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Core Renaissance:
Breathe new life into legacy systems with Salesforce

Some early adopters of Salesforce and other customer relationship management (CRM) systems are realizing that to support new business models and compete effectively in the rapidly evolving digital economy, they will likely need to optimize and deepen their front office systems and revitalize existing processes.

Salesforce customers receive three system upgrades annually. Yet without a detailed transformation roadmap, many have not implemented critical capabilities like marketing, social, mobile, and analytics that have emerged since their initial Salesforce deployments.

In a business climate defined by disruption and relentless competition, such an oversight can place an organization at a competitive disadvantage. Today, across sectors and industries, companies are working to provide their customer-facing employees with visibility into financials, inventory, product R&D, and other critical data that has traditionally lived in core ERP systems.

They are also looking for ways to automate customer onboarding processes, activate insights from advanced analytics, and create contextual, personalized experiences by seamlessly integrating content across social, mobile, Web, call centers, face-to-face interactions, and other channels.

But how? Conventional wisdom holds that eventually most, if not all, IT services will likely be provisioned from the cloud—a model that Salesforce helped pioneer. With this in mind, optimizing Salesforce applications and reworking sales and service processes will ultimately entail ripping out legacy core systems and moving everything to the cloud, right?

Not so fast. While there is a broader IT transformation underway—one which may eventually lead to a cloud-first standard—many organizations still rely heavily upon on-premises core systems and will continue to do so for the near future. In fact, on average, 80 percent of IT time, energy, and budgets are consumed by the care and feeding of the existing IT stack.[1]

Moreover, contrary to what some believe, there is no inherent operational conflict between cloud-based Salesforce and legacy, on-premises core systems. Indeed, the Salesforce platform can act as a gateway for connecting the edges to the core. For example, healthcare organizations are using it to connect devices, patient data, services, and front, middle, and back office processes in new ways. Likewise, manufacturers are using the Salesforce platform to boost efficiency by integrating legacy systems and data. The list goes on.

So let's examine how investing in cloud-based technologies may help Salesforce customers optimize their front office tools and derive more value from longstanding investments in core systems. There are also several digital transformation approaches that may help companies stay technologically competitive today—and prepare for a future in which legacy core systems have been disrupted. Finally, we'll look at the challenges and opportunities that may arise as organizations pursue these twin goals, and the potential cost of doing nothing.

A Salesforce to be reckoned with

Following its launch in 1999, Salesforce gained market traction by targeting two underserved areas: sales and service. Traditionally, applications in these focus areas were unintuitive, rigid, and technically challenging to implement and maintain. Salesforce offered something radically different. Its products were user-friendly and lacked much of the complexity inherent to older applications in the front office space. More importantly, Salesforce offered them as hosted solutions in which a common web browser served as an interface. There was no software to download or hardware to deploy, which made standing these solutions up and maintaining them relatively easy.[2]

In 2007 Salesforce launched its first cloud-based platform. Though the company's focus remained exclusively on the front office and its products were, by current standards, functionally basic, Salesforce's move to the cloud created ripples throughout the CRM industry and beyond. The cloud model itself gave rise to a radical vision of a future in which all on-premises systems—including ERP—could eventually be sourced from public cloud providers.

Salesforce's subsequent growth[3] is largely attributable to its portfolio of cloud-based products that have evolved considerably since the early days to meet the particular needs of sales and service professionals competing in the digital economy.

In terms of functional breadth and scope, this portfolio bears only scant resemblance to its earlier offerings. The contact management functionality that initially attracted users remains a useful component of sales, service, and customer engagement processes, but contact management is, today, only one function in the larger universe of customer engagement capabilities. The emergence of the digitally empowered customer, omnichannel, mobile, analytics, social media, and other disruptive forces is rapidly transforming the way sales and service organizations engage others, both internally and externally.

Today, Salesforce instances, representing varying degrees of optimization, live on in IT environments of some early adopters who have yet to undertake digital transformation initiatives. Faced with looming business and technology disruption, CIOs and other decision makers at companies with Salesforce systems are eyeing opportunities to enhance their current sales and service capabilities, and get more value from their front office investments.

