengers: Blackbaud, Education Systems, EnrollmentRx, Intelliworks & TargetX

As the competitive landscape for CRM in higher education supports a large and diverse set of vendors, institutions have considerable choice when selecting a solution. While the following CRM solution vendors may not have scored as well as the shortlist vendors across the Market Impact, Technology Assessment and Student Lifecycle categories, they still offer compelling solutions that colleges and universities should take into consideration, particularly when factoring unique needs or contexts. Therefore, Ovum recommends that when evaluating CRM solutions, institutions strong consider Blackbaud, Education Systems, EnrollmentRx, Intelliworks and TargetX.

- Blackbaud is an established leader in the non-profit fundraising industry. Raiser's Edge and the recently launched Enterprise CRM solutions have considerable uptake amongst institutional advancement offices across the globe and thus, Blackbaud has considerable influence in the industry. Closely aligned to fundraising needs, the solution provides role-based views, enhancing usability. Furthermore, Blackbaud provides robust professional services, including strategic and technical support. However, in its current version, Enterprise CRM largely targets alumni affairs and development and thus is not well suited to support the entire student lifecycle.
- Education Systems, provider of the EMAS Pro solution suite, is a long-standing player in higher education. Although relatively small, EMAS Pro has a loyal client base amongst admissions professionals, particularly as the product has a history with the widely popular Noel-Levitz approach to enrollment management. Deeply committed to meeting the needs of its customers, Education Systems delivers high-quality services and support and provides substantive avenues for clients to influence product development. With the recent addition of Retention Pro, Education Systems is gaining ground to support a larger portion of the student lifecycle.
- EnrollmentRx is a newcomer to the competitive landscape for CRM in higher education. However, by leveraging the Force.com platform from salesforce.com, it has been able to deliver a compelling solution with robust enterprise-class capabilities and higher education specificity in a relatively short amount of time. Consequently, the EnrollmentRx solution provides exceptional multi-channel communications capabilities, reduced deployment times and strong configurability. EnrollmentRx has added placement and alumni support through its PlacementRx and AlumniRx solutions, but it is still focuses largely on recruitment.
- Intelliworks, with strong revenue growth and new customers, is rapidly becoming an established member of the competitive landscape. The exclusively SaaS delivered solutions are clearly attractive to the market. From its

inception, Intelliworks has recognized the value of analytics to CRM and thus has made the investment to deliver an insightful and actionable 360° view of the student experience. It has also developed strong multi-channel capabilities and an innovative approach to social networking. With the addition of a partnership with Starfish, Intelliworks is expanding beyond its focus on recruitment to address a larger percentage of the student lifecycle.

- TargetX started its work in higher education as an email-marketing and creative consulting firm, but by leveraging salesforce.com's Force.com platform, it has also launched itself as a CRM provider. While still a relatively small vendor, it is growing rapidly from a revenue perspective. As its SRM solution offers exceptional multi-channel communications capability, is delivered exclusively through a SaaS model and is highly configurable, this growth is not surprising. At this time, SRM focuses on managing relationships and interactions during the recruitment process and thus, does not support the entire student lifecycle.

Niche competitors: Azorus, Jenzabar, Microsoft & salesforce.com

Higher education is in the early days of its experimentation and usage with CRM and as a result, institutions are leveraging the technology in a myriad of ways. Consequently, room remains in the competitive landscape for many different types of vendors and approaches to CRM. Ovum, therefore, believes that Azorus, Jenzabar, Microsoft and salesforc.com offer institutions important options and should be explored when evaluating CRM solutions, especially by those that have unique needs which may be unmet by more traditional or established vendors.

