

SFA Modernization Partner
United States Department of Education
Student Financial Assistance



Customer Relationship Management
Vendor Recommendation

Task Order #11
Deliverable #11.1.2

March 31, 2000

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1 Introduction

1.1 Purpose

This deliverable is part of Task Order 11, and is documentation of the work completed to provide a Commercial Off the Shelf (COTS) CRM vendor recommendation to the Office of the Ombudsman.

The purpose of the report is to summarize and document the work done to define the Ombudsman requirements, create a new system vision, screen and evaluate vendors as well as recommend a CRM vendor.

1.2 Scope

This document covers the following areas:

- CRM vendor recommendation summary
- Ombudsman system requirements
- CRM vendor evaluation criteria
- CRM vendor screening and evaluation
- CRM vendor evaluation
- CRM vendor recommendation

2 CRM Vendor Recommendation Summary

The vendor evaluation team, consisting of members from the Ombudsman Office, CIO, and SFA's Modernization Partner -- Andersen Consulting, is recommending Siebel as the solution to replace the case tracking system for the Ombudsman Office. This recommendation is the result of several weeks of work in defining requirements, screening and evaluating Customer Relationship Management (CRM) vendors.

The Ombudsman requirements include call processing with scripting and CTI functions, tracking and reporting of all specialists actions, workflow automation, Internet interaction and extensive ad hoc and production management reporting. The recommendation is specific to the needs of the Ombudsman, however implementation of CRM for the Ombudsman will provide an excellent pilot for how CRM software can be used by the rest of SFA. This is true because of the breadth of functionality to be implemented by the Ombudsman, including scripting, workflow, knowledge base searching, automated task initiation, management reporting and many others.

The following sections of this recommendation describe the development of the Ombudsman requirements and the vision of the new system as compared to the existing system, the development of evaluation criteria and actions taken to evaluate the CRM vendors, and final recommendation.

3 Ombudsman Requirements

The Ombudsman has a desire to provide the most complete report possible to meet the legislated reporting requirements. The information reported can be substantially enhanced through the use of CRM software capabilities. CRM software comes with built in functions to automatically provide productivity measurements and more extensive ability to categorize case information for reporting purposes.

In addition, the volume of customer contacts is expected to begin in the later part of 2000. This will necessitate a substantial increase in personnel to handle the workload unless automated functions are implemented.

Based on these high level requirements and an understanding of the current system, a vision of a new system was created. This vision was used to have CRM vendors describe how their product could meet the needs of the Ombudsman.

3.1 Current Ombudsman environment

Currently the Ombudsman is served by a custom developed system called Ombudsman Case Tracking System (OCTS). The following diagram represents the flow of this system.

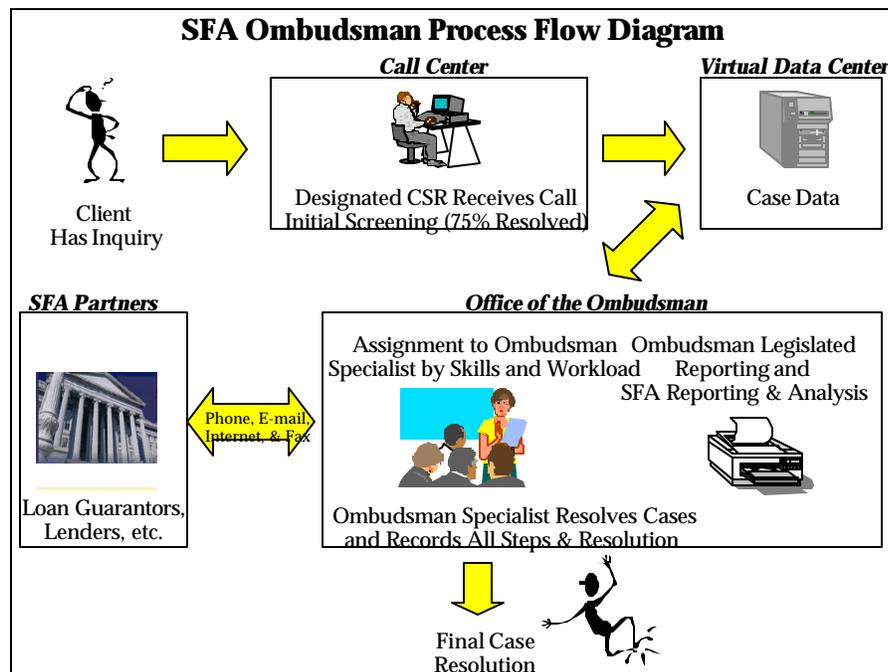


Figure 1 – Current System Flow

Most Ombudsman cases are initially generated via a phone call which is taken by a group of agents in one of two call centers. In the call centers there is an initial screening of the call to see if

the call can be immediately handled or if it should be referred elsewhere. For those calls that are not referred or closed at the call center, the caller is told that an Ombudsman Specialist will call the customer back to complete processing of the case.