The following pain points that many Salesforce users experience will undoubtedly influence how they proceed:

- **Limited functionality:** Early Salesforce CRM tools offered sales lead and customer contact functionality that was, by current standards, basic. Though the hosted and cloud models made the solution easy to deploy and it came at what was an attractive price point, it offered little in the way of forecasting, scalability, and flexibility. Salesforce customers who haven't made additional investments in their systems or have no transformation roadmap to guide their technology strategies may increasingly find themselves at a competitive disadvantage.

- **Siloed data:** Legacy Salesforce CRM systems were siloed, with few interfaces into other enterprise systems. As such, these tools offered minimal insight into client financials, inventory, margins, potential margins, and other information that sales professionals regularly use today. Today, the Salesforce platform offers customer-facing users views and data from across the enterprise. Companies that have yet to optimize their CRM systems will find it increasingly challenging to meet customer expectations for engagement.

- **Limited marketing automation capabilities:** Salesforce solutions were designed initially to support communication between sales professionals and their customers. They, like other CRM offerings of that time, offered little support for broader marketing efforts or for engagement in the B2B, strategic partner, and employee areas. Since that time, Salesforce has invested heavily in marketing automation tools, and now offers omnichannel engagement as a core component of the Salesforce platform.

- **Modest customer service capabilities:** Salesforce's early customer service functionality made it possible for users to record and categorize a customer complaint, and bring it to the attention of the sales rep who owned the account—and that was about it. Though subsequent iterations were more powerful, users of systems that have not been optimized likely have insufficient access to customer data, contracts, service level agreements, inventories and logistics, and other account-related information to provide levels of service connected customers expect.

Meanwhile, in the core…

When considering options for transforming front office systems, it is important to include in your calculations the untapped value lying within legacy core systems that serve as the primary repository for critical financial, inventory, supply chain, and product/R&D data.

When we speak of core systems in this context, we are talking about technology solutions that form the backbone of enterprise operations. Investments in these tools—representing years of buying ERP packages, building custom solutions, and integrating an increasingly hybrid environment—have been critical to business success. The goal of these investments has been to create greater efficiencies through standardization and automation.

These venerable technologies present ongoing challenges for CIOs and engineers eager to revitalize and transform legacy systems across the enterprise. Years of customization, best-of-breed implementations, bug fixes, and, in many cases, deferred maintenance have resulted in unwanted technical debt and often labyrinthine complexity, leaving core systems in varying stages of health, maturity, and architectural sophistication.

