EFM Evaluation Guide:

20 Must-Have Capabilities for a True Enterprise Feedback Management System

Online mortgage broker Lending Tree cut turnaround time on its surveys from five days to 30 minutes, and boosted customer satisfaction by 10 percent.

The Hong Kong International School gathered better comments from students and streamlined teacher's reviews.

Staffing agency Veritude turned up new ways to improve employee satisfaction, based on 84 percent response to an internal survey.

What do all three organizations have in common?

Each is using a relatively new breed of software called Enterprise Feedback Management (EFM).

Many vendors claim to deliver a complete EFM solution. But do they really?

This white paper is intended to help IT professionals evaluate these claims. It presents four cornerstones and 20 must-have capabilities of EFM, and a checklist for evaluating competing systems.

What exactly is EFM?

The term "Enterprise Feedback Management" was first defined in 2005 by a Gartner analyst, Esteban Kolsky. [1]

The basic concepts behind EFM are that people's opinions matter, and that listening to what employees and customers say can make an organization more successful.

An EFM system provides a complete set of automated tools for authoring, testing, and distributing surveys, as well as collating and analyzing responses, and reporting the results in an organized way.

Typical internal projects supported by EFM are climate surveys, employee performance appraisals, exit interviews, psychometric tests, and 360 reviews.

Typical external projects include market research among customers, prospects, partners, and other stakeholders. For instance, customer satisfaction can be tracked by asking for feedback right after a certain trigger event, such as a request for service.

1: Esteban Kolsky, "Make the Transition from Surveys to Enterprise Feedback Management," May 6 2005, Gartner

What are the benefits of EFM?

EFM replaces the paperwork, long delays, and uncertainty of non-automated survey methods.

The benefits of EFM include:

- Higher response rates
- Faster turnaround of results
- More detailed analysis
- All-around better productivity.

As well, the insights gained via EFM can often be acted on more effectively, since they are gathered faster and more reliably than with paper-based systems.

For example, organizations using EFM often find insights that help them improve customer satisfaction and reduce churn by 20 to 30 percent, a very significant ROI. [2]

EFM can boost ROI on other existing systems

When installed, EFM software is often integrated with existing CRM, ERP, HR, or Learning Management (LMS) systems.

An effective EFM system can actually complement these systems by filling in critical missing data.

"EFM solutions provide companies with the attitudinal data that CRM systems can't. If CRM provides the who, what, when, where, and how about customers, EFM solutions offer the why." [3]

In fact, EFM may provide the key to a better ROI in these existing systems.

"It will give you a stepping-stone to finally — after millions of dollars and countless time spent implementing CRM in vain — understand your clients," said Gartner analyst Kolsky.

"This is where the rubber meets the road for the promises made by CRM." [4]

In an earlier interview, the same analyst described why EFM applications are becoming more widespread.

"As the value of customer and employee feedback gains more importance, more enterprises are seeking ways to collect and analyze data," he said.

"That's where EFM will take over." [5]

Some software vendors have jumped on the EFM bandwagon, claiming that their relatively low-powered survey tools are in fact enterprise-class systems, happily available at a lower price.

This white paper provides a detailed, objective set of EFM capabilities to consider. This list can be used to evaluate any EFM vendor's claims.

2: Melissa LaBancz-Bleasdale, "And the Survey Says… EFM and the Web 2.0 Generation," December 2007, Messaging News magazine

3: Colin Beasty, "Feedback Mountain," February 2007, CRM magazine

4: Quoted by LaBancz-Bleasdale, ibid

5: quoted by Beasty, ibid

The four cornerstones of EFM

For any EFM system to deliver a full set of benefits, it must provide a full set of capabilities.

Among these are the four cornerstones of security, robustness, integration, and usability, as shown in Figure 1. This entire category rests on these four cornerstones; without them, no system can truly be considered enterprise-class EFM.

Security	**Robustness**
Integration	**Usability**
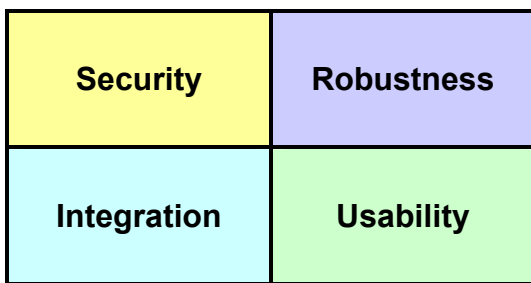
Figure 1: Four Cornerstones of EFM

Each cornerstone supports four to seven key capabilities, as shown in Figure 2. Taken together, these provide a checklist of must-have features for an EFM system.

