The 2015 Enterprise Application Market in Higher Education
Customer Relationship Management Systems
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What You Need to Know

Institutions face both challenges and opportunities in communicating with external constituent groups, from marketing new programs to attracting visitors and soliciting alumni. A college or university’s tight-knit community of students, alums, and friends adds a special dimension to the higher education experience; bonds formed in college often extend throughout a person’s life. Customer relationship management (CRM) systems help strengthen ties between an institution and its constituents by managing an institution’s vast data stores in ways that build constituent understanding and deepen institutional affinity. Additionally, as communication preferences and channels evolve, systems must be flexible enough to gather customer intelligence across multiple platforms, from informal phone conversations to social media inquiries and text messaging.

To adapt to changing requirements, vendors are continually updating their solution sets—Ellucian launched CRM Recruit in 2013, and Hobsons launched Radius (a “student life-cycle management” solution) in 2014. Institutions are taking advantage of these and other offerings through implementations of new systems and replacements of existing systems. With so many recent CRM system implementations and the relatively high proportions of institutions planning to implement or replace these systems, in 2015 CRMs were the fastest-changing system area among the core information systems in higher education (figure 1).
Figure 1. Characteristics of core information systems

*Rate of change is an indicator of how rapidly a system area is changing. It is a composite score based on year of current implementation and on plans to implement new systems or replace existing ones. Systems with the highest rate of change typically have been implemented recently or are expected to be implemented or replaced soon.
Contributing to the jump in the rate-of-change ranking is the increase in institutions with these systems in place. In 2015, 7 in 10 institutions (67%) provided a CRM system (figure 2), compared to 6 in 10 institutions (56%) just two years earlier when EDUCAUSE last reported on the CRM market. As institutions add CRM systems, an interesting split between centralized and decentralized management of these information systems is occurring. Of institutions with a CRM, about one-third (34%) have a system managed by distributed IT. This is not to suggest that one approach is better than the other; however, more information would be needed to assess the impact of the differences.

![Figure 2. System provision and plans for change for customer relationship management systems](image-url)

Figure 2. System provision and plans for change for customer relationship management systems
Market Share

With two-thirds of the market (66%) using a solution from one of the top 5 vendors—Hobsons, 22%; Ellucian, 16%; Salesforce, 14%; Technolutions, 8%; and Campus Management, 6%—the CRM system market is fairly heterogeneous (figure 3).

Figure 3. 2015 customer relationship management system market
Market Shift 2011–15

The period from 2011 to 2015 saw some significant market shifts for individual vendors. Ellucian’s Banner Relationship Management product lost the greatest market share, dropping from 17% to 7%; this could be a result of a shift in focus to the company’s CRM Recruit solution (4% in 2011 to 9% in 2015). One Hobsons product, EMT Connect, lost some ground as well; again, this could be due in part to increased emphasis on the newer Hobsons Radius solution (4% in 2011 to 6% in 2015). The strongest market entry came from Technolutions Slate, which has contracts with 18 of the U.S. News & World Report Top 20 National Universities. Reflecting the overlap in use cases for these systems, Technolutions Slate also represents 6% of the admissions systems market. The rest of the market tended to see slight gains or remain stable (figure 4).

Figure 4. 2011–15 customer relationship management system market (top 6 solutions and homegrown)
Management Strategy

There is no typical management strategy when it comes to CRM systems. With more companies competing in the market space, it appears that the selection of a solution may be affected by the institutional implementation strategy. Ellucian and Talisma are primarily in-house choices, while vendor-managed SaaS implementations are the primary options when selecting Hobsons, Salesforce, or Technolutions (figure 5). It will be interesting to assess how the vendor-hosting options change over time as IT service delivery shifts to increased vendor-based relationships.

Figure 5. Management strategies in use for top 6 customer relationship management solutions
Deployment Strategy

CRM solutions must be adaptable to users regardless of location or device. Just over half (53%) of institutions rely on web-based applications to interact with their CRM systems. However, mobile-friendly user interfaces are more essential than ever, for both institutional staff and constituents. Salesforce leads the field, with 38% of Salesforce institutions using the company’s mobile app for CRM functions (figure 6). Almost all of the top solutions provide the diverse deployment options many institutions need to effectively manage constituent relationships.