Assignment of cases is done by the Ombudsman office based on Specialists skills and workload. The Ombudsman Specialist contacts the customer to better understand their situation and works with other divisions of SFA, lenders, schools, and other parties related to the case. Tracking of all steps taken to resolve the case is done using the case tracking system.

3.2 Future Ombudsman system vision

The Ombudsman vision of a system to meet customer needs is shown below.

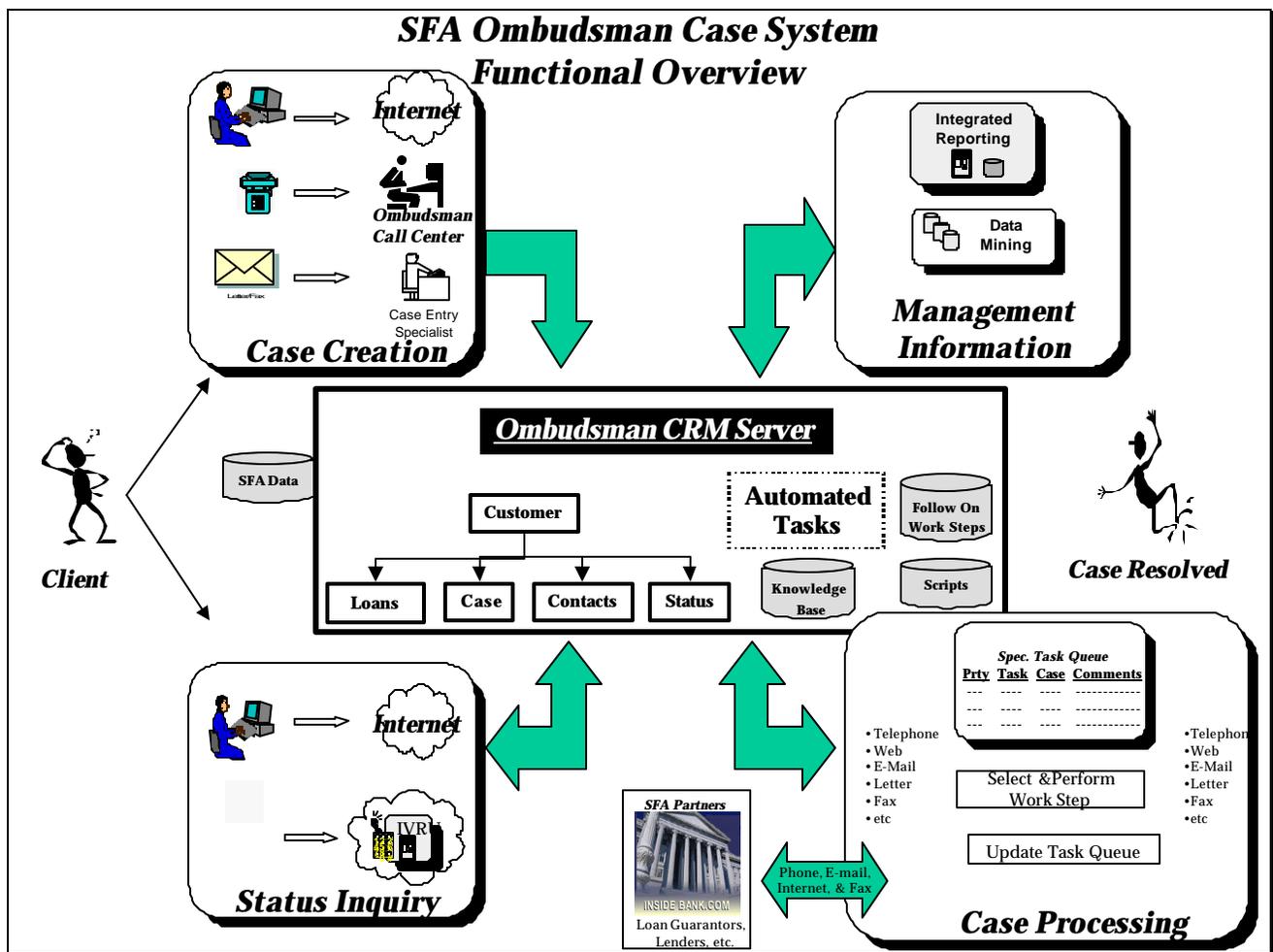


Figure 2 – Functional Overview of Ombudsman System Vision

3.2.1 Ombudsman System Vision

The vision of the new Ombudsman case system is one that has all information about the case located in one place to eliminate the need for the Specialist going to multiple systems to retrieve

information. Additionally, the Ombudsman Specialists will have access to a Knowledge Base to help them quickly resolve the case issues. The new system will have a server containing the data and providing four major functions to the Ombudsman:

- Case Creation – Allows cases to be created via phone, the Internet, mail or other communication methods.
- Status Inquiry – Allows a customer who has opened a case to see the status of the case via the Internet or other self service methods, such as an IVRU.
- Case Processing – Provides automatic workflow management for the Ombudsman Specialists tasks required to handle a case. It also allows automation of some tasks without operator intervention.
- Management Reporting – Provides reporting on case information in such a way that allows the Ombudsman to make recommendations on changes, which can help eliminate the problems requiring the services of the Ombudsman. Scheduled and ad hoc reports are required of the system without the necessity of computer specialists to generate the reports.
- Real Time Alerts – Provides real time alerts to management of unusual work loads, such as higher than normal number of the same type of case or unexpected volume of calls to Specialists.

