

Use the strength
of your network

Whitepaper - xRM



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Is your company keeping up with the hyper-connected world?



Facebook, Twitter, XING, Google+, LinkedIn – the rampant success of the so-called „social networks“ on the Internet is seemingly unstoppable. More than a billion people manage their contacts online. And it is an upward trend.

Thanks to Facebook and Co. we can keep in touch, whether it is with old friends or the briefest of acquaintances. Who knows when you might see someone that you know again or when supporting someone could be of mutual benefit. And it is just as easy to discover friends of friends who share similar interests. According to recent American studies, 20 percent of all marriages could be attributed to Internet.

Now, take a look at your company. Do you have the same kind of overview of your business contacts as you do for your personal contacts? When you use a CRM system (Customer Relationship Management) it is more than likely that you know a great deal about your customers. But that is just the tip of the iceberg. What about your employees? Your suppliers? Your partners? Your creditors? Your PR people? Your local administration? Your regulatory authorities?

Those of us who proactively manage our relationships have a clear advantage. Would it not be practical if you could use the same networking features from managing your private life and apply them to your business relationships?

Anything Relationship Management (xRM) now makes this possible.

Here are a few facts and figures that might interest you

The growing complexity of relationship structures mirrors the ever increasing extent of connectivity. Hence, the average Facebook user having 229 friends who come from all manner of groups such as: School acquaintances (22%), Family (20%), Work colleagues (10%), Fellow students (9%), Hobby and sport groups (7%) and Neighbors (2%).¹ A study from the University of Leipzig showed that 70% of young people in Germany are active in more than one social network at any one time. The age old motto still applies: relationships are not just useful, they also create trust. We are all influenced by friends and family, and that is why 90 percent of all purchase decisions are directly influenced by the recommendations of their acquaintances (Nielsen).

It is no different in business. In Austria, Germany and Switzerland, almost 5 million people have profiles on the XING business network. Nowadays, the majority of firms are active in social media – even small and medium-sized enterprises have Websites, blogs, a Facebook page, a Twitter account and so on, which puts increasing pressure on companies to manage and take care of their stakeholders through these channels. And as the results of a survey conducted in 2010 illustrate, every third German company would like to use management tools in the form of software solutions to help them better manage all of their stakeholder relationships before the end of 2012.²

It is no wonder that xRM has become so popular: if we consider the period since 2008 alone, the number of times that xRM is mentioned on the Internet has increased by more than 1000 percent!

¹ PewResearchCenter: Social Networking Sites and our Lives (June 2011).

² Institute 4 Sustainability: Stakeholder Relationship Management (2010).

The organization: a flourishing ecosystem



You are already familiar with the term „ecosystem“, perhaps you remember it from school: the pond analogy is often used to help explain the complex web of relationships between the various organisms. As relationship management has increased in popularity, the use of biological concepts as a means of explaining and understanding relationship management in business has also increased.

Companies cooperating with one another are nothing new. They interact with a wide range of stakeholders: suppliers, loyal customers, industry insiders and neighboring companies. Similarly, companies sell and buy products, exchange information or pass-on contracts to third parties. For larger contracts, consortiums and collaborative networks are formed. Research and development become collaborative activities.

What is new, however, is the fact that companies and organizations are starting to see cooperation as an integral part of their business models instead of a necessary evil. Company cooperation now has more in common with biological ecosystems: the different species are niche dwelling specialists that profit from each other's activities. The whole resembles a pulsing system that does not owe its existence to any one species alone.

In order to get such a model to work, companies have to change the very essence of their business strategies to embrace both cooperation and communication with partners who can build and drive cooperative agreements that are both sustainable and that follow clear rules. Transparent, open networks help to establish a climate of trust and lean, company-wide processes. It is here that xRM platforms are required. And once active, they can easily manage the complex-relationship web in and around companies using a holistic and integrative approach.

