SUMMARY

Catalyst

After years of languishing on the sidelines, the recession has pushed the uptake of constituent relationship management (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 that 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, and whether they require considerable customization or are comfortable investing further with their existing student information system (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 substantial CRM uptake.
- Vendors are preparing for institution-wide CRM, but on the institutional horizon, this 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 substantial CRM uptake

The link between CRM and SIS applications is becoming increasingly important in the higher education market, moving from a desirable to a necessity. 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 relatively simple import and export processes previously used for sending data back and forth between the two solutions are no longer likely to be the standard. 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 standalone CRM vendors. Where once partnerships flourished, SIS vendors are exhibiting more independence 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 to 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 willingness to narrow the number of vendors with which they work. Vendor lock-in is liable to be a prime concern, but as technology has become more sophisticated and flexible, the positive implications are increasingly outweighing the negative ones when it comes to investing in 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, but 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, such as 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 find it difficult to answer questions as fundamental as who owns retention or which staff will have access to student data. While most college and university decision makers do recognize the value of applying relationship management tools against retention strategies, few have taken the leap and implemented the technology. In the end, Ovum believes that the higher education market is moving in the direction of institution-wide CRM uptake, and that 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 that offer more than traditional support for the implementation and usage of their CRM solution itself. Unfortunately, most institutions have more far-reaching needs for CRM support, particularly concerning the development of their own relationship management strategies. Launching a new approach to the delivery of service to and engagement with students and other constituent groups is a massive undertaking which often represents a deep cultural change. Early steps into the CRM arena are likely to be successful without a radical transformation of how interaction with students is managed. This is particularly the case in the admissions or development departments, where industry best practice has been established and is 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 develop 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 increasingly sophisticated, thus requiring more robust and agile technology. Ultimately, however, institutions should base their decision to select a specific solution, horizontal or industry-specific, on 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 not withstanding, is clear evidence of CRM’s 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 15 vendors considered in this report are listed in Table 1 below.

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<th>Table 1: CRM vendors featured in the higher education industry solutions guide</th>
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Source: Ovum
Ovum expects the following developments over the next 12–36 months:

- The institution-wide uptake of CRM remains 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 is primarily due to 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 – prominent 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 offerings. 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 SIS market in the US maturing; these vendors need a new source for revenue growth and CRM is likely to grow rapidly over the short 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 through which end users may draw key transactional functionality from the SIS and enterprise resource planning (ERP) system.

- Software-as-a-service 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 an on-premise or hosted model. Citing security and control issues, the higher education market has been historically opposed to software-as-a-service (SaaS) and has instead 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 a 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 models 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 most evident 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 facilities with relationship management strategies, the appetite for more sophisticated analytics and reporting will increase. 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 on 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 communication channels has risen dramatically. CRM vendors have been quick to capitalize on social networking, adding it to their multi-channel communications capabilities; notable examples include RightNow Technologies, Cloud Monitor and salesforce.com’s Chatter. Ovum is optimistic that 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.
In this 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** – Ovum believes that these vendors’ products and services are leading solutions that should always be placed on an institution’s shortlist for CRM technology selection. 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.

Realizing value from a CRM deployment is critically dependent upon the solution’s ability to execute the institution’s overall relationship management strategy, and therefore a decision to purchase a specific solution should be based on a broad array of factors. These include, but are 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: Performance of CRM vendors featured in the higher education industry solutions guide

Source: Ovum

Table 2: Recommendations for CRM vendors in the higher education industry solutions guide

Source: Ovum
Market leaders: Campus Management, Datatel, Hobsons EMT, Oracle, RightNow Technologies and 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 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. It offers 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, suited to the 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 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 (version 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 integration 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. With the introduction of its Banner Enrollment Management Suite, the visibility of CRM in general rose dramatically among 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, Enrollment Rx, Intelliworks and 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 shortlisted vendors in 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 in unique needs or contexts. Therefore, Ovum recommends that when evaluating CRM solutions, institutions strongly consider Blackbaud, Education Systems, Enrollment Rx, 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 among 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 among 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 useful 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.