3.2.2 Ombudsman System Vision – Case Tracking Server functions

The case tracking system will be a server based system with many automated functions being performed by the server. This is represented by the box in the center of the Ombudsman System Vision shown below.

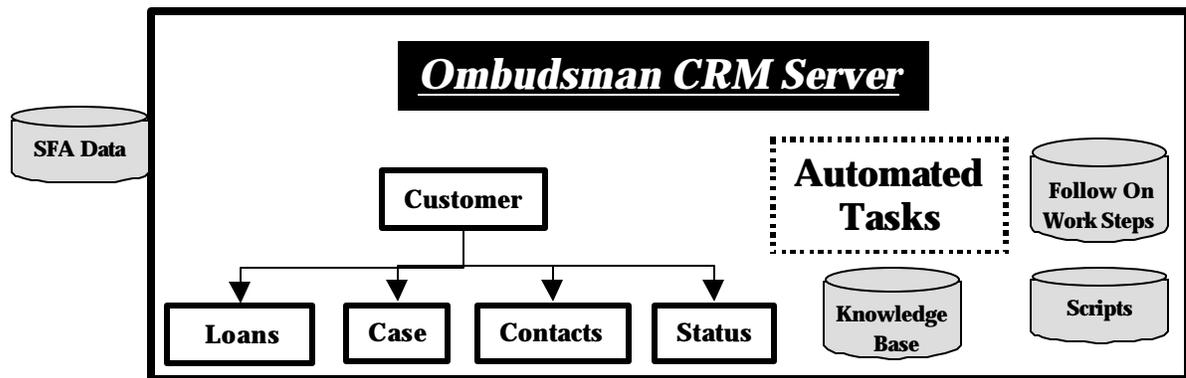


Figure 3 – Server Functions

The server will be the heart of the new system and contain information about each customer served by the Ombudsman. For each customer, all information about loans, customer requests, case contacts, and case status will be stored on the server for retrieval and update by the Ombudsman Specialists and customers as needed. The server will provide functions required to retrieve SFA information, such as loan information, using both real time and batch methods.

The server will also contain knowledge base information to help the Ombudsman Specialists answer questions or do research. In addition, scripts that assist agents in completing work tasks in the most efficient manner, with the least amount of training, will be available. For each Ombudsman Specialist, a set of work items will be maintained by the server to allow the Specialist to see the tasks that they are working on in priority sequence.

The Server will also be able to perform some tasks automatically based on business rules defined to handle the work items in the system. These tasks could be the automatic generation of a letter, fax or e-mail as a result of work done by one of the Specialists.

