

ANALYST OPINION

SunGard Higher Education Turns a Corner with Banner Relationship Management (Analyst Opinion)

Higher education takes a leap toward institution-wide CRM

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DATAMONITOR OPINION***Catalyst***

The recent announcement by SunGard Higher Education about the refocusing of its Banner Enrollment Management Suite has significant implications for the long-term uptake of customer relationship management (CRM) on an institution-wide basis.

Summary

SunGard Higher Education recently announced a new direction for its Banner Enrollment Management Suite to support the entire student lifecycle. This change represents a significant paradigm shift in the CRM for higher education market, as it will spark the movement from using departmental point solutions to embracing enterprise-wide strategies.

- SunGard Higher Education's new Banner Relationship Management solution is oriented towards supporting the entire student lifecycle using a common and extensible set of tools.
- Plagued by structural and technical challenges, higher education has not yet embraced the implementation of CRM and relationship management on an institution-wide basis.
- The Banner Relationship Management solution offers a compelling bridge between higher-education specific point solutions and those which are horizontal enterprise-class.
- SunGard Higher Education's considerable professional services team will drive more substantive CRM uptake by providing strong support capabilities for strategy development and solution implementation.

Comment

SunGard Higher Education recently announced that it will be taking a new direction with its Banner Enrollment Management Suite. When initially launched in 2007, SunGard planned for the solution to be comprised of three modules focused on recruiting and admissions, retention, and advancement programs, each with its own individual performance management solutions. The new approach will support the entire student lifecycle as a single solution using a common and extensible set of tools. The performance management solutions, however, will remain separate and aligned to the earlier announced institutional programs. Banner Relationship Management and the performance management solutions will comprise the Banner Enrollment Management Suite.

Datamonitor believes that this change represents big news in the CRM for higher education market and a turning point for SunGard Higher Education. Essentially, SunGard is making a significant investment in helping to move higher education away from utilizing a collection of departmental applications and towards the adoption of a single institution-wide relationship management solution. To date, most colleges and universities have implemented or plan to implement CRM on a departmental basis, as it is widely perceived by the industry as a tool for supporting specific interactions in the office of admissions or development. However, given the rising demands on higher education to increase the amount and quality of services while maintaining or even reducing costs, the departmental approach to CRM often fails to meet institutions' need to cultivate more personalized, substantive and longer-term relationships with students.

To be fair, implementing CRM on an institution-wide basis is a difficult and often resource-intensive undertaking. The intrepid institutions willing to wade out into this water face a multitude of challenges: managing a diverse array of institutional stakeholders unaccustomed to working with one another; finding an individual or department which is sufficiently credible, empowered and even willing 'to own' the entirety of the solution; and then finding a solution capable of supporting the implementation without substantial customizations. Consequently, institutions have adopted less ambitious plans for CRM, content to realize only incremental gains given the risk of undertaking a major change initiative.

The introduction of the Banner Relationship Management solution has the potential to overcome the challenge of limited solution options inhibiting the demand for institution-wide CRM. A high-level view of the competitive landscape for CRM in higher education suggests that it is not the complete absence of solutions that presents the difficulty, but the gulf created by the landscape's division into two camps of solution types. Solutions in the first camp are typically higher-education specific, focusing on a particular institutional department or interaction type and designed to enable generally accepted best practice for areas with an established history of using CRM, such as admissions or advancement. The second camp is comprised of horizontal solutions developed by vendors that target a variety of industries and which are in many cases characterized by their comprehensiveness and ability to support very large or complex organizations. The challenge for higher education has been the relative absence of solutions that bridge these approaches in a meaningful way by leveraging the positives—attention to the unique needs of institutions and capability to support multiple departments—while mitigating the negatives—limited long-term flexibility and the need for considerable customization. Datamonitor anticipates that as the Banner Relationship Management solution develops, it will increasingly fill this gap in the competitive landscape and drive demand for institution-wide CRM implementations by offering colleges and universities a much needed option that doesn't compromise on industry specificity and solution quality. Furthermore, it is important to note that the new solution enables

colleges and universities to start small with an individual department and the move towards an institution-wide deployment of CRM if and when it makes sense.

However, the implications of Banner Relationship Management for higher education run deeper than just the introduction of a new CRM solution with institution-wide capabilities. With more than 1,500 colleges and universities using its products and services, SunGard Higher Education has considerable influence in the industry. Datamonitor therefore anticipates that higher education will increasingly hear the message that an institution-wide implementation of CRM delivers more long-term value than a departmental one. While this will assist many institutional champions for CRM in building a convincing argument to executive-level decision makers, the more powerful impact of SunGard Higher Education's entry is the capabilities which its professional services group will bring to bear against the development of more substantive and institution-wide relationship management strategies, and then support to bring them to life with the implementation of the Banner Relationship Management solution. SunGard Higher Education's ability to pair a professional services organization that has both institutional process change and IT management expertise with a CRM solution that can support the entire student lifecycle is unique in the market. Datamonitor believes that this combination will help institutions to realize value from their CRM implementations far sooner and in greater amounts than through other approaches. As news of these successes disseminates through the industry, more colleges and universities will be emboldened to take the leap from departmental to institution-wide CRM.

Ask the analyst

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