FORRESTER®

The State Of Enterprise CRM Data Management 2021

Enterprises Must Invest In Security, Continuity, And Literacy
To Realize The Strategic Value Of CRM Data

Get started ⟶

Overview

Situation

Challenges

Opportunity

Conclusion

Enterprises Expect CRM To Contribute To Data-Driven Insights, But Data Fundamentals Are Getting In The Way

Much has been said about the promise, importance, and power of data to help businesses solve problems, uncover opportunities, and navigate unexpected challenges. But to realize the full promise of data, every enterprise business needs a strong foundation in data management. All the data in the world is of little use if it's hard to protect, control, and share.

CRM data is a prevalent example of this paradox. The promises around CRM environments and their ability to deliver a 360-degree view of customers have been hyped. But in many cases, businesses are finding that CRM data is harder to manage than they expected.

Odaseva commissioned Forrester consulting to study how enterprise CRM leaders feel about their ability to manage CRM data, the challenges they are facing, and as some high-level trends in this space.

Key Findings

Enterprises are struggling with a lack of basic data management capabilities and specialist skills that will allow them to better take advantage of their data.

In their effort to ensure business continuity and resiliency, enterprises struggle with data security and are overwhelmed by security concepts and deciding what level of protection is appropriate.

Data continuity has the highest priority for enterprises seeking to increase the value of CRM data, and data security and protection are the most significant investments to ensure data continuity.

Overview

Situation

Challenges

Opportunity

Conclusion

Enterprises Are Relying More On Data Insights For Decision Making

Enterprises need more certainty in their decision-making, and they rely more on their data to deliver the insights they need. Our study revealed that:

Data-driven decision-making is a top priority. As enterprises transition to the business reality of continuous change, the ability to pivot and adapt to uncertainty with decisive decision-making becomes critical. Thus, 85% of organizations are looking to prioritize data insights for business decision-making.

Data-driven decisions fuel other priorities. Enterprises prioritize initiatives related to improving the experiences of customers (82%), improving the ability to innovate (78%), and grow revenue (75%). Data-driven decision-making is essential to achieve these top priorities.

"Which of the following initiatives are likely to be your organization's top business priorities over the next 12 months?"

● Critical priority   ● High priority

Improve use of data insights in business decision-making

| 41% | 44% |

Improve the experience of our customers

| 40% | 42% |

Improve our ability to innovate

| 34% | 42% |

Grow revenue

| 34% | 41% |

Improve our ability to know our customers better

| 28% | 42% |

Address rising customer expectations

| 31% | 39% |

Manage the way we use data better

| 34% | 36% |

Accelerate our digital business

| 23% | 41% |

The High Expectations Of Enterprises For Their CRM Data Are Rarely Met

CRM solutions promise to provide more customer insights, but many enterprises still feel that they are not getting the expected benefits due to:

No single source of truth. Up to 47% of enterprises feel they cannot rely on their CRM data to provide a single source of truth regarding customer data.

Missing customer insights. Forty-four percent of enterprises are not able to do more advanced customer analytics with their CRM data.

Lack of personalization. Forty percent are missing the ability to do improved personalization with the CRM data.

> ! **The No. 1 benefit 64% of enterprises expect from their CRM data is improved customer experience.**

"Which of the following is your organization most concerned about when it comes to using software as a service for CRM?"