3.2.3 Ombudsman System Vision - Case Creation

Case creation for the system is shown in the following diagram,

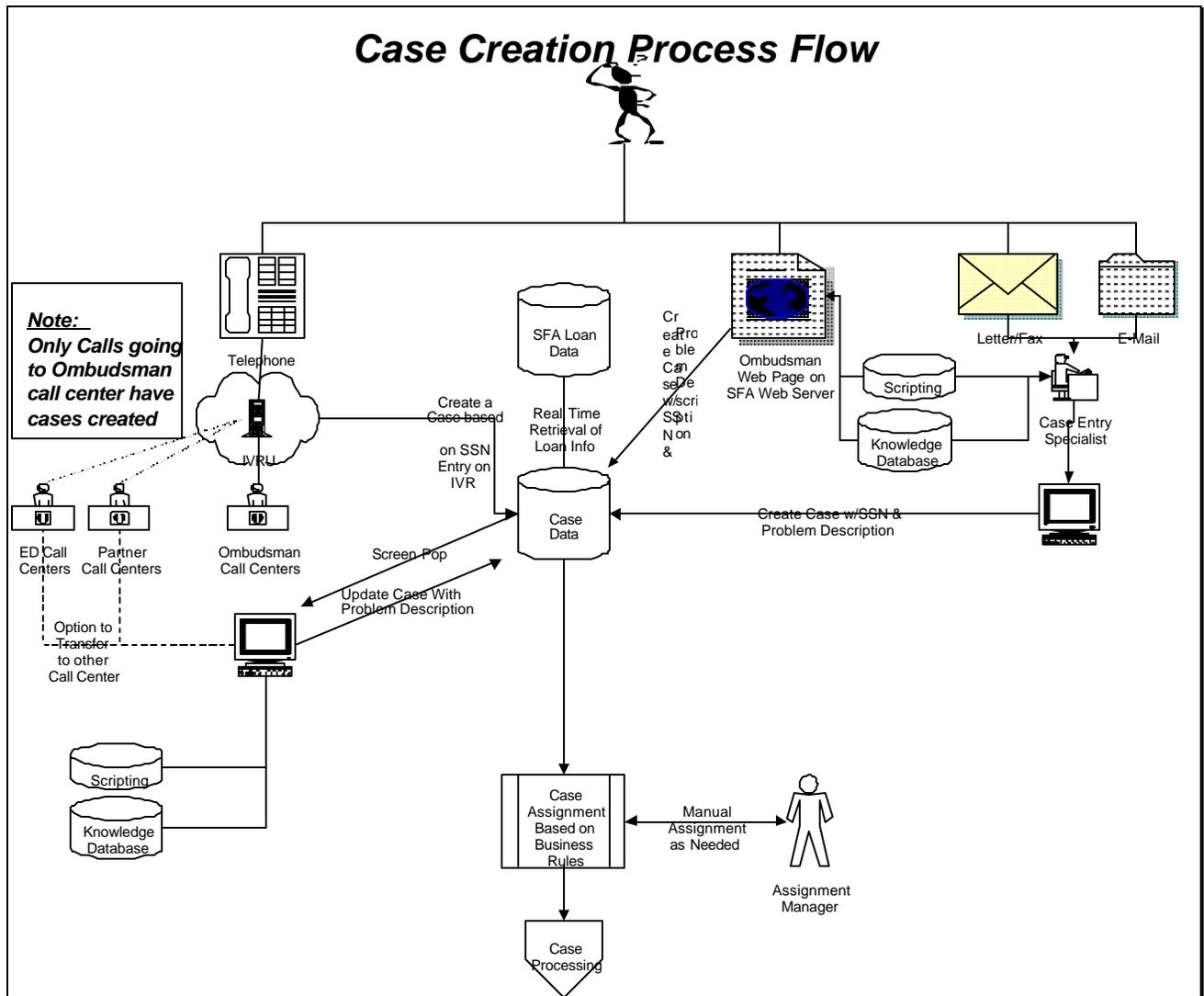


Figure 4 – Case Creation

Case creation can be initiated by a phone call, Internet access or mail. For phone calls, a caller would be prompted by an IVRU to enter his or her Social Security Number (SSN) before being transferred to an agent to discuss their case. The Server will use the SSN to retrieve loan information from the SFA databases and display this information to the Specialist receiving the call. This screen pop of information will improve the speed of the Specialist in handling the call. The Specialist will be further assisted in handling the call by the knowledge base and scripting information available from the server. If the call is completely handled by the Specialist or

transferred to another center, a contact record will be captured regarding the interaction with the caller and the case will require no further action.

Cases can be created for Internet users directly from the SFA homepage after the customers have used the Knowledge Base to try to answer their concerns. The case will be referred to an Ombudsman Specialist for further follow-up.

For cases received by mail or requiring follow-up work by an Ombudsman Specialist, business rules will be used to determine the proper specialist to receive the case and a work item will be added to that specialist's task list to begin handling the case. If business rules cannot determine the specialist to transfer the case to, a work item will be given to the Assignment Manager to manually assign the case.

3.2.4 Ombudsman System Vision – Status Inquiry

Clients of the Ombudsman’s office will be able to retrieve status of their cases via phone or the Internet as shown in the following diagram.

