

# ELAVON EXPERIENCES WITH THE ORACLE SALES CLOUD



## THE BOTTOM LINE

The shift in computing towards the cloud and away from being within the four walls of an organization creates an opportunity to more closely align CRM projects with business needs, as Elavon's experiences with the Oracle Sales Cloud demonstrates. This can also require business users to assume some of the project responsibilities IT organizations have traditionally performed. Being able to build and rely on a strong internal and external team can overcome this difficulty in ways that have a positive benefit for one's career.

## THE COMPANY

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Elavon, a wholly-owned subsidiary, of U.S. Bancorp, is one of the largest payment processors in the world. Currently the 5th largest commercial bank in the United States, U.S. Bancorp is a multi-state financial services holding company headquartered in Minneapolis, Minnesota with more than \$307 billion in assets.

As a brand behind a brand, Elavon markets credit and debit card processing, electronic checks, gift cards, and currency conversion services to merchants either directly or through a network of banking affiliates. Many of its offerings are tailored for specialized markets such as travel, small business, retail, hospitality, entertainment, health care, education and the public sector. The bank subsidiary is the number one provider of merchant services to the airlines industry, the world's three largest cruise ship lines, and the Marriott and Hyatt hotel chains.

In aggregate, Elavon provides end-to-end payment processing to more than one million three hundred thousand merchants in the United States, Europe, Canada, Mexico, Puerto Rico and Brazil who collectively generate over 3 billion transactions a year.

## THE CHALLENGE

The merchant processing services business is highly competitive. Competition is based on a number of factors including customer service, quality and range of products, price,

reputation, and rates. Elavon's traditional competition includes First Data Corporation, Banc of America Merchant Services, and Total System Services.

As part of U.S. Bancorp, Elavon is also subject to banking regulations. A provision of the Dodd-Frank Act requires the Federal Reserve to establish a cap on what merchants pay banks for electronic clearing of debit transactions which has reduced revenue to debit card issuers such as Elavon. Despite this, in July 2013, a D.C. District Court judge invalidated the Federal Reserve's current interchange fees, ruling in favor of a group of retailers who argued that the fees had been set too high by the Federal Reserve.

In the last four years the company has seen a whole new breed of competitor enter the commercial debt clearing market who are not subject to Federal Reserve regulation including Square, PayPal, and Intuit. These competitors originally developed payment systems to help consumers clear debits over the internet but increasingly their services are being used by merchants as well. As a long time player in the market, Elavon's well-established distribution network of field sales representatives, agents and partners gives them an advantage over newer entrants who have had less time to establish this channel.

### **STRATEGY AND LEADERSHIP**

In order to meet all its competition more effectively on a less-than-even playing field, Elavon wanted to better leverage all its existing sales channels. This strategy depends in large part on its ability to attract new partners, agents and sales people and to retain and motivate existing ones. The strategy also calls for developing innovative new financial services targeted at specific markets and then pushing these products as efficiently as possible through various sales channels.

As Chief Marketing Officer of Elavon, Carlos Navarro was the business owner of Elavon's existing CRM system. Navarro was well placed to assume this latter responsibility having worked for six years at Inforte, a leading CRM system integrator. By his own estimate Navarro had participated in over 250 CRM implementations in his career before joining Elavon in 2008.

### **REQUIREMENTS**

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Upon taking the CMO role, Navarro recognized the biggest challenge to the success of Elavon's strategy was the fact that very few sales reps were actually using its existing CRM system. Given their importance to the company, the sales representatives' use of the system could only be encouraged and not mandated by executive management.

Based on his experience, Navarro became a strong advocate for completely re-implementing Elavon's CRM system from top to bottom. Elavon had been using Oracle CRM On Demand, and could have stayed on that platform, but Navarro felt the product was a little "long in the tooth from a UI perspective" and not really geared for mobile.

### **NEED FOR MOBILITY**

A significant portion of Elavon business comes through retail banking partners. Elavon collects leads from 70,000 bankers worldwide in return for a share of the processing revenue. Timeliness here is key. Often only 72 hours elapse between the time Elavon receives the lead and the business is won or lost. The ability to distribute leads quickly, price deals when the rep is before the customer and then submit orders for processing was identified as critical to both the reps and Elavon's success. Gaining that capability on common mobile devices such as the iPad or iPhone was deemed one of the most important requirements of the re-implementation since this would untether reps from their desks and would give them more time to be in front of customers.

### **NEED FOR TERRITORY MANAGEMENT**

Another key requirement was a territory management system that could balance the increasingly complex interaction between direct and indirect sales channels in the various geographies the company covers. Although this feature was transparent to sales representatives, as Elavon expands into new industry verticals and countries, the company anticipates territories will grow only more complex to define and manage.

## **THE SOLUTION**

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After an evaluation, Elavon elected to stay with Oracle but use the Oracle Sales Cloud in place of CRM On Demand. In addition to a better user interface, mobility, more consistent customer experience, and territory management, the Oracle Sales Cloud had analytic capabilities that executive management found appealing.

Based on his past experience, Navarro felt strongly that Elavon would be best served by engaging with an outside systems integrator. Although Elavon's IT department would be called upon for assistance, especially when it came to integrating existing applications, deeper product knowledge than they possessed was necessary to complete the project successfully. Since the Oracle Sales Cloud is a new product, Navarro felt it was natural to select Oracle Consulting because being part of the Oracle family would cut down on the amount of time they needed to learn critical product information.

Elavon then entered into contract negotiations to buy over 700 seats of the Oracle Sales Cloud and to have Oracle Consulting help implement it.