MORE SECURITY – Data security and protection from cybercrime   **47%**

COMPLIANCE – Compliance with data privacy laws   **42%**

INTEGRATION – Integration with other application is a challenge   **39%**

Overview
Situation
Challenges
Opportunity
Conclusion

Data Security Limits Data Use And Insights

Data security is the number one area limiting enterprises' abilities to use data and generate insights in their critical business priorities. This is caused by:
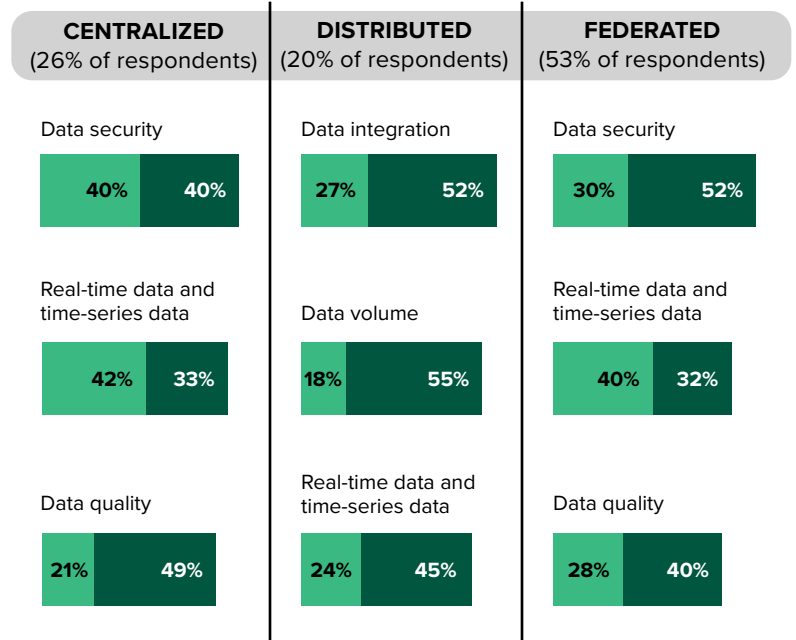
Organizational structure. Especially enterprises that organize their data management efforts in a centralized (26%) or federated (53%) structure report data security as the number one limiting area. Based on broader Forrester research, the main driver for this is reducing organization risk, which overly restricts the use of data.

Complexity. Fifty-five percent (55%) of organizations state that determining which level of security and privacy is appropriate for CRM data is a primary concern.

Missing skillsets to act. The lack of specialist data skills (52%) also limits CRM data use as the lack of experience reduces the practical use of CRM data.

"How are the following data management areas impacting your organization's ability to use data and insight for your critical business priorities?"

● Extremely limiting   ● Limiting

CENTRALIZED (26% of respondents)	DISTRIBUTED (20% of respondents)	FEDERATED (53% of respondents)
Data security	Data integration	Data security
40% 40%	27% 52%	30% 52%
Real-time data and time-series data	Data volume	Real-time data and time-series data
42% 33%	18% 55%	40% 32%
Data quality	Real-time data and time-series data	Data quality
21% 49%	24% 45%	28% 40%

Overview

Situation

Challenges

Opportunity

Conclusion

A Lack Of Data Foundations Holds Enterprises Back

Despite strong technical measures to safeguard the data, enterprises struggle to get full value from the data. Organization and process challenges that are holding companies back include:

Gaps in basic data management. Enterprises agree or strongly agree that having gaps in their basic data management is the main reason they can't take full advantage of their data (78%).
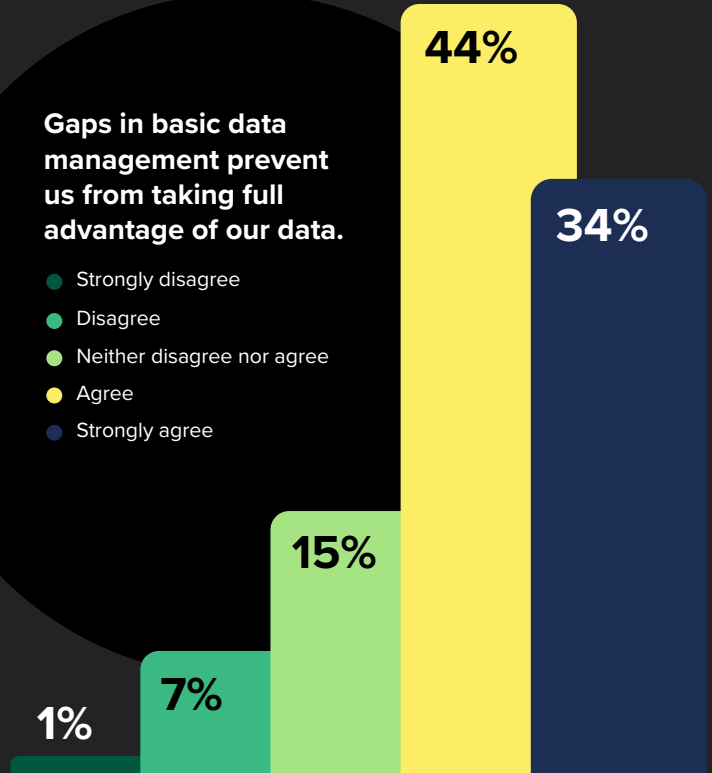
Struggles with moving data. Sixty-four percent (64%) of enterprises consider it challenging to move CRM data to other platforms where it will be useful.