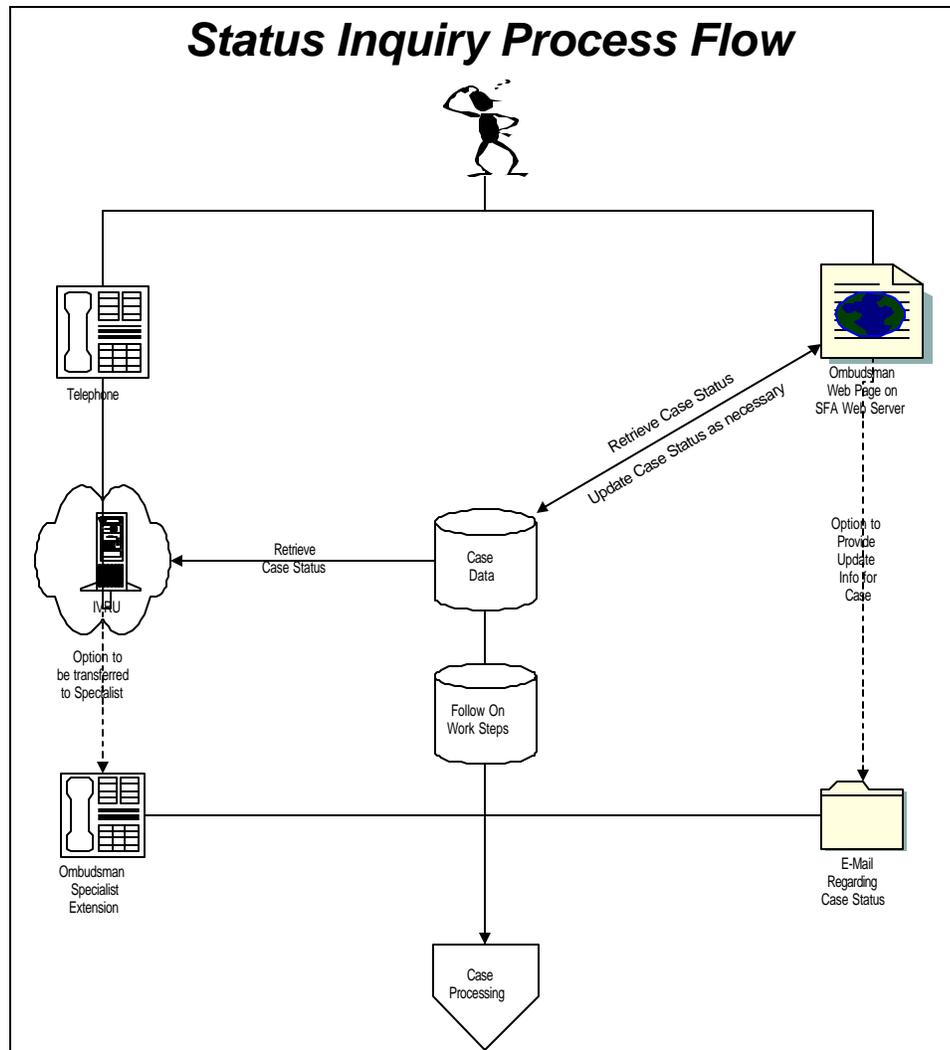


Figure 5 – Status Inquiry

Customers using the phone will be able to call the 800 number and retrieve the current status of their cases. The IVRU will retrieve case status and using text to speech technology give the caller the current status. The caller will then be given the option to be transferred to the Ombudsman Specialist who handles their case.

Internet users will be given the option to retrieve their case status information by accessing the Ombudsman web page. After reviewing their case status, the users can enter information, which will be given to the Ombudsman Specialist handling their case.

Access to the status information will require the user to enter identifying information such as SSN, name, and date of birth.

3.2.5 Ombudsman System Vision – Case Processing

Case processing for the new system will involve extensive use of scripting and automated workflow capability. This is shown in the following diagram.

