

**Topics:** Knowledge, Social, Content Management

**Issues:** How will enterprises take advantage of new ways to share knowledge and expertise?

Who are the social software providers and how will they navigate a crowded market?

What are the best practices to manage content across the enterprise?

## Salesforce expands beyond CRM to compete in Social HCM, Marketing and Collaboration markets

**Summary:** Salesforce.com announced Work.com and its new Marketing Cloud at Dreamforce 2012, which positions Salesforce to compete in the broader Enterprise Software market.

**Event:** Salesforce held its tenth annual Dreamforce Event in San Francisco from September 17-20, 2012.

**Analysis:** With its Work.com and Marketing Cloud announcements, Salesforce is now competing in the broader Enterprise Software market. Combined with its Force.com partner ecosystem, Salesforce is leveraging its core CRM base and focusing on selling to business users, which now includes the CMO.

Salesforce.com is using cash from its CRM Sales to fund strategic acquisitions that are allowing Salesforce to extend into adjacent product categories. We expect that its close ties to Sales leadership in its existing customer base will allow them to gain a foothold for its new HCM and Marketing offerings.

Salesforce has been very effective at getting existing customers to move from one version of its Sales Cloud, such as Professional Edition to a higher priced one, such as Enterprise Edition.

One thing that stood out this year was that the

Winter '13 release is being this fall. Notifications have already gone out to existing customers about the pending upgrade. That said, some of the features demonstrated at Dreamforce, particularly in Social Collaboration, are not part of the Winter '13 release.

### Marketing Cloud

Salesforce combined its RadianSix and BuddyMedia acquisitions into its new Marketing Cloud Suite. This offering will allow Salesforce to offer more complete campaign management capabilities, but we still enterprises will still need to use a Marketing Automation tool for complete lead lifecycle management.

The battle for Marketing Automation firms is just getting started and we expect Marketo, Eloqua and others to fetch high valuations once firms such as Adobe, IBM, Oracle and Salesforce realize their value.

### Work.com is just getting started

Salesforce bought Rpyple in December 2011 and it wasn't until Dreamforce 2012 that it unveiled its HCM focused offering, Work.com

Work.com offers social goals and social rewards as part of its social performance offering. The new offering also includes the ability to do year-end performance reviews. The Work.com offering, while not a complete HCM Suite was social and easy to use. It is also important to note that it already integrates with Salesforce Chatter out of the box.

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The Work.com price points of either five or nine dollars a user a month may cause concern for HCM professionals with limited dollars. Regardless, given current prices for CRM, we expect that Sales teams will gravitate to this easy way of delivering performance management.

It is also important to note that there are other HCM offers that are part of Salesforce's AppExchange partner store. This includes CyberU (from Cornerstone OnDemand) and 30 other applications that are listed in the AppExchange.

### **Chatter Communities and Chatterbox**

The two major new capabilities announced at Dreamforce – Chatter Communities and Chatterbox are both just entering a beta phase and won't ship until mid to late 2013, respectively. We were surprised that it is taking that long for these offerings to be finalized, but the interest in both product features at the event appeared high.

We expect that with its focus on Customer Support that its Communities offering will be a natural add-on for Support organizations.

In the area of Content Management, while the Chatter team showed off desktop sync, which is now considered a basic capability, it did not offer any specifics on pricing or packaging and when pressed, they indicated that the product would not ship until the second half of next year.

Enterprises will need to evaluate their content management needs carefully going forward, since the overlap with other offerings is real and managing content in the cloud is non-trivial. SLAs and content redundancy need to be examined carefully.

### **Force.com and Partner Apps**

One of the areas for Salesforce that remains a strategic advantage that it continues to leverage is its Force.com partner app ecosystem. More partner apps are available in the App Exchange store and this makes it easier for enterprises to add new functionality in an easy and quick manner.

App stores are the way of the future. By YE 2014, half of the major software providers will offer app stores for the distribution and installation of plug-ins for the core software platform.

### **Aragon Advisory**

Enterprises should evaluate Salesforce as a provider of CRM, Social Marketing, Enterprise Social Software and Support (Service) and Customer Communities.

Enterprises already use Salesforce should evaluate Work.com, and other vendors that have a Social HCM strategy. The key areas to evaluate are:

1. Social Learning
2. Social Recruiting
3. Social Onboarding
4. Social Performance

Enterprises need to have an overall approach to managing content in the cloud and should establish a minimum set of criteria that providers must meet.

### **Bottom Line;**

Salesforce held a successful Dreamforce event that will be remembered as the year that they shifted into adjacent markets. Enterprises need to evaluate these offerings against other providers in HCM, Marketing, Collaboration, Content Management and Support.

### **Related Research:**

[The Five Priorities of a Social HCM Strategy.](#)

[Shifting from a Social to an Enterprise Profile.](#)

[The Aragon Research Globe for Enterprise](#)

[Social Software](#)

[The Eight Pillars of a Collaboration Architecture](#)