Against this backdrop, many organizations are asking several fundamental questions: Have these core systems outlived their usefulness? Or, is it possible to revitalize them and, in doing so, extract additional value from our long-term ERP and large-scale custom system investments? Moreover, can we create hooks that connect cloud-based front and middle office applications into the core?
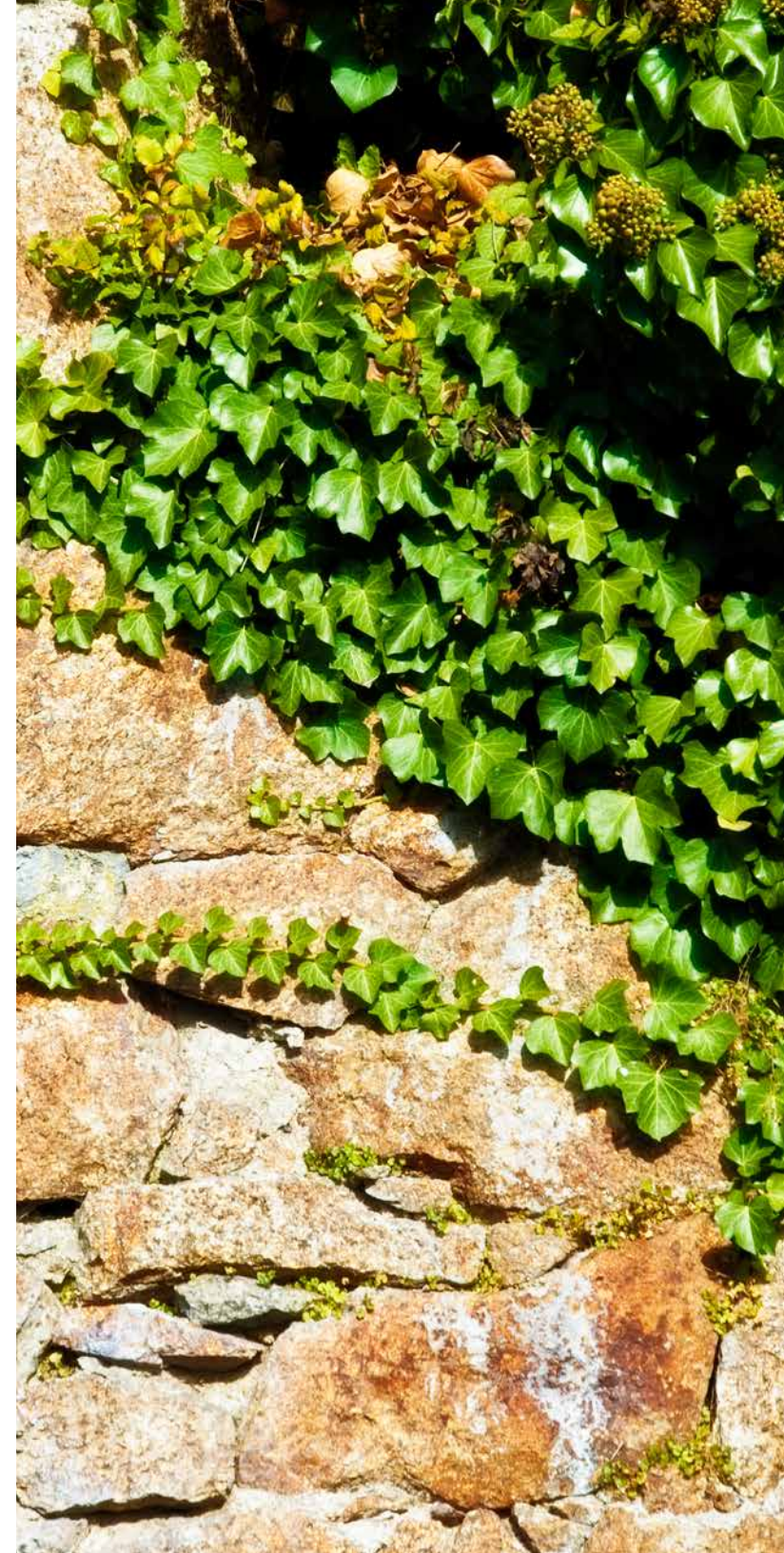
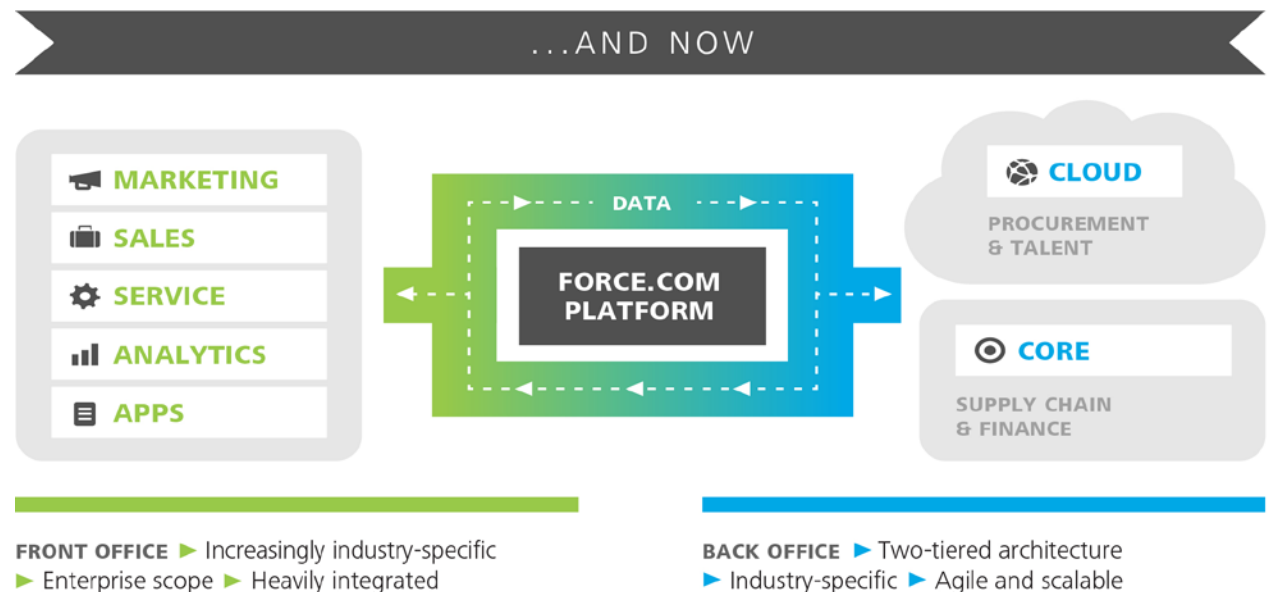# The Salesforce platform: Creating end-to-end opportunities