The increasing importance of Corporate Social Responsibility (CSR)



Transparent relationships do not just improve internal processes, their significance is steadily increasing. Today's companies have realized that functioning networks play an increasingly decisive role in company public relations (PR). The days of companies being compared to a „Black Box“ are numbered. It is now increasingly important to customers, partners and employees that the relationships within a company feel right. Fairness is a key factor, and stakeholders want to be able to feel this, for example, in the working conditions for foreign suppliers. This is especially relevant during shortages of skilled workers, companies who can appeal to applicants in terms of their public image will ultimately win the best applicants and this is a critical business survival factor. These new developments also seem to justify the on-going trend of CSR programs that have been popular for some years now: and which have recently also made an appearance amongst the small and medium-sized enterprises.

CSR is short for „Corporate Social Responsibility“. CSR can be understood as: the inclusion and consideration of the interests of all stakeholders during the decision-making process thereby increasing satisfaction for all involved. Maintaining the sustainability of this process requires that stakeholder data be continually recorded and analyzed in a so-called „sustainability-controlling“ procedure. An xRM system enables you to do exactly that with the help of its comprehensive relationship management functions.

On the other hand, many non-commercial organizations are also pushing for a more pro-active approach to their „customers“. Associations and non-profit organizations (NPOs) such as local government and education establishments have to ensure that their members are taken care of as directly and individually as possible, that citizens are managed effectively and that students are managed carefully. Thanks to its versatility, xRM is capable of taking all these challenges in its stride: xRM is suitable for every type of organization.

What is Anything Relationship Management (xRM)?

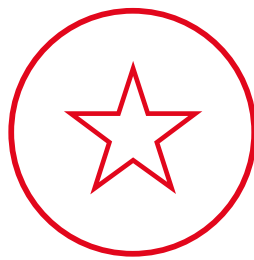
Let us examine the xRM abbreviation for a moment, as in mathematics; „x“ can be substituted for literally anything, any person or thing. It is not just about customer relations (as with CRM), but instead focuses on the relationship network between all manner of organizational stakeholders and entities.

xRM is the natural next step in the further development of the CRM concept as applied to the whole company ecosystem. Using xRM, you can connect all the key nodes of an organization with each other and provide them with essential support. Anything Relationship Management xRM can manage all the following areas:



1. People

(employees, customers, partners, suppliers, citizens, sports men and women and so on)



2. Things

(products, rooms, vehicle fleets, office equipment, real estate and so on)



3. Virtual assets

(documents, services, events, product testing, patents and so on)

It is worth noting at this point, however, that as with CRM, xRM is not just about the software but it is also a management concept. Companies who decide to change direction based on their relationships are often also forced to have to consider a shift in company mentality. It is not enough to just buy and install new xRM software.

In fact, it is more the human component of xRM that has to be considered if you want to maintain the vitality of your relationships. For example, you should think about including your employees early on in the deployment and introductory phases of your xRM system so that you can work out a step-by-step approach together. This applies, of course, to using your xRM system in any field of application regardless of whether that is a small and medium-sized enterprise, a research consortium, a university, a school, a local government office or a sports club.

xRM: the possibilities are endless with this platform



The majority of companies today are already managing much more than just their customer relationships. Martin Hubschneider CEO of CAS Software AG stated: „In recent years, we have been able to determine that more and more of our customers are „misusing“ our CRM software for purposes other than for which it was originally designed.“ Up to now, however, these have been predominantly work-around solutions. The introduction of xRM, however, has made it possible to develop tailor-made applications that are compatible with one another and from which an entire organization can benefit.

How is this done? xRM has been designed as a platform for which you can develop a diverse range of relationship management applications. Firstly, special industrial solutions can be offered through this platform. Secondly, you can easily add more functions for any additional relation-

ship structures to the existing framework. The system allows inter-departmental and company-wide collaborations by creating complete relationships that are compatible with one another. In addition, xRM includes social media components and is also available as software as a service (SaaS) direct over the Internet anytime and anywhere via smartphone or tablet PC. In this way organizations literally become „smarter“ using xRM!

Here are a few examples of how you can use xRM:

- Company supplier relationship management
- University, school and graduate management
- Managing clubs, associations and trusts
- Research, innovation and cluster management

So what can xRM really do for me?