- Azorus is a relatively small player in the competitive landscape for CRM in higher education. However, as this vendor is experiencing strong revenue growth, it is evident that the industry finds its collection of solutions, hosted delivery model and required services arrangement a compelling approach to managing interactions during the recruitment process. Azorus has taken an innovative approach to using social networking as a communications channel, which is likely to be valuable to institutions as this channel becomes more important. At this point, Azorus focuses on recruitment and admissions and does not support the entire student lifecycle.
- Jenzabar is a leading enterprise applications vendor serving exclusively on the higher education industry. Having taken a somewhat different approach to CRM, Jenzabar has focused its CRM Modules around enabling self-service functionality for a broad set of institutional constituents, such as prospective and matriculated students, faculty and alumni, rather than managing relationships and interactions. The solution, however, has strong analytical capabilities with 250 'out-of-the-box' reports and a large percentage of Jenzabar's installed base has adopted it. Taken together the CRM modules support the entire student lifecycle.
- Microsoft is one of the world's largest software and technology firms and has a nearly ubiquitous presence in the higher education industry. While its Dynamics CRM solution is purely horizontal, Microsoft, by positioning it as a platform for industry-specific vendors to create their own solutions, has taken an innovative approach to making it more accessible to institutions. As a stand-alone solution, Dynamics CRM provides a complete set of multi-channel capabilities, strong configurability and an intuitive user interface. As a solution platform, Dynamics CRM institutions have the option to configure it to support the entire student lifecycle.
- Salesforce.com is an established provider of horizontal, SaaS delivered CRM solutions. Although many associate salesforce.com with the corporate sector, it is adding clients quickly to its global higher education installed base. Through its Force.com platform, salesforce.com has taken a novel approach to making its



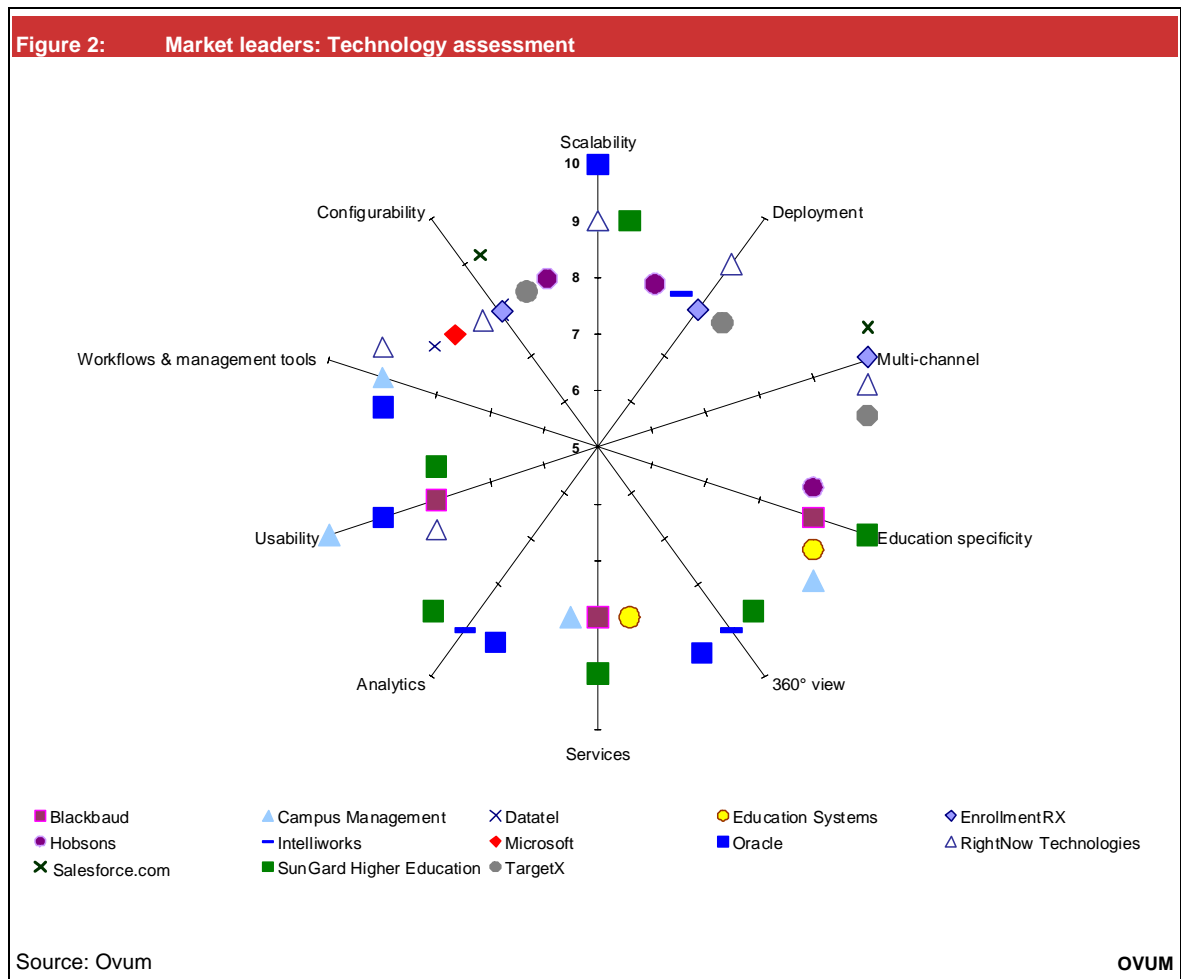
cutting-edge functionality, particularly multi-channel communications and configurability, available as a platform for industry-specific vendors to create their own solutions. As an industry agnostic solution, if partnering vendors invest in its configuration, salesforce.com has considerable capability to support the entire student lifecycle.