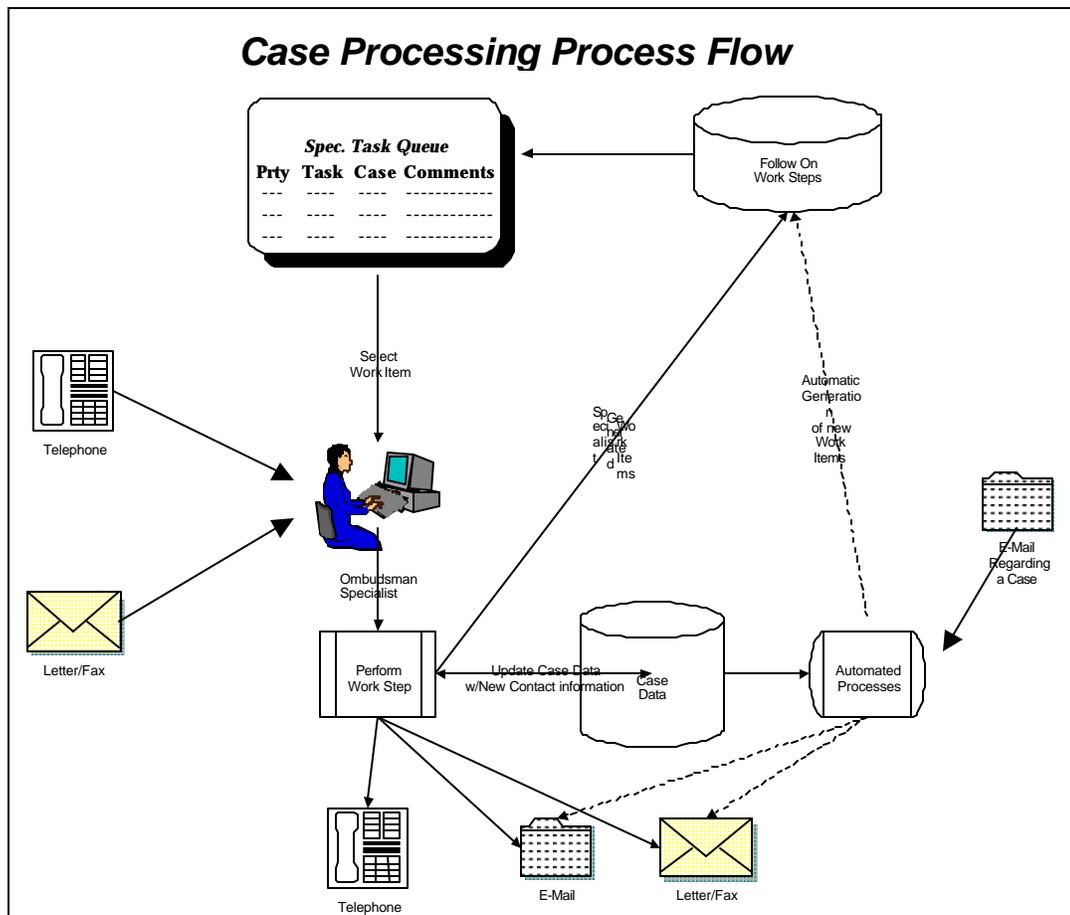


Figure 6 – Case Processing

Case processing by Ombudsman Specialists will be driven by workflow automation. For each case, a set of work items will be generated based on business rules and follow-up tasks. The Specialist will be shown a set of tasks, in priority sequence, to be completed. The Specialist will select a task to complete and work on the task. Tasks could include phone calls, e-mails, letters and others as required to resolve the case. All work on the task will be recorded and extensive data for categorization will be captured for reporting purposes. Some of the tasks, such as e-mails and faxes, will be automated for the Specialist.

3.2.6 Ombudsman System Vision – Management Reporting

The Ombudsman Office will be able to generate management reports from the new case tracking system. Reports will be provided automatically on a regular scheduled basis, and ad hoc requests for information will be quickly accommodated. The following diagram outlines these requirements.