The rest of this white paper discusses each of these capabilities in turn.

Figure 4 provides a complete checklist for evaluating different systems against these must-have capabilities.

EFM cornerstone: Security

Security refers to the safeguards that protect the privacy and confidentiality of all data at every step of the feedback gathering and analysis process.

For critical information like employee performance reviews and customer satisfaction, security is not a "nice-to-have," security is a "must-do."

The key capabilities that the security cornerstone supports include:

- Access control
- Single Sign-On support
- Guaranteed privacy
- Flexible privileges.

Access control

An effective EFM system must use the existing authentication store for user credentials, instead of requiring a second, standalone effort to authenticate users.
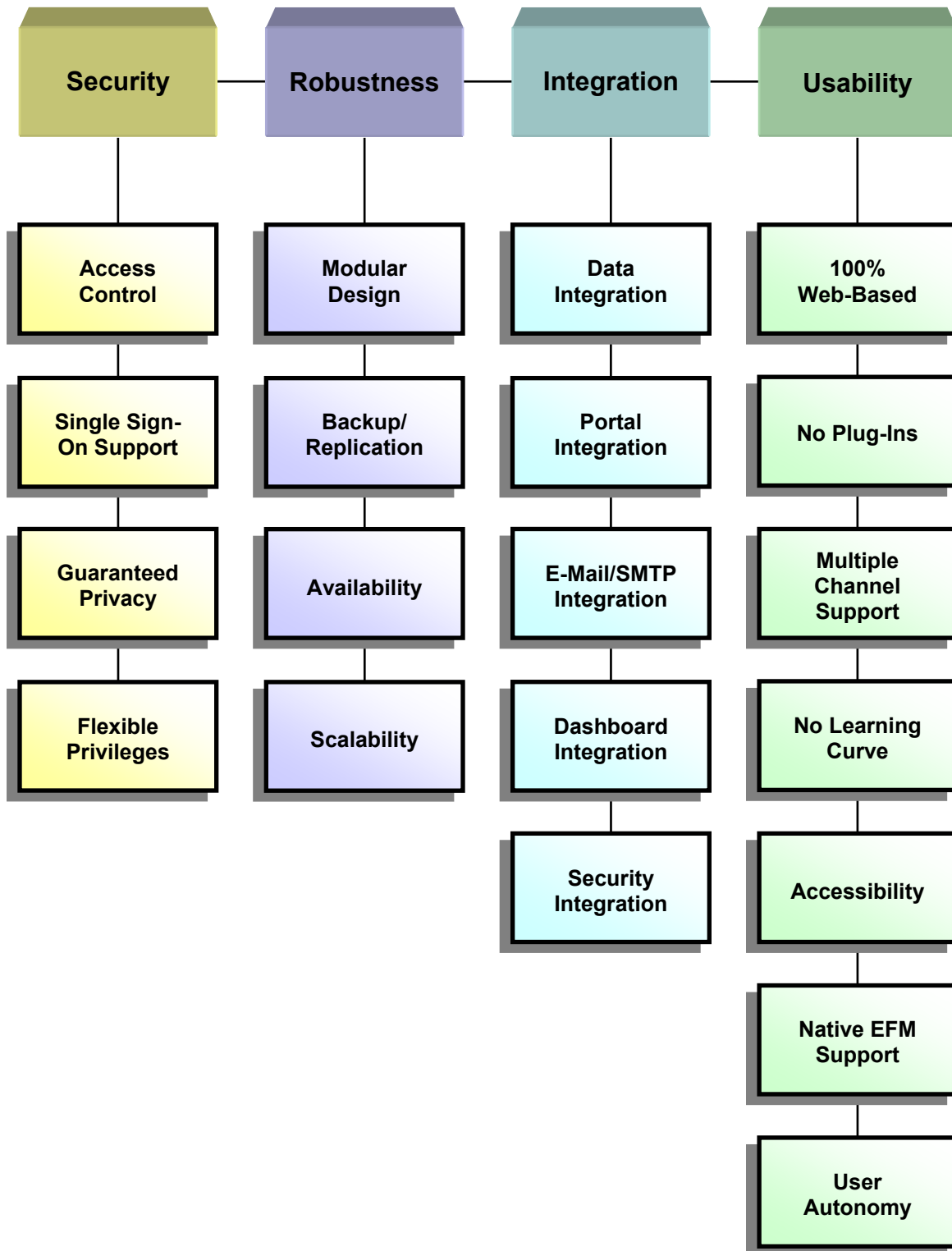
Of course, this means that employees will use their existing user names and passwords to sign into the EFM system, and it will remain just as secure as any other application in the existing infrastructure.