MARKET LEADERS

As the competitive landscape may vary significantly across the evaluation categories covered by Ovum's Industry Solution Guide – Technology Assessment, Market Impact and Student Lifecycle – it is important to consider these categories separately in order to develop a more complete understanding of each vendor's particular strengths and weaknesses, and why it has been assigned a shortlist, consider or explore rating. In the following section of this report, Ovum will present the market leaders for each category and then discuss how they vary across the sub-criteria within the assessment area.

Market leaders: Technology assessment

Illustrating the considerable diversity and strength of the competitive landscape for CRM for higher education 13 of the 15 vendors profiled in this report are positioned as market leaders, for at least one of the Technology Assessment criteria.





Overall, the vendors with three highest Technology Assessment scores included SunGard Higher Education, Oracle and Campus Management, receiving top scores in 6, 5, and 4 of the 10 categories respectively. In the case of Oracle and Campus Management, their CRM solutions are maturing offerings with a broad base of leading functionality required by colleges and universities for relationship management. Whereas for SunGard Higher Education, the Banner Enrollment Management solution is newer to the market, but considerable thought and resources have been invested to ensure that it meets the specific needs of higher education institutions from the ground up.

As the long-term direction of CRM in the higher education market is towards institution-wide deployment, the ability of the solution to evolve with changing needs is particularly important. Oracle, SunGard Higher Education and RightNow Technologies were particular standouts in this area. Given the ability of these solutions to support the entire student lifecycle, their strong performance is not surprising. It is important to note that this is not a comment on how many simultaneous users the solution can support without influencing performance but the ability to add different departments or programs without significant new investments.

Multi-channel communications is a core capability of any CRM solution. The best vendors will offer solutions that support a myriad of channels in innovative ways and continue to cast their eyes far afield to ensure that they are prepared for any new ones that are potentially on the horizon. Four vendors tied for first place, each with a perfect score in this category, including EnrollmentRx, RightNow Technologies, salesforce.com and TargetX. As EnrollmentRx and TargetX are built on the Force.com platform, their multi-channel communications functionality is the same as salesforce.com. Ovum believes that the need to support early adopters and heavy users of CRM in the retail and telecoms industries has driven RightNow Technologies and salesforce.com to be 'one step ahead of the curve' when it comes multi-channel communications, much to the benefit of higher education end users.

