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EXECUTIVE QUESTION AND ANSWER

Presented by Innoveer Solutions and Irdeto Access

Q&A

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MJ: Why did Irdeto Access choose to invest in CRM from both a business and organizational perspective?

RB: As our customer base and number of prospect opportunities increased and we transformed into an even larger global organization, we began experiencing a growing list of day-to-day logistical challenges. Managers were unable to easily review sales activities, track opportunities, or access important customer information. We had been using home grown systems, such as spreadsheets and shared drives, to monitor this information, and they were not enabling us to effectively grow our business any longer. We realized that we needed a “real” CRM system to address these issues.

MJ: What CRM objectives did you set for your organization?

RB: From a business point of view, we had two main objectives. The first was improved visibility into our revenue pipeline – what we anticipated our revenue flow would be on a monthly basis for the next rolling 12 months. We also wanted to decrease our lead time for our primary product, Smart Cards (which are used to secure pay-TV and other digital content). The typical lead time was 16 weeks, but when customers place orders, they do not want to wait 16 weeks for their cards – ideally, they want to order something today and receive it tomorrow.

To decrease our lead time, we needed accurate forecasts that would allow us to order components ahead of time, which has risks and cash flow implications, since you have to pay to keep the supply chain fluid. On the one hand, we needed to reduce lead time for our customers; however, on the other hand, we wanted to optimally manage cash flow and stock levels.

MJ: You were trying to balance inventory, while also forecasting demand?

RB: Yes. In past years, we used a spreadsheet, nicknamed “the table cloth” – a large number of pages taped together – for monthly smart card forecasting. Each salesperson was consulted for their smart forecast, which would then be consolidated on this sheet. This exercise took up to a week to complete, and it was very unproductive for our team.

Now, with our CRM system in place, we can literally produce up-to-the- minute product forecasts in less than 30 minutes. Due to improved forecasting, we have reduced our lead times significantly, and improved inventory control. We were also able to improve revenue pipeline visibility. At critical times during the year, we typically complete a revenue pipeline review every two weeks. Now, we can compile that information more efficiently, using our new reporting capabilities. That was virtually impossible to do in the past.

MJ: What other lessons have you learned that you can share with technology organizations implementing or enhancing their CRM solutions?

RB: Our finance team is interested in the revenue pipeline expressed in terms of recognized revenue. The sales management, on the other hand, is interested in when a deal closes and when the customer order will arrive. This can differ by months, especially for the software elements of the project. As a result, there can be a conflict between what sales and finance teams want from the solution. Because of this, we made selective changes, including tailoring our system in such a way that addresses the needs of both our finance and sales departments. Both groups are now satisfied.

When building a CRM system, remember to be careful to ensure that it equally addresses the company's, as well as the users, needs. That is, while delivering great information to your company, it must also provide noticeable user benefits.

One other obstacle, which can also be daunting when implementing CRM, is realizing what to customize in your application. The temptation is to customize a large portion, but in reality, CRM tools have been developed over many years by people who have examined the needs of those companies deploying them. Once you think about it, you realize that in 99 out of 100 cases, the standard tool is adequate. The best thing to do is to tailor your business rules to the standard tool, not bend the tool to what you think it should do for you.

MJ: On that note, were there any training obstacles or other user adoption issues that you overcame when implementing your CRM system?

RB: Yes, the largest was convincing our salespeople of the benefits of a CRM system. Training is critical to overcoming this obstacle, as when people understand the tool, it

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becomes less daunting to them. The only way to really sell a new technology application to anyone is to demonstrate how the tool could make them more successful, in terms of performance metrics and prospecting for the sales team, and in addition, improved forecasting and visibility for the management team. That is quite powerful, especially when you are dealing with a team that is globally dispersed. Very early on, we trained one employee who then became a trainer for the rest of our staff. She is now responsible for training all new employees.

Handling administrative work with an online system is not in sales people's DNA. You have to make it as easy and as simple as possible. We have put a lot of thought into structuring our application to minimize the effort required by the user. If salespeople have to press 20 buttons and look at five different screens before they can view the information, they will say it is too complex.

It is also important to achieve high levels of user acceptance from management. If teams see managers using the tool, they are more likely to use it themselves. It is clear that if you do not have management buy-in, your sales team will never use the system.

MJ: What can you share regarding next steps for your CRM solution?

RB: We are planning to move to Siebel CRM OnDemand. As part of this, we will complete an Outlook e-mail integration. Outlook is embedded in everyone's way of life, and we feel that Outlook integration would be advantageous, especially when it comes to maintaining customer contact details. Our main goal is to keep contact information current in both the salespeople's personal Outlook records, as well as in our CRM system.

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ABOUT INNOVEER SOLUTIONS

INNOVEER SOLUTIONS, an award-winning customer strategy and solutions consultancy, provides advanced customer management services to healthcare and high-technology companies, among others, in the areas of planning and strategy, technology implementation, and optimization. The company's deep industry knowledge, broad technical skills, and Multishore methodology enable organizations to address their critical customer-facing issues and achieve an integrated view of all customer information. With an exclusive focus on customer management since 1998, Innoveer has worked with more than 300 organizations to increase their overall business growth, improve internal efficiency, and enhance the customer experience.

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ABOUT IRDETO ACCESS

IRDETO ACCESS, a subsidiary of MIH, which is part of the multinational media group Naspers, is a world leader in delivering content security technology. Irdeto Access specializes in designing, developing, and marketing end-to-end solutions to manage and protect content from unauthorized access in the television broadcast, mobile, and broadband environments. Irdeto Access has provided encryption technology for nearly 40 years and was first to launch an MPEG-2/DVB-compliant digital conditional access (CA) system. Irdeto Access developed Irdeto PIsys for digital TV, a large-scale CA system for medium-to-large operations, and Irdeto M-Crypt, a compact CA system, especially for small-to-medium operations. The company's content security systems are operational at more than 120 customer sites and are deployed worldwide. Nearly 13 million Irdeto Access smart cards have been shipped to date. The company, including its offices in China and the United States, is ISO9001 certified.