- Enrollment Rx 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 Enrollment Rx solution provides exceptional multi-channel communications capabilities, reduced deployment times and strong configurability. Enrollment Rx has added placement and alumni support through its Placement Rx and Alumni Rx solutions, but it 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 capabilities, 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 and salesforce.com

Higher education is in the early days of its experimentation and usage of 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 salesforce.com offer institutions important options and should be explored when evaluating CRM solutions, especially by those that have unique needs which may not be met 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 hosted delivery model, collection of solutions 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 that exclusively serves 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 and 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 this. 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 provides institutions with 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 in 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.

Figure 2: Market leaders: technology assessment

Source: Ovum
Overall, the vendors with the three highest technology assessment scores were SunGard Higher Education, Oracle and Campus Management, receiving top scores in six, five and four of the 10 categories respectively. In the case of Oracle and Campus Management, their CRM solutions are mature offerings with a broad base of leading functionality required by colleges and universities for relationship management. With regards to 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 communication is a core capability of any CRM solution. The best vendors will offer solutions that support a myriad of channels in innovative ways and will continue to cast their eyes far afield to ensure that they are prepared for any new channels that may emerge. Four vendors tied for first place, each with a perfect score in this category: Enrollment Rx, RightNow Technologies, salesforce.com and TargetX. As Enrollment Rx 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 when it comes to 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 were SunGard Higher Education, with a perfect score, followed by Blackbaud, Campus Management, Education Systems, and Hobsons EMT, each with a score of nine out of 10. Each of these vendors has deep roots in the higher education industry, 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: Intelliworks, 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 ‘peek 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: SunGard Higher Education earned nine out of 10 points, while Blackbaud, Campus Management and Education Systems each received eight 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, were 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 in 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 to be immediately relevant influences on selecting a CRM vendor, the considerable resources and global presence these vendors have are 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 Enrollment Rx and Intelliworks tied for first and TargetX taking the final leadership position. As smaller vendors have a mathematical advantage in terms of 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 such as Hobsons EMT and salesforce.com. The success of these vendors, and others profiled in the report, suggests 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, 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.

Among 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, so 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

Source: Ovum
VENDOR PROFILE

RightNow Technologies

Headquartered in Bozeman, Montana and publicly traded, RightNow Technologies is an established provider of CRM solutions to the corporate and government sectors. However, over the last few years, RightNow has rapidly increased its presence in and commitment to the higher education industry. Delivered exclusively through a true multi-tenant SaaS model, the RightNow CX solution is comprised of its RightNow CX cloud platform, RightNow Contact Center Experience, RightNow Web Experience, RightNow Social Experience and RightNow Engage, which includes capabilities for marketing, customer feedback, service, sales and analytics. Nevertheless, unlike many other horizontal CRM vendors, RightNow Technologies provides considerable 'out-of-the-box' higher education-specific functionality.
In comparison to other higher education-specific vendors, RightNow Technologies remains relatively small in terms of market presence. However, it is making considerable progress in terms of revenue growth, having the fourth highest percentage gain in 2009. Additionally, it is interesting to note that where RightNow Technologies has focused its market outreach activities in the industry it has been extremely successful, such as the Australian higher education market where it is the dominant CRM player. Over the near to medium term, Ovum believes that it will be important for RightNow Technologies to expand the usage of its solution on campuses where it already has a footprint as well as to demonstrate to the market its capability to support institution-wide deployments on par with or better than larger enterprise applications vendors in the industry.