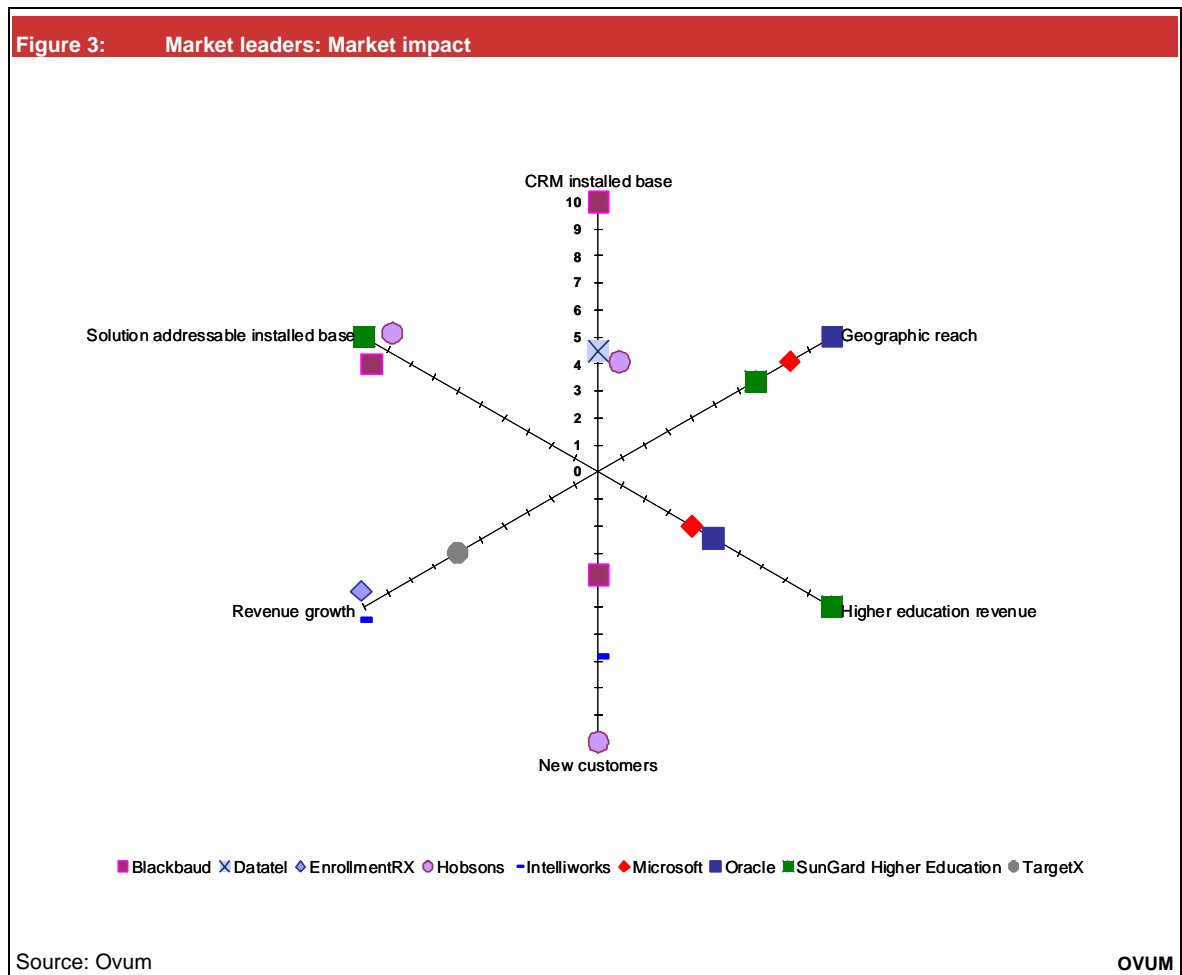
While new approaches to leveraging horizontal technology and greatly expanded configuration capabilities has lessened, to some degree, the centrality of education specificity, it remains an important issue for many colleges and universities when selecting a CRM solution. The top vendors in this category included SunGard Higher Education, with a perfect score, and then Blackbaud, Campus Management, Education Systems, and Hobsons' EMT, each with a score of 9 out of 10. Each of these vendors has deep roots in the higher education industry, either having focused exclusively or nearly exclusively on meeting its unique needs.

In terms of creating a truly 360° view of the student experience and empowering end users with actionable insight through robust analytics, three vendors dominated the two categories with identical scores, including Intellworks, Oracle and SunGard Higher Education. As institutions become more experienced with and sophisticated in their usage of CRM, Ovum expects that the importance of these capabilities will rise dramatically. Accessing a complete and actionable view of the student experience in real-time or being able to 'peak around the corner' at campaign effectiveness will be important strategies for improving institutional effectiveness.