Missing link between data and business outcomes. Enterprises struggle to link data to business outcomes, with 63% reporting they have no metrics to track data insights to actual results.

"Please indicate if you agree with the following statements related to your organization's data management of CRM data."

Gaps in basic data management prevent us from taking full advantage of our data.

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree

1%

7%

15%

44%

34%

Investing In Data-Driven Decision-Making Enables Data Continuity

Most enterprises recognize the value gained from investing in solutions that ensure data protection, security, and continuity. The benefits enterprises see from this investment are improving customer experience (64%), ensuring compliance, reducing risk (60%), and improving customer insights (56%). Organizations must:

Create data continuity. While there may be other functionalities in data management that are currently lacking or missing, organizations see the most significant impact in increasing the value of CRM data and achieving business priorities coming from data continuity. Eighty-two percent regard the impact as either critical or very high.

Invest in data security and protection. With the realization of the importance of data continuity comes investment in solutions that foster data resilience with organizations investing in or fully adopting data security (88%) and data protection (86%) solutions.

"Which of the following data management and governance technologies do you think will have the largest impact on increasing the value your business gains from CRM data?"

DATA CONTINUITY
(e.g., backup and restore)
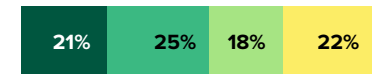
34%
Critical impact

48%
High impact

"Which of the following data management and governance methods or technologies does your organization currently use or plan to use with CRM data?"

- Expanding/upgrading current adoption
- Currently fully adopted
- Currently piloting adoption
- Data protection (backup and restore)

Data security

20%	32%	23%	13%

Data protection
(backup and restore)

21%	25%	18%	22%

Specialist Data Skills And Data Literacy Increase The Value Extracted From Data

Enterprises must actively double down on data literacy efforts to better understand the state of their data and to improve the way customer preferences and policies are applied. When faced with uncertainty, the default is to use maximum constraint. Data literacy will help to:

Better determine security and privacy controls. Fifty-five percent (55%) of organizations state that deciding which level of security and privacy is appropriate is the primary CRM data challenge they currently face.

Improve assessing the impact of data protection regulations. Determining which impact data protection regulations (e.g., GDPR, CCPA, etc.) have on data usage is a challenge for 51% of enterprises.

"Thinking about your organization's CRM data, what challenges does your organization currently face from a data security and data privacy perspective?"

Determining which levels of security and privacy are appropriate for the various data types, data storage systems, and data usages across my organization	**55%**
Determining which impacts data protection regulations (e.g., GDPR, CCPA) have on usage of data across my organization, including technical and governance impact	**51%**
Increased demand for data privacy from markets, customers, and the consumer side	**50%**

Overview

Situation

Challenges

Opportunity

Conclusion

Conclusion

The promises around CRM environments and what they can do for enterprise organizations looking to use data to get a 360-degree view of their business have been hyped. However, it will not provide everything out of the box, and data continuity is vital to increasing data-driven insights that contribute to key business objectives like organizational agility, improved customer experience, and innovation. Organizations must:.

- Invest in data security and protection for CRM data and ensure continuous value from data through data continuity.

- Actively increase data literacy in business and technical domains. Having a better understanding of how to unlock the value in data will help enterprises accelerate the benefits CRM data should deliver.

Project Director:

Lorenzo Introna,
Principal Consultant

Contributing Research:

Forrester's Enterprise
Architecture research group

Overview

Situation

Challenges

Opportunity

Conclusion

Methodology

This Opportunity Snapshot was commissioned by Odaseva. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of information and data architects, enterprise architects, technical architects, and domain architects at enterprises in the US, EMEA, and APAC with annual revenue of at least $300 million and at least one enterprise CRM solution. The custom survey began and was completed in August 2021.

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

Demographics

REGION	
EMEA	**32%**
US	**34%**
APAC	**34%**

ANNUAL REVENUE	
$300M to $499M	**12%**
$500M to $999M	**31%**
$1B to $5B	**52%**
$5B or more	**4%**

INDUSTRY	
Telecommunications	**24%**
Retail	**23%**
Financial services and/ or insurance	**17%**
Media and/or leisure	**17%**

SENIORITY	
Director	**53%**
Vice president	**26%**
C-level executive	**12%**
Outside consultant	**9%**