Anything Relationship Management offers a wide range of possibilities:

✓ All stakeholders

Basically, xRM brings all the classical advantages of a CRM system to other application contexts and applies them to different organizations. An xRM system allows you to document and analyze data from your source whatever that might be, for example, employees, suppliers, members and students and so on: the data you collect can be displayed in the form of a partner dossier that contains all the relevant information from the contact person to the complete contact history, so that making appointments is easy. This reflects the way companies already work with customer information in CRM systems.

✓ 360° view

Because xRM works holistically, users have a 360° view of their organization at their disposal. The result: the left hand knows what the right hand is doing. Using xRM, users can deal with stakeholders proactively as they are always well-informed, which enables them to recognize a potential problem early and then deal with it appropriately. Consequently, stakeholder satisfaction and loyalty increases, which has a positive effect on the long term stability and success of the organization.

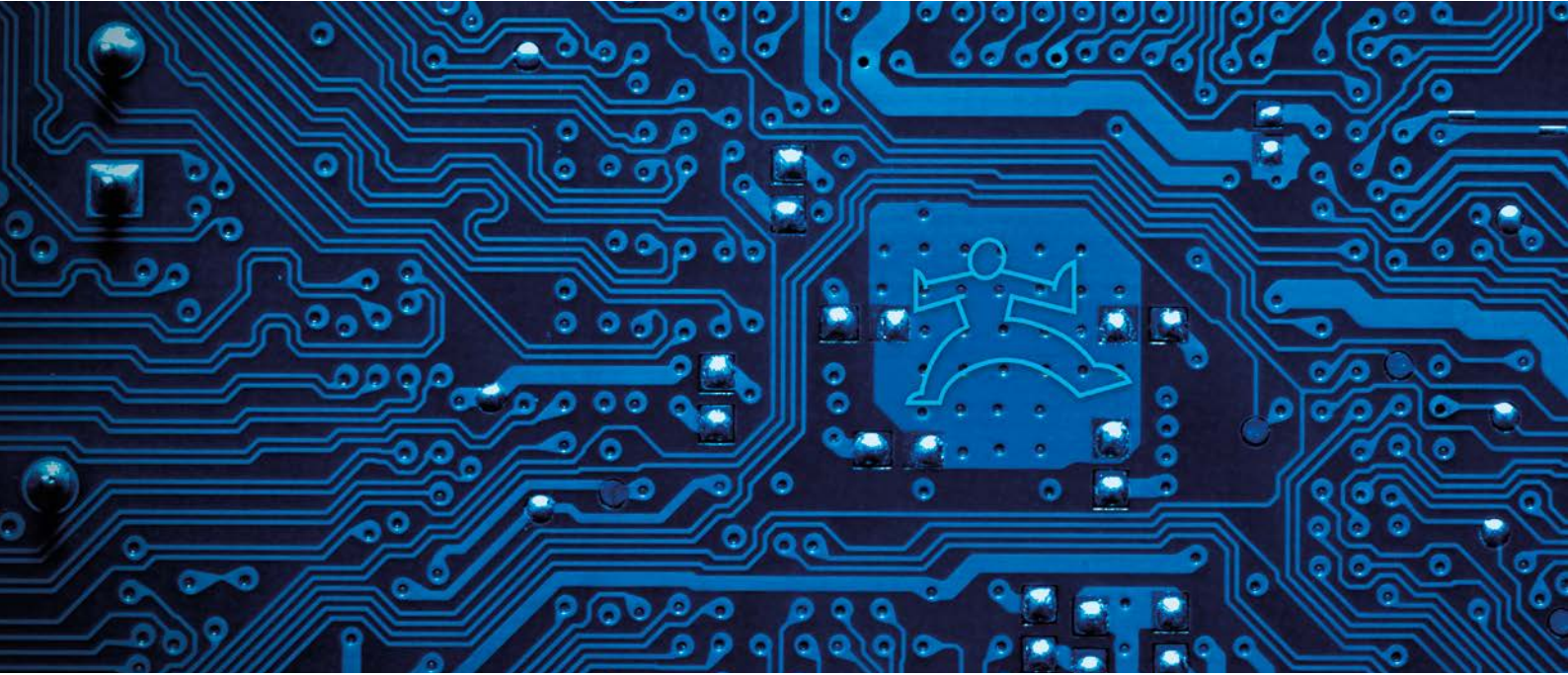
✓ xRM promotes interaction

xRM supports interactions between stakeholders. Exchanging dialog and data over the company network is easier and both internal and external collaborative activities are promoted. This all helps to quickly identify new ideas, opportunities and risks. As a consequence, a hotbed of innovation is created that can be utilized in the development and improvement of: new products, services, research and incentive systems and so on.

