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RESEARCH NOTE

MICROSOFT ANNOUNCES DYNAMICS CRM 2013

THE BOTTOM LINE

Microsoft announced Dynamics CRM 2013 and a partnership with InsideView to embed social insights in CRM and provide users with more context around CRM contacts. The big news here is the new user interface. While it may present somewhat of a retraining hurdle for existing users, its streamlined design and support for guided processes, as well as support for Android, iPad and iPhone, and Windows devices, will drive greater usability and productivity.

THE ANNOUNCEMENT

On October 21, Microsoft announced availability of Dynamics CRM 2013 Online in 42 markets worldwide, with CRM 2013 for partner-hosted and on-premise deployments scheduled for availability on October 31. Key components of the announcement include:

- A new user interface design that focuses on guiding users through CRM-related tasks and processes from one screen.
- Business process templates for verticals including professional services, manufacturing, and financial services, and horizontal processes including event management and solution selling.
- Yammer, Lync, and Skype integration for streamlined collaboration within the CRM environment.
- Support for Windows 8 tablets and iPads, as well as Windows phones, iPhones, and Android phones.

As part of the announcement, Microsoft also announced a partnership with InsideView, by which contact profile information and social insights from InsideView will be embedded in Dynamics CRM.

WHY IT MATTERS

Although the CRM arms race to add features and functionality has continued with vendors expanding their feature sets both organically and by acquisition, the challenge with adding functionality is that it ultimately reduces usability. Microsoft has taken a step in the right direction with this release. Focusing on simplifying the user interface down to one screen

and using that real estate to guide the next best action for users will drive not just more user adoption but more effective use of CRM as a productivity tool.

Microsoft has the perfect opportunity with the integration of Yammer and Lync to drive greater adoption and productivity as well. Although Nucleus has not seen how seamless the integration is yet, automating the capture of call data such as duration of call is just the beginning (Nucleus Research *n110 – Five strategies for successful CRM adoption*, July 2013). Looking forward, Microsoft and other vendors will be expected to apply text analytics and other technologies to take advantage of voice integration for sales performance coaching and win-loss analysis.

The InsideView partnership also gives Microsoft a better answer to Salesforce's Data.com capabilities (Nucleus Research *n72 – The value of data quality with Salesforce Data.com*, May 2013). In analyzing the data from case studies of sales force automation (SFA) deployments, Nucleus found that there is an optimal amount of time that sales people spend entering data in CRM: 7.56 percent. If sales is spending more than 8 percent of their time entering data in CRM, sales productivity, and thus, profitability, drops. Embedding social insights provides Dynamics CRM users with more actionable data in the context of their customer-related tasks.

Finally, the industry templates will help customers achieve faster time to value by giving them more to work with out of the box. This is a departure from Microsoft's typical CRM strategy, which has been to ship a basic application and give partners the opportunity to sell customization and integration services, but good news for customers who (especially with other cloud CRM options) are expecting to be able to configure their applications and get up and running quickly. Although some partners may balk at the move, most top partners have already moved beyond the low-level customization and development work to higher level strategy and business process integration work.

CONCLUSION

This new version is a significant step forward for Microsoft in usability and shows that Microsoft recognizes the need for future CRM to be less about reporting and process tracking and more about guiding best action for the user. It's also a refreshing example of how Microsoft has taken an existing business investment (the previously-named Metro user interface) and applied it improve the usability of Dynamics applications. This gives existing users a good reason to upgrade and prospects a significant different value proposition to consider.