Single Sign-On (SSO) support

An effective EFM system will synchronize with any single sign-on (SSO) initiative in the organization.

For example, any authorized user can access EFM functions or fill in a survey through the same employee or customer portal, with no need to log in again.

This provides all users with convenient access to the system, enhancing user acceptance and promoting higher response to both internal and external surveys. This also makes the EFM system as secure as any other application under the SSO umbrella, and leverages any existing investment in SSO.

Security	Robustness	Integration	Usability
Access Control	Modular Design	Data Integration	100% Web-Based
Single Sign-On Support	Backup/ Replication	Portal Integration	No Plug-Ins
Guaranteed Privacy	Availability	E-Mail/SMTP Integration	Multiple Channel Support
Flexible Privileges	Scalability	Dashboard Integration	No Learning Curve
		Security Integration	Accessibility
			Native EFM Support
			User Autonomy

Figure 2: The Must-Have Capabilities of a True EFM System

Guaranteed privacy

For best results, an EFM system must offer numerous ways to safeguard the privacy of all data and reports. Without total confidentiality, fewer people will participate, and those who do will be less honest in their responses.

The EFM system should provide strong encryption for the database, e-mails, reports, and other communications.

The system must prevent anyone without adequate privileges — even IT personnel — from viewing any bits of information that could help identify any respondent.

For example, the system should not reveal a response date, or show whether any respondent has already answered. There must be no way for anyone to work backwards by a process of elimination to identify any respondent.

On top of these internal safeguards, all data must be firmly protected against any accidental exposure to outsiders. Any data breach could do untold damage to employee morale, the organization's reputation, and even the career prospects of the IT managers involved. Therefore, an EFM system must guarantee privacy.

Flexible privileges

Figure 3 shows some typical roles in a larger enterprise, ranging from a single survey administrator to 100,000 (or more) respondents.

Levels 1 through 4 use the functions of the EFM system itself; levels 5 and 6 use an internal portal linked to the system.

Any effective EFM system must be able to allocate privileges with this much flexibility, and more.

For example, certain results that involve confidential payroll, training, or perform-ance issues should be visible only to HR managers of a certain level and higher.

In an effective EFM system, all these roles must be easy to allocate, with highly granular control over system privileges. Anything less may encourage awkward workarounds that compromise security.

PEOPLE	ROLE	SYSTEM PRIVILEGES	LEVEL
10	Survey Administrators	Can do anything in the EFM system	1
25	Survey Managers	Can create and manage surveys, and change questions	2
50	Survey Assistants	Can do phone interviews and enter respondents' answers, but cannot see results	3
100	Report Creators	Can see results and create reports	4
1,000	Report Viewers	Managers/executives who can view reports, often through a portal	5
100,000(+)	Respondents	Employees who can answer questions through a portal	6

Figure 3: Typical Roles and Privileges Required in an EFM System

EFM cornerstone: Robustness

A robust system is engineered and built to be rugged, stable, and bullet-proof.

Robustness inspires confidence from users, promotes a higher response rate, and delivers a better ROI, since a robust EFM system can be rolled out across an enterprise without any compromises.

The key capabilities that the robustness cornerstone supports include:

◆ Modular design

◆ Backup/replication

◆ Availability

◆ Scalability.

Modular design

One important key to robustness is modular design, so that the processing load can be dispersed and balanced between different servers.

If an EFM system is written as one monolithic system that must run on one server, this will create slowdowns during any intensive processing steps, such as handling e-mails, analyzing results, and preparing reports.

If an EFM system is written in modules that can each run on a separate server, this provides many more flexible options for allocating IT resources.

Ideally, there is a separate module for each major function, such as security, integration, e-mail, analysis, reporting, and management.

Backup / replication

An effective EFM system must support any replication or backup services which the organization has installed.

This ensures that the EFM database, which is a valuable asset, is safeguarded the same way as every other database in the organization.

Availability

An effective EFM system must be highly available. When you send out notices and reminders asking people to fill in a questionnaire, the system must be available to accept their answers.

Anything less will lower response rates on internal surveys, and jeopardize the success of external surveys.

Scalability

A truly robust EFM system delivers solid uptime and quick response, even when supporting millions of users.

Everyone claims their system is scalable, but this is especially critical for EFM. Why? Because EFM applications are huge.