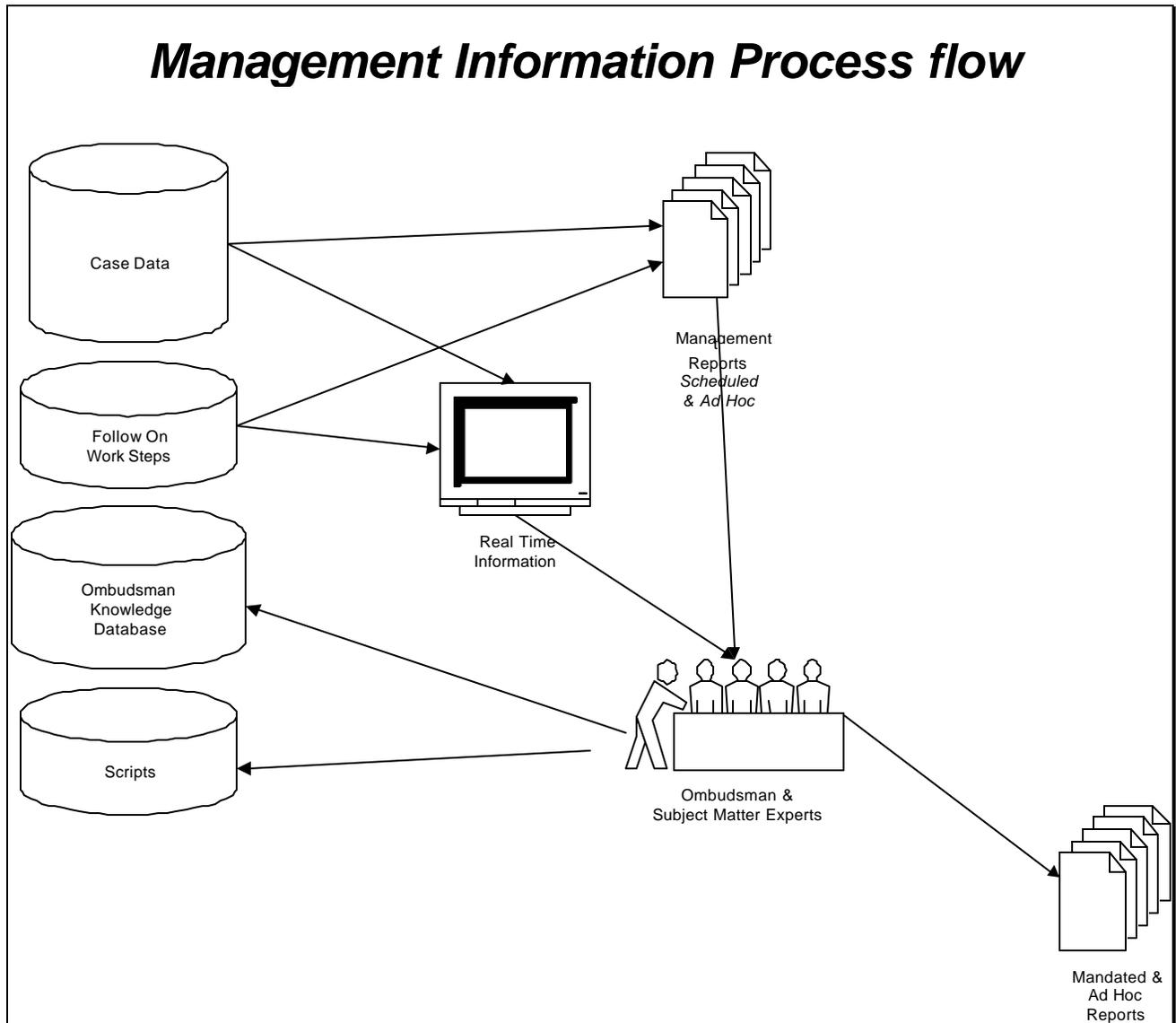


Figure 7 – Management Reporting

Reports will be produced on a regular basis to measure the activity of the Specialists and the types of cases being handled. These reports will be produced automatically based on procedures stored in the system.

Ad hoc reports will be produced based on criteria specified by those requesting the reports. Ombudsman Management and Specialists will be trained on how to produce these reports without heavy dependence on computer specialists.

The information from these reports will be used by the Ombudsman and other subject matter experts to determine the need for automatic as well as systematic changes, and to add information to the Knowledge Base and improve call handling scripts. The updated Knowledge Base and scripts can allow cases to be more efficiently handled in the future.

3.3 Ombudsman system requirements

Based on the vision of the new case tracking system the following requirements were developed and given to the vendors selected for evaluation.

- The Case Tracking System must be usable with only minor customization. This would be characterized by being able to install the system, change some field headings, and record case histories.
- The Case Tracking System must provide extensive capability to categorize the case in a number of different ways. Examples would be: case type, school type, region, loan type, etc.
- The Case Tracking System must track all actions taken to handle the case as specific items in the case history.
- The Case Tracking System must provide key word searches within text fields for information/data analysis.
- The Case Tracking System must provide extensive categorization for each action item taken to handle the case. Examples would be: type of action, parties involved in the action, and length of time the action took.
- The Case Tracking System must provide integration to other SFA databases in order to merge information from other application sources.
- The Case Tracking System must provide scripting of questions to be asked of the caller while on the phone based on the type of case being handled and the work process step being handled.
- The Case Tracking System must provide automation of some tasks required to handle a case. Examples would be: form letters, emails, and follow-up notifications.
- The Case Tracking System must provide workflow automation including case assignment, task assignments, and follow-up tracking.
- The Case Tracking System must provide capabilities to interface to the Internet, IVRUs, and other self-service systems to allow case origination as well as case status posting.
- The Case Tracking System must provide extensive management reporting capability. Reporting of case resolution outcomes and processing step outcomes are key management reporting requirements.

- The Case Tracking System must provide a high-level categorization of the items in the system and the ability to report on these items.
- The Case Tracking System must provide customer satisfaction survey mechanisms.
- The Case Tracking System must provide the ability to recognize and alert management of new problem case types as they occur.
- The Case Tracking System must archive data to provide an audit trail of case history information.

4 CRM Vendor Evaluation Criteria

4.1 Vendor evaluation development

4.1.1 Vendor Screening Criteria

Based on meetings with the Ombudsman staff, the following criteria were developed for selecting CRM vendors for detailed evaluation.

- **Business Solution rather than a Toolkit** – The Ombudsman wants to reduce, where possible, the requirement to have functions developed by computer specialists and instead rely on the CRM vendor to provide the common functions required for case tracking. Thus, vendors were looked at to see if their products provided functionality “out of the box” without significant tailoring and customization.
- **Strong Call Center Functionality** – Even though much of the work in the future will be via the Internet, a substantial portion of the Ombudsman work will continue to be done in a call center environment. Thus vendors were looked at to see if their products have a very strong call center support function in addition to having Internet access.
- **Vendor Experience** – To insure that the solution chosen would be a long term solution with continuing functionality being added, vendors were chosen based on those who have substantial experiences and a history of functional enhancement.
- **Solution Independence from other Solution Packages** - In order to have a solution that could work with other systems developed or used by SFA in the future, vendors were evaluated as to whether their product placed a high reliance on use of another solution, such as an order entry or loan processing system.

4.1.2 Detailed Vendor Evaluation Matrix

After creation of the Ombudsman System Vision, a set of criteria for detailed vendor evaluation was developed. The vendors selected for detailed evaluation were reviewed using the evaluation matrix shown in Appendix A.

5 CRM Vendor Screening and Evaluation

5.1 CRM vendor selection

5.1.1 Initial Screening

To select vendors for evaluation who currently are considered to have a market leadership position, the Andersen Consulting Knowledge Base was examined. Based on this review of the pool of potential CRM vendors, we chose a set of vendors considered to be market leaders in providing CRM solutions. The following vendors are considered to be market leaders in the opinion of Andersen Consulting CRM line of business.