The quality of RightNow Technologies’ CRM solution more than compensates for its diminutive size in the higher education industry. The solution received a top three rating in six of the 10 technology assessment categories and the top score, or tied for first, in three of them. RightNow Technologies is able to perform well by packaging robust, corporate sector
functionality in a higher education-accessible package. The solution has exceptional multi-channel communications capabilities, running the gamut from telephony and mobile to Social Experience Design, Communities and Cloud Monitor, therefore harnessing communications power through a myriad of social networking sites. The combination of being a true SaaS solution and the availability of higher education frameworks greatly reduces the burden of implementation. Moreover, as the solution supports interactions and relationship management rather than specific departments or processes, institutions can expand the solution across multiple departments without major new investments. The RightNow Technologies solution also provides useful tools for managing efficiency and ensuring that institutions deliver consistent services. The automated workflow functionality is state of the art and is presented in an easily understandable and easily navigable visual format. Drawing on its considerable experience in the contact center, the solution desktop is designed to help end users resolve issues efficiently without compromising service levels. The only potential weakness in the solution is its ability to create an insightful 360° view of the student experience. While all of the data are available and integration with the institution’s SIS is possible, there is still some room for improvement in terms of transforming information into actionable insight. Ovum hopes that RightNow Technologies will draw from the experiences of its growing installed base in order to create an insightful and out-of-the-box 360° view.

The RightNow Technologies solution is equipped to handle the management of constituent interactions at every stage of the student lifecycle. The current end-user community skews a bit towards supporting the needs of matriculated students and internal constituents, but nothing from a technology perspective would inhibit the broader usage of this solution, through admissions or advancement activities for example.

Recommendation: shortlist

With the RightNow Technologies CRM solution, higher education does not have to make the choice between having robust horizontal functionality and using tools and applications pre-configured for the unique needs of the industry. Moreover, the SaaS delivery model and its focus on efficiency tools add further value and as a result, Ovum recommends that institutions shortlist RightNow Technologies when purchasing 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

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Technology assessment</th>
<th>Market impact</th>
<th>Student lifecycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azorus</td>
<td>6.1</td>
<td>0.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Blackbaud</td>
<td>7.5</td>
<td>5.4</td>
<td>7.0</td>
</tr>
<tr>
<td>Campus Management</td>
<td>8.2</td>
<td>1.3</td>
<td>9.0</td>
</tr>
<tr>
<td>Datatel</td>
<td>7.5</td>
<td>2.4</td>
<td>8.0</td>
</tr>
<tr>
<td>Education Systems, Inc.</td>
<td>7.0</td>
<td>1.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Enrollment Rx</td>
<td>7.3</td>
<td>1.8</td>
<td>7.0</td>
</tr>
<tr>
<td>Hobsons EMT</td>
<td>7.9</td>
<td>4.5</td>
<td>8.0</td>
</tr>
<tr>
<td>Intellilworks</td>
<td>7.6</td>
<td>3.1</td>
<td>7.0</td>
</tr>
<tr>
<td>Jenzabar</td>
<td>6.7</td>
<td>2.2</td>
<td>8.0</td>
</tr>
<tr>
<td>Microsoft</td>
<td>6.6</td>
<td>2.9</td>
<td>7.0</td>
</tr>
<tr>
<td>Oracle</td>
<td>8.2</td>
<td>3.7</td>
<td>9.0</td>
</tr>
<tr>
<td>RightNow Technologies</td>
<td>8.0</td>
<td>1.1</td>
<td>8.0</td>
</tr>
<tr>
<td>salesforce.com</td>
<td>6.9</td>
<td>3.8</td>
<td>7.0</td>
</tr>
<tr>
<td>SunGard Higher Education</td>
<td>8.3</td>
<td>4.9</td>
<td>9.0</td>
</tr>
<tr>
<td>TargetX</td>
<td>7.3</td>
<td>1.7</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Source: 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 are:

• 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 professional services team which is able to support the solution’s implementation as well as provide strategic advisory services around relationship management.
- Analytics – the extent to which the solution provides sufficiently robust tools and its 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 and 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, which are:

- 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 10 by considering the number of institutional departments it is able to support as well as the availability 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


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


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

Ovum (2010) A is for Apple, February 2010, Straight Talk

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