Performance against the services category was somewhat mixed with four vendors taking leadership positions, including SunGard Higher Education earning 9 out of 10 points, and then Blackbaud, Campus Management and Education Systems each receiving 8 points. As developing and then implementing relationship management strategies is a new endeavor for most colleges and universities, they are keen to find vendor partners that can provide trusted guidance around best practice with CRM, not just from a tactical perspective but from a strategic view as well.

Market leaders: Market impact

The top three vendors, in order of their Market Impact scores, include Blackbaud, SunGard Higher Education and Hobsons EMT. These vendors were able to pull away from the rest of the vendors in the CRM for higher education competitive landscape largely due to their large solution addressable installed base of clients. As many colleges and universities have either never used CRM or have only applied it to specific areas of the institution, vendors with a large client base from which to up-sell CRM are in a very powerful position. Blackbaud and Hobsons' EMT with the right strategy and execution should be able to encourage their existing end users to expand beyond the advancement and admissions offices respectively, whereas SunGard Higher Education should be able to bring the Banner Enrollment Management Suite to a large percentage of its existing Banner clients.



A number of vendors are starting out strong with a large, existing CRM installed base to build upon in the higher education market. The vendors are Blackbaud with the largest client base followed by Datatel and then Hobsons' EMT. As Blackbaud is one of the most established CRM vendors into the advancement and development markets, its large client base is to be



expected. The question is whether it will be able to transition from a fundraising solution vendor to a true institution-wide CRM vendor. Similarly, Datatel and Hobsons' EMT will need to evolve their CRM installed base from being largely admissions focused to include retention and development efforts as well.

As noted earlier in this report, a number of enterprise applications vendors are pressing hard into the CRM space. Three of these vendors, Microsoft, Oracle and SunGard Higher Education, demonstrated their reach in higher education by holding the top positions for higher education revenue and geographic reach. In terms of the amount of revenue attributable to higher education, SunGard Higher Education earned the top score followed by Oracle and then Microsoft. Yet, when looking at the number of unique-named institutions outside of the country, Oracle took the number one position, trailed by Microsoft and SunGard Higher Education. While these criteria might not appear immediately relevant to influence over the CRM in higher education competitive landscape, the considerable resources and global presence these vendors have powerful assets for developing their solutions over the long-term and bringing best practice insight to their installed bases.