Increasingly, organizations are finding answers to these questions and meeting legacy system challenges by leveraging the Salesforce platform as a tool for modernizing core systems, removing barriers to scale and performance, and extending legacy infrastructures to fuel innovative new services and offerings. Similarly, they are reworking established business processes to better align them with modernized solutions stacks.

The Salesforce platform provides the infrastructure needed to create and maintain applications in the cloud. Beyond the usual cost, usability, and maintenance benefits associated with cloud-based apps, software solutions built on a Salesforce platform can interface with data sources throughout the enterprise—including legacy ERP and custom middle or back office systems. IT teams can develop their own custom apps to meet specific operational needs, or deploy vendor-designed apps built on the Salesforce platform by an independent software vendor (ISV).

The ability to optimize Salesforce CRM and service tools with additional functionality while simultaneously unleashing stores of heretofore siloed enterprise data can help organizations not only transform their customer engagement strategies, but also create operational efficiencies and extract more value from long-term investments in front and back office systems.

Opportunities include:

- **Empower sales reps by enhancing functionality:**
Making analytics, customer, and transactional data visible, and real-time data delivery and analysis available to sales professionals, may help sales organizations reimagine strategies, and transform their approaches to customer engagement. When dealing with existing or

SALESFORCE THEN...

↻ SALESFORCE AUTOMATION

SALES & CUSTOMER SERVICE

FRONT OFFICE ► Limited integration ► Easy to use ► Sales functionality ► Industry-generic

◉ CORE

SUPPLY CHAIN, FINANCE & TALENT

BACK OFFICE ► Industry-specific process support ► Major systems investment ► Siloed data ► Limited flexibility

...AND NOW

📢 MARKETING
💼 SALES
⚙ SERVICE
📊 ANALYTICS
📄 APPS

DATA

FORCE.COM PLATFORM

◈ CLOUD
PROCUREMENT & TALENT

◉ CORE
SUPPLY CHAIN & FINANCE

FRONT OFFICE ► Increasingly industry-specific ► Enterprise scope ► Heavily integrated

BACK OFFICE ► Two-tiered architecture ► Industry-specific ► Agile and scalable

potential customers, sales staff are no longer limited to the data contained within a siloed CRM system. Rather, they can approach each interaction with an advanced understanding of customer value and history, propensity to buy, and order-level profitability, among other insights. At the point of pitch, they can clearly see how reliable the goods being offered have been, current inventory levels, R&D possibilities, discounts available to push these goods, and the timing to quarterly close in case they want to sweeten the discounts.

• **Boost service capabilities and processes:** By hooking into core systems and the data they contain, service applications built on the Salesforce platform provide service reps and call center employees with visibility into a customer's account history, service level agreements and entitlements, contract terms, and billing status. They might also hook into ERP-based inventory, logistics, and shipping systems to provide customers with up-to-the moment information on order status.

• **Make customer service more proactive:** Social media monitoring applications can help a company stay on top of product complaints in the public domain. With interfaces into CRM systems built on the Salesforce platform, managers and service leaders can receive alerts if customer complaints on social media begin to snowball. This early warning system buys the vendor an extra hour to staff call centers with additional reps to handle product complaints, coordinate with inventory

management to provide replacement products to disgruntled customers as needed, and alert marketing to begin creating customer messaging to address the issue in the press and on the vendor's website.

• **Tailor applications to specific industry needs:** The products early Salesforce adopters utilized were vertically agnostic, offering few capabilities targeted to specific industries. Today, Salesforce offers several industry platforms, each tailored to the specific operational and technological needs of different sectors. For example, the financial services platform supports an operational trend in the industry that finds the traditionally middle office processes of onboarding and loan origination being folded into the selling process. Though some Salesforce customers are creating custom onboarding applications, much of the innovation in this space is being driven by software vendors designing their products around Salesforce's industry platforms.