For example, consider an annual climate survey in an enterprise with 100,000 employees.

For this project, perhaps 100 people would need to create and manage surveys; perhaps 1,000 would create and view reports, which could be from tens to hundreds of pages long.

The total number of messages exchanged would reach many millions.

A customer survey triggered by every online purchase could be even larger, reaching millions of transactions and even more messages.

Every component of an EFM system must be able to scale up to handle these enterprise-class projects without breaking or slowing to a crawl.

Any system designed to handle modest surveys for a few dozen people will break under this intense real-world workload.

EFM cornerstone: Integration

Integration refers to linking an EFM system into an existing IT infrastructure.

Deep integration saves time preparing and distributing surveys. It also promotes a higher response rate, and ensures better security throughout the process.

Of course, any two systems can be linked together by investing enough resources; the key is for an EFM system to provide ready-made tools so it can be integrated smoothly with minimal effort.

The key capabilities that the integration cornerstone supports include:

◆ Data integration

◆ Portal integration

◆ E-mail/SMTP integration

◆ Dashboard integration

◆ Security integration.

Data integration

Most organizations store employee data in several different systems, such as accounting, payroll, CRM, ERP, HR, and LMS systems.

Customer demographic and purchase data most often reside in a CRM system.

Any effective EFM software can access all these types of data, and pull them together into a seamless whole:

◆ Employee compensation from an accounting or payroll system

◆ Employee demographics, positions, and hierarchies from an ERP system, like SAP, Oracle, or PeopleSoft

◆ Customer feedback from a CRM system, like Seibel

◆ Training records and employee developmental needs from an HRIS or Learning Management System (LMS).

This enables anyone creating reviews or appraisals to pre-populate and personalize forms when appropriate. This eliminates the need to ask respondents for basic information such as name, title, employee number, department, and location.

The EFM system must be smart enough to understand hierarchies and relationships within the organization, so that surveys and reports can be routed to the appropriate level for approvals or action.

It must also be smart enough to escalate serious complaints from customers to an appropriate level for attention.

For employees, this saves time and promotes a higher response rate. For customers, this helps ensure that their voices are heard in a timely manner.

Portal integration

Every function of the EFM system should be available through any chosen employee or customer portal. The EFM system should "look and feel" the same and be branded the same as the existing portal(s).

This eliminates any learning curve and promotes participation, since no one feels they must go into an unfamiliar tool or system to fill in a survey.

Integrating EFM with existing portals brings in more traffic and increases an organization's ROI in these portals.

E-mail / SMTP integration

EFM systems rely on e-mail to send out invitations, reminders, and follow-ups. An EFM should link smoothly into an organization's SMTP server(s) without creating bottlenecks and slowing down deliveries.

If this can't be done, the only alternative is to replicate countless e-mail addresses to a second, parallel system, which creates a redundant burden on IT resources.

Dashboard integration

Many Business Intelligence (BI) systems provide executive dashboards that can display certain key performance indicators in real-time.

An effective EFM system can easily provide top-level metrics like employee or customer satisfaction to the same dashboards, so that these numbers become a standard part of the executive overview.

Security integration

An effective EFM system must integrate with the existing security provisions of the organization, as discussed in the section on Security.

In particular, EFM must integrate with any existing authentication, SSO, and other security systems already in place.

EFM cornerstone: Usability

Usability refers to a simple and intuitive end-user experience for every step of the EFM workflow: creating, distributing, receiving, managing, and analyzing surveys, and presenting their results.

Good usability enhances productivity and promotes high usage and response rates.

The key capabilities that the usability cornerstone supports include:

- 100 percent Web-based
- No plug-ins
- Multiple channel support
- No learning curve
- Accessibility
- Native EFM support
- User autonomy.

100 percent Web-based

The most effective EFM systems are 100 percent Web-based to provide anywhere, any time access to any authorized user for every step of the process.

Managers responsible for EFM certainly appreciate anywhere, any time access to the latest survey results and updates.

Many employees are highly mobile, and for sure no one wants to come into the office just to fill out a survey.

Employee surveys enjoy better response rates with the added convenience and confidentiality of Web-based access.

And for surveying customers after a trigger event such as shopping online, a Web-based system is clearly superior.

To provide universal access, the EFM system must support multiple browsers, including the last several versions of Internet Explorer, Firefox, and Safari.

No one will switch browsers to fill out a survey; they will simply click away at the first sign that a survey does not work in their chosen browser.