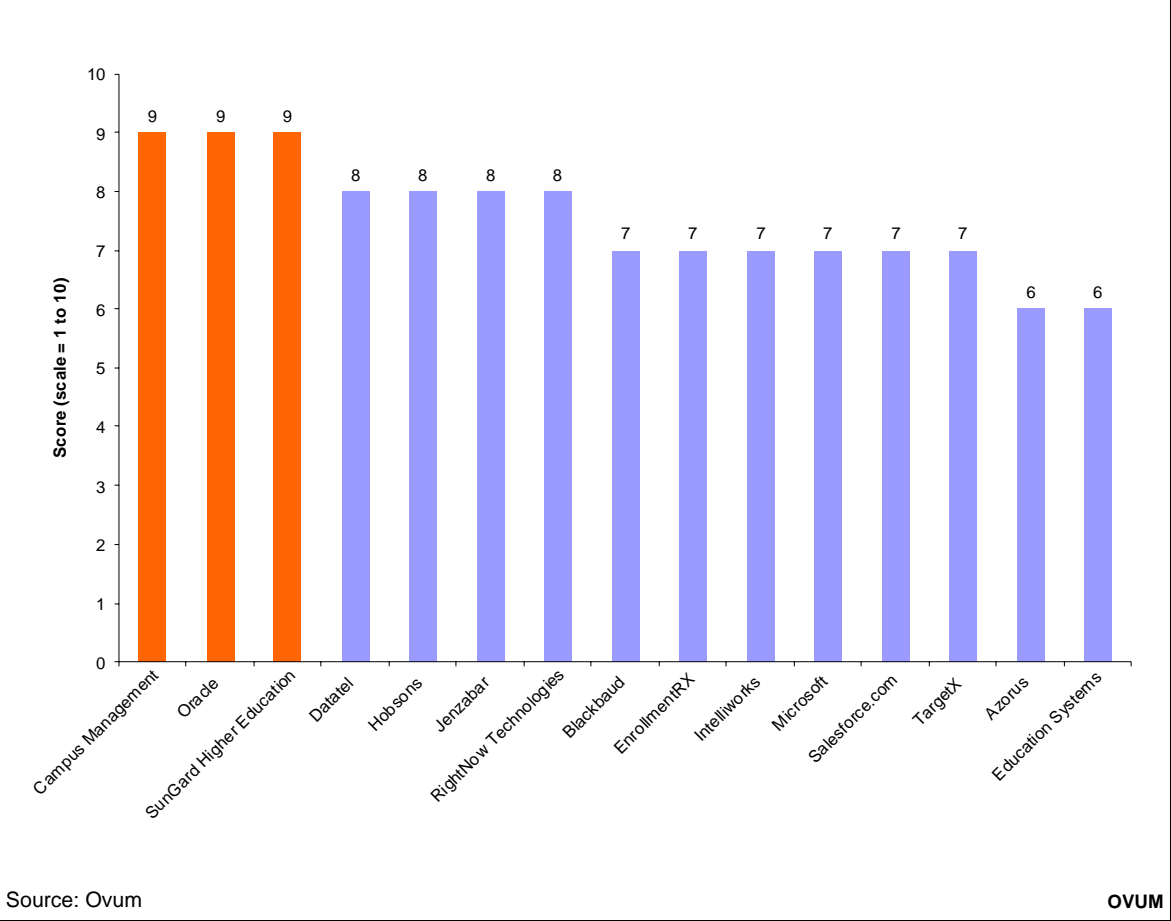
Small and new CRM vendors took the leadership positions for revenue growth with EnrollmentRx and Intelliworks tied for first and TargetX taking the final position. As smaller vendors have a mathematical advantage for revenue growth, these scores are not unexpected. However, it is important to note that vendors must earn every new dollar and smaller vendors often have fewer resources to put against the sales process. In the related category of new customers, Intelliworks earned the top position followed by larger, more established vendors Hobsons' EMT and Salesforce.com. The success of these vendors, and others profiled in the report, suggest that the uptake of CRM in higher education is growing rapidly. Consequently, Ovum believes that most institutions will purchase a new solution or expand an existing installation over the next few years and therefore, vendors that are unsuccessful at gaining market share during this 'greenfield' period may be locked out of growth opportunities for many years to come.

Market leaders: Student lifecycle

The ability to support the entire student lifecycle, from the first enquiry by a prospective student to the last donation by alumni and everything in between is critical to a CRM solution's ability to provide long-term value to colleges and universities. Without question, the higher education industry has not yet embraced this more holistic and comprehensive view of relationship management, but Ovum believes that as market forces make this approach a necessity and institutions gain experience with CRM the transition will occur.

Amongst the vendors profiled in this report, Campus Management, Oracle and SunGard Higher Education demonstrated the best ability to support the entire student lifecycle. In each case, the vendors structured their solutions in a sufficiently generic manner, without compromising higher education specificity, that institutional end users, regardless of their department, can access key relationship management functionality. The addition of complementary department or process specific capabilities, often around role-based workspaces or analytics, rounded out the offering by ensuring that end users recognized the relevance and applicability of the solution to their own day-to-day activities.

Figure 4: Market leaders: Student lifecycle



Hobsons' EMT

When many colleges and universities think of CRM in higher education, Hobsons' EMT is one of the first few vendors that is likely to come immediately to mind. Headquartered in Cincinnati, Ohio but with a global presence, Hobsons' EMT is part of the larger Hobsons organization that includes solutions for the K12 market as well as websites and printed material related to the college search process. The firm touches nearly all aspects of the broadly defined admissions process. Hobsons' EMT flagship solutions include Connect and Retain, designed for the recruitment and retention processes respectively.