Figure 6. Deployment strategies in use for top 6 customer relationship management solutions
Case Study: Strengthening Institutional Ties with Enterprise CRMs

How can an institution get the most from their CRM? IT leaders at the University of Wisconsin–Madison (UW) and the University of Notre Dame (ND) shared their insights and experiences on this subject.

Balancing Institutional and Departmental Needs

One CRM challenge is to create cohesive, unified engagement while considering individual department needs. Colleges want to strengthen their alumni ties: Admissions wants more-personalized engagements; noncredit programs need to know the engagement history of individuals; athletics wants to increase ticket sales. Even though their goals differ, each area can use CRM to drive engagement. At the same time, these areas’ engagement should reflect a consistent institutional character and take care not to overwhelm a recipient with too much communication. Balancing institutional and departmental needs is easier said than done. For some institutions, the challenge is to get the genie back in the bottle—figuring how to manage multiple departmental CRM instances. For others, it is how to create an enterprise approach proactively, before a patchwork of departmental CRMs materializes.

Building an Enterprise Approach

Both UW’s Department of Information Technology (DoIT) and ND’s Office of Information Technologies (OIT) developed potential enterprise solutions when they recognized numerous campus areas’ interest in CRMs. One objective of a UW enterprise CRM is better data sharing in support of recruitment; in addition, a firewalled advancement CRM already exists. ND OIT’s enterprise CRM focuses on alumni, parents, and friends and will coexist with a university admissions CRM.

The first step at both institutions was to get interested parties to the table to explore the possibilities for an enterprise CRM. For example, ND OIT presented a CRM vision of one-stop access to ND constituent information to help manage and coordinate engagement across the university. But data sharing can be a stumbling block to buy-in. A CRM requires data give-and-take by its users, and while department staff may typically be eager to access others’ data, they can be reluctant to share their own. “People don’t immediately come clean about their competitiveness or perceived organizational boundaries with each other internally,” explained Bruce Maas, CIO and vice provost for information technology at UW. “CRMs force data-sharing discussions and expose those trust issues.” It’s critical to get stakeholders to take their blinders off and see the bigger picture and to understand the benefits of a common data repository. ND OIT recognized that many departments desired access to the Office of Development’s data on alumni,
parents, and friends. So Todd Hill, senior director, customer IT solutions, asked the AVP of development to cosponsor the enterprise CRM project with him, and she helped broker a data-sharing arrangement with other ND departments.

Both IT organizations piloted their initial enterprise CRMs with their school of business but are moving forward in different directions. The Wisconsin School of Business needed a CRM solution to address its recruitment and corporate engagement needs. The result was a unique tool that is able to track lead marketing, from the application process to acceptances, building lifelong relationships between students and the institution. To provide enterprise CRM capabilities, UW DoIT has taken another tack, having identified two campus units, each with quite different CRM requirements, that will collaboratively pilot procurement and implementation on a shared platform. “This will provide us with a more scalable approach to CRM functionality into our enterprise student support systems and processes—like admissions and continuing education,” said Maas.

ND OIT continues to develop a replicable 3–4 month implementation process to scale its enterprise CRM gradually to the 25–30 interested campus departments. It is currently stabilizing the business school’s deployment and plans to launch a couple more departmental implementations before moving to campus-wide deployment. OIT’s long-term goal is to create an integrated life-cycle engagement solution that stitches together data as students move through ND’s admissions CRM, their electronic student file, and finally into the CRM for alumni, parents, and friends. “It is a cradle-to-grave strategy,” explained Hill. “We plan to use a data analytics/business intelligence/data warehouse approach to pull all that data together and build a comprehensive view of the person’s entire Notre Dame experience.”