No plug-ins

For best results, an EFM system should be free of any downloads or plug-ins. Plug-ins create customer resistance, lower response rates, and put a burden on IT.

Few customers will download a plug-in to fill out a survey. And many employees will also be confused and hesitant to do so.

For IT, plug-ins can create firewall issues and an unwarranted burden on the help desk, with numerous users calling in to ask, "Is it OK if I download…"

Multiple channel support

In keeping with our theme of universal access for best results, the EFM system must be designed to support any smart phones, wireless devices, and PDAs with Web access.

Extending the range of supported channels will boost the response rate, especially for employees.

No learning curve

For survey creators, administrators, and managers, an EFM system must be easy to learn and simple to use.

There are certain best practices to survey design and analysis that creators should learn, but these are "soft skills" they bring with them to the keyboard. Once a survey creator or administrator is logged into a system, it must be intuitive to use.

For respondents, an EFM system must require only minimal browsing skills. This way, any employee, customer, or prospect can quickly answer any survey or questionnaire.

A minimal learning curve helps to ensure a high response rate and reduce any resistance to taking part.

Accessibility

Any Web pages displayed by the EFM system should comply with the relevant standards for access by those with disabilities, including:

◆ Americans with Disabilities Act of 1990

◆ Section 508 of the United States Rehabilitation Act

◆ Disability Discrimination Act (U.K.)

◆ Web Content Accessibility Guidelines of the World Wide Web Consortium.

In the case of the very latest standards, the EFM vendor should at least provide a roadmap for achieving compliance.

Native EFM support

An effective EFM system should be designed and built from the ground up to support every component of feedback management, not just surveys.

These other components include 360-degree reviews, appraisals, exams, forms, voting, and so on: anything that furthers the gathering of information from an internal or external audience.

Desktop survey tools that are now being re-positioned as EFM will not likely have the usability (not to mention scalability) of a true EFM solution.

User autonomy

An effective EFM system will empower its line-of-business users to take care of their own tasks, without needing undue hand-holding from IT.

For instance, a non-IT survey administrator should be able to add, remove, or change questions.

They should also be able to add an extra step to any process, add raters to a 360, and change due dates, signoffs, form routing, and so on.

And they should be able to accomplish all this through an easy-to-use Web form.

Another aspect of user autonomy is furthered by an EFM system's deep integration with the IT infrastructure.

When required for projects such as 360 reviews, the EFM system must be able to draw from the HRIS to pre-populate forms and e-mails with demographics on employees, such as name, employee number, title, department, or location.

When required for projects such as customer satisfaction surveys, the EFM system must be able to draw from the CRM to pre-populate forms and e-mails with relevant customer history, such as the model purchased and date.

Survey administrators should not need to ask IT for lists of users, managers, nor for anyone's credentials to plug into a stand-alone system.

Another way of expressing user autonomy is to say "no undue tax on IT resources." What's the point of implementing an EFM system if the hidden costs include an ongoing burden on IT?

Conclusions

People's opinions matter. And successful organizations listen to what their employees and customers tell them.

But the old-fashioned way of gathering feedback on paper was slow and unreliable.

The new category of EFM provides an alternative, by streamlining how organizations gather and analyze feedback.

This can help executives listen more effectively and respond more quickly.

EFM can even help find the elusive ROI in existing systems, such as CRM, ERP HRIS, and LMS. While these systems can show the who, what, when, where, and how much, EFM can fill in the missing why.

With the growing interest in this category, many vendors now claim to provide full EFM systems.

But it's unrealistic to expect any low-powered desktop system or low-cost Web survey tool to support true enterprise feedback management.

This white paper presents the four key cornerstones and 20 must-have capabilities for any true EFM system. The following page shows all these capabilities arranged on a convenient checklist.

We recommend evaluating all vendors carefully against this checklist.

	VENDOR 1	VENDOR 2	VENDOR 3
Security: Access Control			
Security: Single Sign-On			
Security: Flexible Privileges			
Security: Guaranteed Privacy			
Robustness: Modular Design			
Robustness: Backup / Replication			
Robustness: Availability			
Robustness: Scalability			
Integration: Data			
Integration: Portal			
Integration: E-mail/SMTP			
Integration: Dashboard			
Integration: Security			
Usability: 100% Web-based			
Usability: No Plug-ins			
Usability: Multiple Channels			
Usability: No Learning Curve			
Usability: Accessibility			
Usability: Native EFM Support			
Usability: User Autonomy			

Figure 4: Checklist for Enterprise Feedback Management (EFM) Systems