As one of the largest higher education-specific CRM provider in this report, Hobsons' EMT has considerable presence in the industry, with the third highest overall Market Impact score. There were three categories where the vendor did particularly well including its CRM installed base, new customers and solution addressable installed base. Benefitting from the broad Hobsons' solution set related to admissions, Hobsons' EMT has an attractive foothold at a large number of colleges and universities. The impressive number of Connect customers and considerable growth in new ones over the past year is evidence that institutions find this solution to be a compelling answer to their relationship management needs. While it is too soon to assess the effectiveness of these efforts, the firm is also making strides to expand its presence with Connect and Retain internationally, with a particular focus on the UK and Australia.

Scoring above average or in the leaders circle for nearly every Technology Assessment criteria, Hobsons' EMT has made considerable progress over the past two years towards developing the potential of its solution set, and has moved from a supporting a collection of acquired tools to offering a complete and integrated CRM solution for the higher education industry. Hobsons' EMT earned especially high scores in the areas of deployment, configurability and education specificity. As fully hosted solutions, Connect and Retain enable institutions to reduce implementation times and the institutional IT burden of ongoing maintenance and administration. Moreover, the on-demand delivery does not compromise the ability of institutions to configure, rather than customize, the solution to meet their own unique needs and to deliver a truly branded experience. As its solutions were designed specifically for higher education and Hobsons' has a multi-faceted and complete view of the recruitment and admission processes, they are exceptionally well aligned to the day-to-day needs of institutional end users.

With the addition of the Retain to the Connect solution, Hobsons' EMT is moving across the student lifecycle sequentially. Additionally, as many of the underlying communications functionality can be used regardless of department or process, institutions will find that the solution expands, at least to some degree, as they seek to implement a more comprehensive relationship management strategy. Ovum encourages Hobsons' EMT to continue down this product development path in order to ensure that its solutions have the ability to execute a truly institution-wide CRM strategy.

Recommendation: Shortlist

Institutions will find that Hobsons' EMT brings not only a complete solution for supporting recruitment and retention processes with an attractive deployment option but a wealth of industry experience with relationship management strategies as well. Consequently, Ovum recommends that colleges and universities shortlist Hobsons' EMT when considering the purchase of a CRM solution.

APPENDIX

Ask the analyst

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Summary scores

Table 3: CRM in Higher Education Industry Solutions Guide – Vendor Summary Scores			
VENDOR	TECHNOLOGY ASSESSMENT	MARKET IMPACT	STUDENT LIFECYCLE
Azorus	6.1	0.5	6.0
Blackbaud	7.5	5.4	7.0
Campus Management	8.2	1.3	9.0
Datatel	7.5	2.4	8.0
Education Systems, Inc.	7.0	1.0	6.0
EnrollmentRx	7.3	1.8	7.0
Hobsons' EMT	7.9	4.5	8.0
Intelliworks	7.6	3.1	7.0
Jenzabar	6.7	2.2	8.0
Microsoft	6.6	2.9	7.0
Oracle	8.2	3.7	9.0
RightNow Technologies	8.0	1.1	8.0
Salesforce.com	6.9	3.8	7.0
SunGard Higher Education	8.3	4.9	9.0
TargetX	7.3	1.7	7.0

Source: Ovum OVUM

Ovum ratings

- Shortlist** – these vendors' products and services should always be placed on an institution's shortlist for CRM technology selection. This category represents the leading solutions that Ovum believes are worthy of a place on most technology selection shortlists. The vendor has established a commanding market position with a product that is widely accepted as best of breed.



- **Consider** – the vendors in this category have good market positioning, and are selling and marketing the product well. The product offers competitive functionality and good price/performance, and should be considered as part of the technology selection process.
- **Explore** – solutions in this category have less broad applicability, and may have limitations in terms of the product's functionality, or the vendor's execution capability. However, they will still be suitable to meet specific requirements and may be worth exploring as part of the technology selection process.

Abbreviations

CRM – Constituent Relationship Management

SaaS – Software-as-a-Service

SIS – Student Information System

Extended methodology

Ovum assesses CRM in higher education vendors based on three core categories, each of which consists of between one and 10 specific evaluation criteria. Taken together, these categories and criteria serve as the basis for Ovum's positioning of vendors as shortlist, consider, or explore in the competitive landscape for CRM in the higher education market.