Software Tools

Baan
BlueMartini
BroadVision
Calico
Clarify
Corepoint
FirePond
Kana
MySAP.com
Octane
Oracle
Prime Response
Siebel
Silknet
Vantive

Website Information

www.baan.com
www.bluemartini.com
www.broadvision.com
www.calico.com
www.clarify.com
www.corepoint.com
www.firepond.com
www.kana.com
www.sap.com
www.octane.com
www.oracle.com
www.primeresponse.com
www.siebel.com
www.silknet.com
www.vantive.com

This Internet home pages of these vendors were reviewed to determine if the vendor would be able to meet the initial screening criteria specified in 4.1.1 of this document. Based on this evaluation, four vendors; **Clarify, Oracle, Siebel and Vantive**; were selected for detailed evaluation.

5.2 CRM vendor meetings

Each of the vendors selected for further evaluation was contacted and asked to provide a contact person to represent their firm. Each of the vendors was given an opportunity to discuss in detail the Ombudsman requirements. Clarify, Oracle and Siebel had face-to-face meetings to discuss the requirements. Vantive had a conference call to discuss the requirements. Each of these meetings was over an hour in length and the vendors were asked to call back with any questions that they might have.

Each of the vendors received by email, with a phone call to confirm receipt, an outline of the Ombudsman requirements and a schedule for vendor evaluation. The vendors were also given some sample data from the current system, which had been sanitized of valid names, SSNs, and other sensitive information.

Each vendor was asked to include a visit to a local client on the same day of their product presentation. Based on the requirement to include a client visit at the time of product presentation, Vantive chose not to participate further.

Oracle, Clarify and Siebel each did a half day presentation of their product and included a client visit at the time of presentation. These presentations were held on March 16th, 17th and 20th. Each of the vendors had customized their presentation using the data provided. The vendors were asked to show how the product could be tailored to meet the Ombudsman needs and provide the management reports required.

After seeing all of the vendor product presentations, there were still questions as to which product best met the needs of the Ombudsman. This was partially because the initial presentations demonstrated a vast array of functional capabilities provided by the vendor's product. It was decided to ask each of the vendors to come in again and spend two hours reviewing the "out of the box" functions available, how to customize the product in the way that had been done for the product presentations, how to search their knowledge base and how reports were generated by their products.

On March 23, each of the vendors spent two hours showing how their "out of the box" solution and the process used to customize their product. Each of the vendors also explained knowledge base searches and how standard and ad hoc reports were generated using their software.

5.3 CRM vendor evaluation

The vendors were evaluated by members of the team on March 21 after the product presentations and client visits. Vendors were again evaluated by members of the team on March 28th after the set of two hour presentations given by the vendors. The results of these evaluations lead to the recommendation outlined in section 6.2

6 CRM Vendor Recommendation

6.1 Key criteria for recommendation

The key criteria for this recommendation are as follows:

- The competitive and reasonable pricing of software to meet the Ombudsman requirements.
- The ability of the vendor to provide a solution that meets the Ombudsman system requirements vision and not a toolkit to build a solution.
- How well the vendor meets all the technical requirements and functionality of the Ombudsman system.
- Usability of the system by specialists and Internet users.
- Experience of the vendor in providing functions and solutions required in the Ombudsman system.
- Since the use of CRM by the Ombudsman will be a pilot to evaluate how this type of system can be used by other SFA organizations, vendors were evaluated on how well they might be used by other SFA organizations.

6.2 CRM vendor recommendation

Siebel was the clear choice of the evaluation team.

The evaluation team was quickly able to eliminate the Oracle solution based on the fact that it appeared to require too much customization and thus the cost and time of implementation would be much higher.

In comparing Siebel to Clarify it was not as clear cut. Both products seemed to offer a solution that addressed most of the needs of the Ombudsman. Siebel, however, more completely met the current and future needs. Siebel was rated higher in the following areas:

- “Out of the Box” functionality – some core requirements will be better addressed in the future “Jaguar” release of Clarify.
- Tracking of actions taken on a case – Clarify has separate history and action items and the readability of the information was not as clear as in Siebel.
- Management alerts – Siebel offers a scrolling banner on each screen to provide real time management alerts.
- Mobile computing – Siebel offers support for hand held devices in their solution. This may be useful for mobile users in the Department of Education.
- Experience in offering solutions – Siebel has more clients using their CRM software than the other vendors, and has more users in the financial institution area than Clarify. Because of this experience and record of continual product improvement, it is felt that Siebel will over

time offer the best of breed product to meet the needs of the Ombudsman and other departments of SFA.

- Competitive pricing – there was an insignificant difference in the cost of both Siebel and Clarify. The additional functions offered by Siebel will allow faster implementation with more functionality for the Ombudsman.