These and a myriad of other revitalization possibilities— from modernizing sales and marketing systems to building out industry-specific digital capabilities—are but subsets of a much larger opportunity that awaits Salesforce's install base. By leveraging the company's platform, its growing stable of ISV partners, and its AppExchange marketplace, users can also rationalize their own apps and weave together an ecosystem comprising best-in-class capabilities, end-to-end processes, and rejuvenated legacy systems.
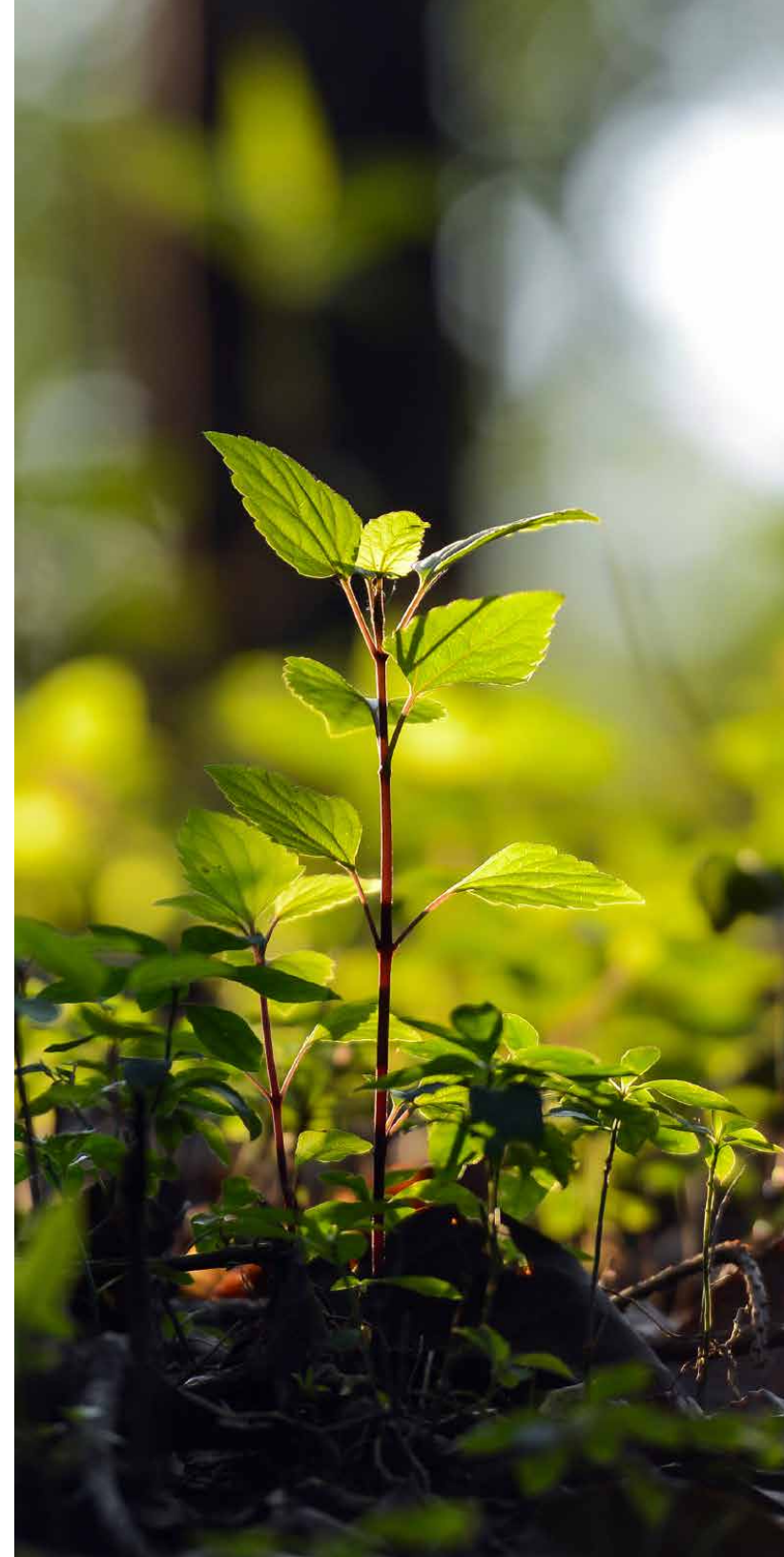
Getting started on your Salesforce transformation journey

Challenges abound for businesses today. Financial and regulatory pressures, technology disruption, rapidly evolving markets—all of these factors conspire to slow momentum and undermine careful planning. Technical maturity offers another common pain point, one often directly linked to business problems. Outdated sales and service tools, limited visibility into critical data, and the inability to capture customer preferences and understand their behaviors across channels, can—and often do—impact the bottom line. These challenges are often compounded when front office tools no longer support new approaches and business models and core systems have become gnarled by complexity and years of technical debt.