**Harmonizing Local CRMs**

On the other end of the spectrum is deriving mutual institutional benefit from a distributed CRM environment. Cloud-based systems may encourage individual departments to purchase their own CRMs, bypassing central IT. The result can be a hodgepodge of multiple, custom-designed CRMs across campus, perhaps 20–30 different instances at larger universities, “where the right hand doesn’t know what the left hand is doing,” explained Hill. “This could result in constituent frustration because they’ll see pretty quickly that we’re not all on the same page.” Discrete CRMs can lead to data-management issues, too, not the least of which is different versions of the same data, leading to questions about the single source of truth.

As the number of local instances multiplies, it may be improbable to move to a single enterprise CRM system, but “central IT could engage the various players to build on their experiences and strengths and to create a unified campus approach via data,” stated Maas. For example, local CRMs might feed agreed-upon data to a centrally managed CRM data warehouse for common analysis purposes, or the institution might designate authoritative data identifiers that all systems can use.
Up-Front Planning for Maximum Benefit

Addressing these issues up front can minimize CRM-related issues down the road:

- **Business Processes:** Working out CRM-related business processes helps address organizational and culture issues early. In addition, CRMs offer a new means to use constituent information, and department managers and staff may not initially grasp a CRM’s full potential. Working through the business processes helps users comprehend CRM concepts and thus can set achievable outcomes and goals. Finally, process development identifies the needs for underlying policies and procedures. For example, the Wisconsin School of Business had to focus on creating common business processes across functional areas. The ND CRM team discussed policies about e-mail address ownership and mass communications to mitigate any potential perceived spamming by the ND constituents.

- **Data:** A CRM’s effectiveness relies on good data and common data-field naming to make it work. As such, the UW and ND teams had to wrestle with data use, management, and policy issues. UW relies upon its chief data officer to serve as the project’s data unifier with user departments; ND OIT leverages its campus data steward from its business intelligence (BI) initiative for enterprise CRM issues.

- **System:** Compared to the business process and data issues, Hill believes the system itself is the most straightforward aspect of the CRM implementation. ND’s Salesforce CRM system is easily configurable, and ND OIT’s challenges have focused primarily on working with the data—data integrity, data integration, and data access control.

Lessons Learned

These lessons learned emerged in regard to enterprise CRM implementations:

- **Don’t underestimate the culture issues:** A CRM implementation involves new thinking and behaviors and brings to light some sensitive issues—e.g., data sharing—that may need special attention. UW DoIT found it helpful to appoint an executive project sponsor—a senior administrator—to facilitate decision making. ND eventually added a change management specialist to its project team to help department staff adopt CRM-related work changes.

- **Leverage other projects’ lessons:** ND recognized similar challenges between its enterprise CRM project and its four-year BI initiative, especially regarding data governance, data integrity, and culture issues. “It helped us immensely to refer to our BI project playbook and leverage those lessons learned for our CRM project,” stated Hill.
Conclusion

Strong institutional ties are an important asset to every college and university, providing a source of stability in today’s uncertain education environment. CRMs can help deepen these bonds, especially if colleges and universities optimize their CRM implementations across their institution. New system adoption is difficult from multiple perspectives, including the daily importance of communicating to internal and external stakeholders. The balance between standard implementation and customization can result in budget and governance negotiations. However, at a time when institutions are still implementing and refreshing these systems, there is plenty of opportunity to start with a clean slate and ensure that the right systems, processes, and governance are established.

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Notes

2. Leah Lang and Judith A. Pirani, Maximize Institutional Relationships with CRMs, research bulletin (Louisville, CO: ECAR, July 31, 2014).

About the Enterprise Application Market Series

The Enterprise Application Market report series from the EDUCAUSE Center for Analysis and Research focuses on data from the EDUCAUSE Core Data Service (CDS) to better understand how higher education institutions approach various information systems. Market share and system rate of change are among the metrics highlighted in this series. Information provided for this series was derived from the Information Systems and Applications module of CDS. For reports in the 2015 series, responses from 510 institutions were analyzed. Only U.S. institutions are represented in this series.