## **THE PROJECT**

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Localization issues aside, Navarro did not want to reinvent the sales process in every country where Elavon does business. After all, a credit card is a credit card regardless of the culture of the card holder. So the internal team at Elavon began the project by

mapping out the buying experience from the customer side. What they found was customers had the same type of positive or negative experiences regardless of the country involved. This discovery created a baseline for what the system would need to support the business and opened the door to improving efficiency across the company by identifying and implementing best practices.

### **ROLLING OUT THE PROJECT GLOBALLY**

The internal implementation team consisted of a manager, the U.S. Sales administrator, the European Administrator, and one other person. The implementation team also elected to start with simple sales force automation rather than rollout the entire vision. They carefully limited the number of reports to executive management and tried to not burden the sales force with unnecessary drudgery. The team also decided to move slowly but surely towards the new system and support the old forecasting method to give the reps a grace period.

Since the system would be used around the globe, the implementation team staggered the rollout by region. They elected to start with Europe first, where reps and account managers were more advanced in their use of the current CRM system and their desire to use mobile technologies. But there was a challenge to this approach. European privacy laws are much stricter than in the United States which required the team to deal with a bewildering array of different privacy, compliance, and security issues. This resulted in months of additional effort to correctly identify each nation's requirements before the implementation could proceed.

Once the compliance work was completed, the Oracle Sales Cloud was rolled out country by country instead of in one pan European effort. The primary reason for this was to ensure consistent training as well as giving Elavon a chance to correct any unforeseen issues before moving to the next country. The new system was released in multiple languages starting with English, German, Polish, and Norwegian. The company also elected to provision each rep with a new iPad tablet as part of the project, although it also won adoption by supporting users on iPhones and Blackberries if that was their preference.

### **INVOLVING THE SALES TEAM**

Once the customer experience had been mapped out, the internal team focused on bringing sales and marketing leaders into the project. They formed new teams in every profit and loss center where Elavon does business and were careful to include sales people and sales managers at different levels and from different channels. Client managers and account managers were also included in the new teams. The work these groups did still mostly involved defining the business process rather than implementing the technology, but the information proved invaluable later to building goodwill in the sales force for the project.

## CUSTOMIZATION

Some customization of the Oracle Sales Cloud was required to process orders and follow Elavon's sales process. The company uses a proprietary third party sales methodology that had become deeply ingrained within the sales culture. Although this methodology was not supported out-of-the-box by the Oracle Sales Cloud. It was decided it would be easier to modify the application than retrain the sales force in a new sales methodology. Elavon worked closely with that sales process vendor and Oracle Consulting to make this modification.

The Oracle Sales Cloud also had to be extended to enable Elavon sales representatives to take orders. In conjunction with the company's IT department, Oracle Consulting accomplished this by building an HTML wrapper around Elavon's proprietary order taking system - something no one on the project had never done before.

Navarro reported that often the implementation team would meet on a topic and then get back together the next day with the code complete. Everyone was tackling something new for the first time and he appreciated how the team could admit not knowing how it could be done at first. This is where the advantage of being a part of Oracle helped Oracle Consultants draw on other resources in the company to implement Elavon's requirements.

Converting the data from CRM On Demand to the Oracle Sales Cloud also required some effort since the original implementation had not included enough data integrity rules and not maintained the data very well over time. At the end of the day, Navarro was clear that this project could not have been done without a knowledgeable outside party and was happy with his choice of Oracle Consulting.

Elavon started on version 4 of the Oracle Sales Cloud then moved to version 5 and skipped to version 7 and will be upgraded to version 8. These upgrades were transparent to Navarro who reported never having to devote any management time to oversee these conversions.

In the end the company was able to roll out the system four months after it started the implementation using four Elavon employees and a slightly larger number of Oracle Consultants.

## WHAT ELAVON LEARNED FROM THE PROJECT

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- Begin with the tip of spear, field sales.
- Roll out in the region with the most potential for success.
- Choose simple sales force automation for a start.
- Focus primarily on forecasting and hold the line on other management reports.
- Don't burden the reps unnecessarily and try as much as possible to remove the drudgery.

- Standardizing on a fewer mobile devices will make the implementation go faster.
- Pick an outside system integrator well versed in the product.

## KEY BENEFITS

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Once the implementation was completed Elavon saw a number of signs of improvement in its sales channel. Adoption immediately increased and the improvement in usage could be measured in double digits. Navarro reported the reps were using the new mobile interface intuitively, not spending as much time figuring out how to use it. Executive and sales management also noticed a significant improvement in the accuracy of the forecast. There was less churn in the predicted wins, and the final results varied only a few percentage points from earlier forecasts. In a business with millions of customers, volatility can be significant and this won support for the system among executive management.

Perhaps even more important than forecast accuracy, the reimplementation resulted in a fundamental shift in the interaction between sale performers and sales management. The new system changed their conversation from a guessing game to a more strategic discussion of how to shorten the sales cycle and how to close more business. The net result of the new system is an improved sales channel.

In part because of the success of the implementation, Navarro was promoted and now has direct responsibility for the leadership of Elavon across Latin and South America. He oversees strategy, profit and loss, and growth for these areas. In addition to these new responsibilities, Carlos continues to be the executive sponsor of the CRM system.

## CONCLUSION

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Currently the company has rolled out 600 seats across the US and Europe. With version 8 and the extension of Latin American Spanish Navarro plans to complete rolling out the rest of the seats. Having successfully increased adoption using a carrot, Navarro is starting to resort to a stick and deny resources to sales reps who do not forecast their deals through the Oracle Sales Cloud system. Using these two approaches Navarro expects to achieve 100% user adoption.