Salesforce customers should launch digital transformation initiatives by taking a combined view of business imperatives and technical realities—balancing business priorities and opportunities with implementation complexity. This can provide an approach tailored to meet specific needs and goals. It should be a roadmap informed by your most pressing pain points, not by Salesforce's product catalog. Approaches will vary from broad transformational efforts to smaller, more incremental improvements that are tacked onto other projects. But regardless of how systemic or tactical they are, digital transformation projects typically include a combination of the following four approaches:

Replatform: Replatforming efforts often center on upgrading the core application or implementing new solutions on the underlying platform upon which the application runs. For Salesforce sales and service systems, replatforming can serve the larger purpose of cloud-enabling a larger portion of an organization's IT footprint. This might involve upgrading legacy products to their latest versions and taking advantage of new features to reimagine business processes. It might involve peeling off certain traditional core functions and migrating them to cloud offerings. Or, in places where you are not peeling off functions, maintaining legacy core systems, but enabling them through cloud infrastructure or platforms to provide cloud-like properties for traditional assets.

While it may appear less invasive than other approaches, replatforming is rarely a simple "lift and shift" exercise. It typically requires a workload-by-workload analysis and surgical intervention to prepare for and achieve the shift.

Remediate: Similar to replatforming, remediation shifts attention to the internal workings of systems. For all software, whether in the cloud or on-premises, it might involve wrapping interfaces to promote reuse, making the necessary logical and architectural changes to allow core data and transactions to be exposed via mobile, social, or cloud apps. It may also involve data—updating taxonomies and ontologies to allow master data to be understood

and traded upon. This can also include using one of the following approaches for tackling technical debt: 1) cleaning architectural issues or complex customizations by using more sophisticated approaches, or 2) retiring custom code by taking advantage of new features and functions available through the latest product offerings.

Revitalize: In some cases, the internal business logic and transactional capabilities in Salesforce instances are rock solid, but usability causes pain points—for instance, insufficient mobile and analytical functionality to support business when and where it actually occurs. Both analytical and transactional solutions can benefit from revitalization. Approaches start with a user-centric, persona-based focus—understanding customer, employee, and partner needs by observing them in the field. Existing processes, reports, or screens shouldn't constrain new solutions. Instead, they should be built around how individuals actually should and could do their jobs, empowered by

technology. Well-designed front office applications allow existing back-end services to be hooked into them without much effort; in many cases, however, some degree of remediation will be required to support revitalization goals. The answer may lie in Salesforce's Lightning roll-out, third-party offerings, or in custom solutions designed to meet the specific needs of employees and customers.

Retrench: Simply put, retrenchment means doing nothing. This is likely a part of any digital transformation journey involving front office and legacy core systems—especially for non-differentiating parts of the business and IT footprint. Being passive can be strategic, especially if not taking action is a deliberate decision made after careful analysis. This is not the same as ignoring an issue; it is weighing the risks, communicating the recommendation (and potential repercussions) to key stakeholders, and then deciding to focus on other priorities.

Eyes on the horizon

Optimizing front office systems and breathing new life into the core can help improve upon the ways of old and broaden the possibilities of tomorrow. As many organizations on a digital transformation journey are realizing, sales and service systems with deep hooks into the core can become a strategic differentiator and provide a foundation for experimentation, innovation, and growth. It can also offer a roadmap for advances in in-memory, cloud, hardware, and other leading technologies, removing paralyzing complexity, and getting back to basics.

Of course, such steps can lead to greater efficiency. But the real opportunities are more strategic. For example, how could you engage your customers differently if your sales and service teams had deep knowledge of each customer's history, potential, and preferences? How would the ability to extract more value from long-term investments in critical systems impact your budgets and your bottom line? How would revitalized systems affect your innovation agenda? Front office and core systems renaissance gives you the tools to answer these questions and more.

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Endnotes

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