Technology assessment

Ovum analysts assign vendors a score from one to 10 for each of the 10 assessment criteria, whereas the overall technology assessment rating is determined by taking the average of these 10 scores. The 10 technology assessment criteria used for the CRM in higher education market Industry Solutions Guide include:

- **Scalability** – the extent to which the solution is able to grow with the changing needs of the institution without the need for significant new investments.
- **Deployment rapidity** – how quickly the institution is able to be 'up and running' with the solution and the availability of on-demand or hosted delivery options.
- **Multi-channel communications** – the solution's ability to support a diverse array of communications channels, including email, telephone, in-person, postal mail, SMS text, portal interactions and social networking.
- **Education specificity** – the degree to which the solution is aligned to the unique needs of higher education institutions.
- **360° view of the student experience** – the solution's ability to create a complete view of the student experience across different types of interactions with different departments and individuals, as well as to ensure that the information persists over time.



- **Services offering** – the availability of a sufficiently skilled and available professional services team, which supports the solution's implementation as well as provides strategic advisory services around relationship management.
- **Analytics** – the extent to which the solution provides sufficiently robust tools and capability for evaluating the effectiveness of different interactions and campaigns.
- **Usability** – the availability of workspaces configured to meet the unique needs and context of specific institutional roles, such as the director of admissions, academic advisory, or development officer.
- **Workflows & management tools** – the extent to which the solution includes automated workflows and other management tools to guide the development of relationships with students.
- **Configurability** – how well the solution enables institutions to configure the solution to meet their unique needs rather than relying on customizations.

Market impact

Ovum analysts use data collected through primary and secondary research to determine each vendors' market impact. Market impact is measured across six criteria, each of which has a maximum score of 10. Overall market impact is the average of these six scores, including:

- **CRM installed base** – the number of unique-named institutions having purchased the vendor's CRM solution is calculated as a percentage of the market leader, multiplied by 10 and then rounded up to the nearest integer.
- **Solution addressable installed base** – the number of unique-named institutions using at least one of the vendor's applications, such as an SIS or ERP, is calculated as a percentage of the market leader for each vendor, multiplied by 10 and then rounded up to the nearest integer.
- **New customers** – the number of new unique-named institutions that each vendor brought under contract in 2009 is calculated as a percentage of the market leader for each vendor, multiplied by 10 and then rounded to the nearest integer.
- **Higher education revenue** – revenue attributable to the vendor's higher education industry vertical is calculated as a percentage of the market leader for each vendor, multiplied by 10 and then rounded up to the nearest integer.
- **Revenue growth** – each vendor's revenue growth rate from 2008 to 2009 is calculated as a percentage of the market leader, multiplied by 10 and then rounded up to the nearest integer.
- **Geographic reach** – the number of unique-named institutions a vendor has under contract outside of the US is calculated as a percentage of the market leader, multiplied by 10 and then rounded up to the nearest integer.

Student lifecycle

The ability of a solution to support the entire student lifecycle is assessed on a scale from one to ten by considering the number of institutional departments it is able to support as well as the available of a platform to provide more generic relationship management capabilities.



Sources

Financial analysis – an analysis of vendors' financial performance, taken from annual and quarterly reports, investor presentations, as well as a variety of secondary sources.

Technology analysis – comprehensive product demonstrations and corporate briefings.

Further reading

Manage the New Higher Education Environment with LMS (May 2010, BFTC2577)

The Recession Drives Higher Education to Invest in CRM (May 2010, BFTC2558)

The Taming of the Slew of Content (April 2010, DMTC2371)

Open Gains Momentum at SunGard Summit (April 2010, Straight Talk)

Save the Last Dance for SunGard Higher Education & Blackboard (April 2010, Straight Talk)

Education Enterprise Insights Q1 2010 (March 2010, BFTC2562)

Preparing for Change in the Higher Education Industry (March 2010, BFTC2556)

The HEUG Teeters on the Verge of Becoming a Powerful Force in Higher Education (March 2010, Straight Talk)

IBM has its head in the clouds- Can higher education get there too? (February 2010, Straight Talk)

A is for Apple (February 2010, Straight Talk)

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