✓ Return on investment

So as you can imagine, the return on investment (ROI) for xRM platforms is very high. Firstly, they include a standardized user interface for different applications, which helps to keep training costs down. And secondly, xRM is future proof, because it can grow dynamically with your organization as and when new relationship structures are created.

Well-equipped for the future – the „Internet of things“



If we take a closer look at the question of xRM future-proofing, then we will notice one trend that is particularly exciting: that of the „Internet of things“. The „Internet of things“ is defined as being the linking together of physical objects to form a network that resembles the Internet. Objects are fitted with so-called QR codes or RFID and/or NFC tags that enable them to communicate with each other. QR codes are square, black and white codes that can often be seen, for example, in advertisements. RFID and NFC describe radio chips, which are capable of exchanging data over short distances.

The whole concept of an „Internet of things“ is already being used today in numerous applications such as: chip cards to enter buildings. Assembly and production lines are often monitored using RFID systems. You can track the progress of parcels via the Internet and pay for them using NFC credit

cards and smartphones without having to touch them. And that is just the beginning. Imagine the following scenario: your train has been delayed and it contacts your alarm clock directly to warn you of the delay, so now you can stay in bed for ten minutes longer. This domino effect between your smart devices means that your coffee machine also starts later and your first meeting has been rescheduled.

The new Internet protocol „IPv6“ has already laid the groundwork to make such scenarios possible. According to Cisco by the year 2020, 50 billion things will be connected to the Internet.³ What was once undreamt of, will soon also be within reach of your organization. Using an xRM platform, you will be well-prepared to take advantage of these new developments – xRM is also capable of connecting objects into your organization's relational framework with ease.

³ Cisco Systems: The Internet of Things (Juli 2011).

About us and our SmartCompanies

In recent years, CAS Software AG has become the German, market-leading innovator in Customer Relations Management (CRM) solutions for small and medium-sized enterprises (SMEs). The company was founded in 1986 by Martin Hubschneider and Ludwig Neer in Karlsruhe. Today, CAS Software AG employs approximately 450 people, 300 of which are employed directly at CAS Software AG. More than 250,000 people, in more than 10,300 companies and organizations, enjoy the benefits of using our software solutions: the best ergonomics, flexible and capable of integrating with existing software, a qualified partner network proven in practice and excellent value for money.

Good relationships are a decisive success factor in our hyper-connected world. CAS Software AG offers unique expertise and versatile solutions in terms of xRM regardless of your application area, whether in relationship management with customers, employees, partners, universities or networks: we have a solution waiting for you. The CAS SmartCompanies focus on specific sectors or branches:

- **CAS Mittelstand:**
CRM Software for small and medium-sized enterprises
- **CAS Education:**
Solutions for education, for example, for schools and universities
- **CAS Communities:**
Software solutions for networks and trusts
- **CAS Drive:**
CRM software for car traders
- **CAS Merlin:**
Supports the suppliers of complex, variant-rich products using software solutions and services to assist them in their sales, sales data management and in product configuration and planning
- **CAS Ecosystems:**
Software solutions for cooperating companies and organizations
- **CAS Aviation:**
Sales support for the aviation industry



Any questions? Contact us now,
we would be delighted to hear from you!



If you have any questions or require more information on any of our xRM products, please do not hesitate to get in touch with us. We would be delighted to hear from you! We're ready and waiting to help.



CAS Software AG

CAS-Weg 1 - 5 | 76131 Karlsruhe | Germany
+49 721 9638-188
info@cas-crm.com
www.cas-crm.com



CAS Software AG
CAS-Weg 1 - 5
76131 Karlsruhe
Germany

+49 721 9638-188
info@cas-crm.com
www.cas-crm.com

