

PRODUCT EVALUATION

Info-Tech Advisor Premium - Evaluate



About this research note:

Product Evaluation notes provide an analysis of the market position of a specific product and its vendor through an in-depth exploration of their relative capabilities.

Customer Relationship Management: SugarCRM

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SugarCRM is becoming a disruptive force in the small enterprise Customer Relationship Management (CRM) market. Its commercial open source model, CRM appliance option, low price, and strong set of CRM features are impacting more traditional methods of CRM delivery and the perception of CRM value among small enterprises. Despite its small size compared to other vendors, SugarCRM scored highest in the Product Index of our evaluation, due to its broad features and extremely flexible deployment options.

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Executive Summary

The Info-Tech Research Group recently completed a comparison of five market-leading Customer Relationship Management (CRM) solutions. Each solution was targeted specifically towards small enterprises. One of the evaluated products was SugarCRM. The evaluation examined specific strengths and weaknesses to determine to what degree the product would make a good choice for a small enterprise implementing CRM.

This research note outlines several key points, including:

- » SugarCRM's position in the spectrum of CRM offerings.
- » A description of the SugarCRM solution.
- » SugarCRM's relative product strengths and challenges.

SugarCRM is a solid suite of small enterprise CRM tools that provide value to buyers at an affordable price. It is available as an on-premise solution, on-demand, as a turnkey CRM appliance, or as a less functional free open source application. Our evaluation indicates SugarCRM is a good choice for small enterprises looking to implement CRM.



Market Overview

The CRM suite market peaked immediately before the dot com “crash” of 2000/2001. These suites were focused on large enterprises and were typically too expensive and complex for small enterprises. The subsequent downturn in enterprise technology spending and the growing perception of large CRM project failure created a meltdown in the CRM market and drove significant market consolidation.

The demand for traditional CRM software is growing once again. This trend is led by strong demand among small enterprises, mid-market firms, and steady economic growth.

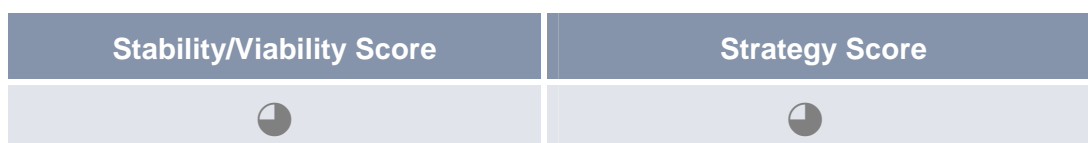
Emerging market trends are changing the delivery options and functional capabilities of CRM software, are impacting vendor evaluation criteria and the CRM software selection process, and making CRM more affordable for small enterprises. These trends include:

- » The emergence of the Software-as-a-Service (SaaS) delivery model, successfully demonstrated by Salesforce.com.
- » The emergence of commercial open source CRM, especially SugarCRM.
- » The collapse of traditional software development cycle times, driven by enhancements in collaborative development pioneered by the Open Source Software (OSS) movement.
- » Emerging models for rapid integration of software services into enterprise applications, such as those commonly referred to as “Web 2.0.”



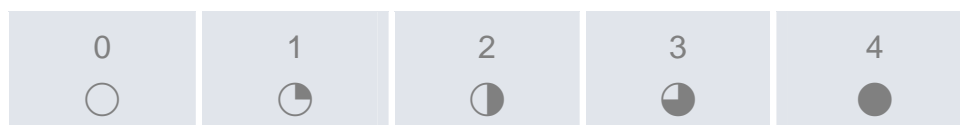
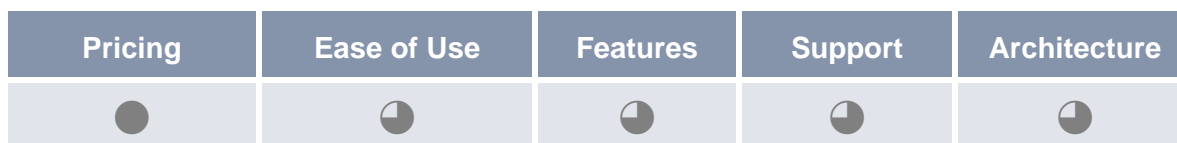
Vendor Index

This index rates the overall stability/viability of SugarCRM, as well as its ability to execute its corporate strategy and effectively compete in the small enterprise CRM Market.



Product Index

This index rates the ability of SugarCRM to accurately meet the business and technology needs of small enterprises through its understanding of product features and positioning.



Harvey Balls represent a relative score from zero to four with four being the top score.

Decision Diamond Comparison

SugarCRM placed in the Leader Zone in the recently completed ITA Premium Small Enterprise “Customer Relationship Management Solutions for Small Enterprises” Product Comparison. The product fared above average in the Vendor Index, due to strong CRM strategy and strong CRM management experience, and well above average in the Product Index, due to affordable price and extremely flexible deployment options.





Product Highlights

SugarCRM was started by CRM experts from the former Epiphany family, which included former Broadbase and Octane personnel. Their goal was to leverage the open source software model to develop a functional yet affordable CRM product. It is the only CRM product in our evaluation with a version available as open source software, intended either for trial or as a permanent solution. The basic editions of SugarCRM are Open Source, Professional, and Enterprise.

While the open source version makes it easy for IT to download and try the software, Info-Tech Research Group believes most small enterprises should start their evaluations at the Professional edition. The Professional edition adds CRM functionality that Info-Tech Research Group considers essential (e.g. sales forecasting, a knowledgebase, quotes, contract management, and workflow). Professional also adds a catalog feature, designed to assist those small enterprises which do not have a catalog feature among their back office products. For more information on open source software for enterprise applications, refer to the ITA Premium Small Enterprise research notes, "[Open Source for Enterprise Applications](#)" and "[Appropriateness Assessment for Open Source Enterprise Apps.](#)"

The Enterprise edition adds Oracle support and advanced reporting. Info-Tech Research Group found it odd that SugarCRM has also chosen to include disconnected mobile support and customer self-service as premium features in the Enterprise edition. Info-Tech Research Group would expect these to be standard features in the Professional edition and would expect the premium version to offer more out of the box connectors to other ERP systems, such as SAP, and at least a library of process templates for common vertical applications.

The "SugarCube" CRM appliance is a turnkey rack-mounted box that is targeted primarily at small enterprises that want simplicity and low cost but do not want their data hosted by a third party. It is available for either the Professional or Enterprise editions and comes in two different models, each with different limits on scalability. Its starting price is \$4,995 USD (not including maintenance subscription fees) and will support up to 100 users on the entry level version of the appliance.

The open source development community also provides SugarCRM with a competitive advantage similar to that of Salesforce.com. Both companies are able to leverage a large network of developers which translates into rapid innovation and shorter product release cycles.



Strengths	Challenges
<ul style="list-style-type: none">» Good core set of small enterprise CRM tools.» Very compelling pricing.» Broadest range of deployment options of any vendor we evaluated.» Strong CRM business and technology acumen among the management team.» Ability to rapidly innovate due to community-based development inherent in the open source software model.	<ul style="list-style-type: none">» Small, emerging vendor.» Disconnected mobile client is a premium feature.» Customer self-service is a premium feature.

Bottom Line

SugarCRM is becoming a disruptive force in the small enterprise CRM market. Its commercial open source model, CRM appliance option, low price, and strong set of CRM features are impacting more traditional methods of CRM delivery and the perception of CRM value among small enterprises. Despite its small size compared to other vendors, SugarCRM scored highest in the Product Index of our evaluation, due to its broad features and extremely flexible deployment options.

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