

**FPX**

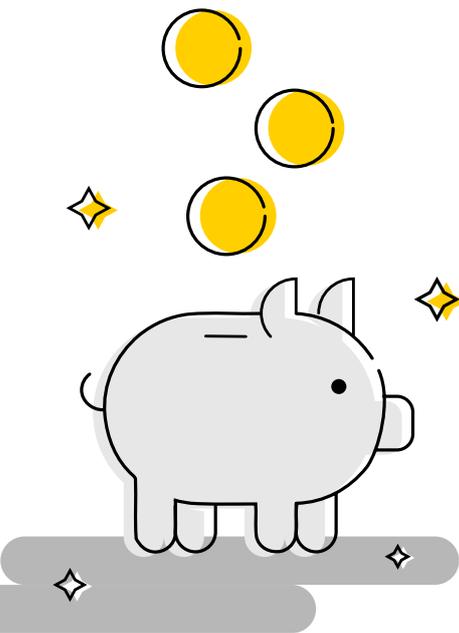
# LAYING THE GROUNDWORK FOR CPQ SUCCESS



**A 4-STEP GUIDE**

# GET TO ROI BY AVOIDING PITFALLS AND DELAYS

A better configure, price and quote (CPQ) solution can be a game-changer for your organization. There is a tremendous competitive advantage in having a CPQ system that allows you to be the first vendor to submit professional, personalized and error-free quotes to your prospects and customers.



Think about how many quotes your team generates in a year. How much money could you save if your CPQ system allowed you to reduce the number of hours you spend to create quotes? If your salespeople could spend less time drafting quotes, how many more deals could they close by spending more of their time actually selling? How much incremental revenue would you generate by winning more deals as a result of being the first vendor to submit a bid? The cost savings and incremental revenue generated by a good CPQ system can improve your bottom line profit by millions of dollars.

B2B selling can be complex because of the need to configure products accurately for customers, and the multiple pricing models required for selling directly and through all of your indirect sales channels around the world.

32 % of CPQ buyers most often believe they over-emphasized price and features/functions during the buying process... ..while 30% said they under-emphasized potential future business requirements.

A CPQ solution can solve many pain points, including botched configurations and inaccurate quotes or pricing, error-prone orders and long lead times that result in additional costs, revenue leakage due to frequent and excessive discounts, lost sales and customer dissatisfaction. In addition, it can provide visibility into sales revenues, helping you make better business decisions.

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*There's more to implementing a CPQ solution than just bolting on another application to your technology stack, but the return on investment makes it well worth your effort.*

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Implementing a CPQ system will involve several departments in your company. The process improvements and greater efficiencies produced by your CPQ solution will reverberate throughout the entire organization, benefiting sales, marketing, IT, operations, manufacturing, engineering, accounting and others.

This is likely not the message you have heard from other vendors who say how easy it is to implement their CPQ solution.

While other vendors may position CPQ as a simple, easy, add-on to a broader platform of solutions, you should see CPQ as a solution that can vastly improve your business from the perspective of direct sales, partner and indirect sales enablement, as well as facilitating broader digital transformation strategies like an ecommerce initiative designed to improve customer and user experiences.

By doing some due diligence upfront, you'll avoid the delays that can hamper an enterprise-wide technology implementation and get to ROI faster.

## HERE ARE FOUR STEPS TO LAY THE GROUNDWORK FOR A **SUCCESSFUL CPQ EVALUATION AND IMPLEMENTATION**



1

Assess your current state



2

Gather input from stakeholders



3

Build a business case



4

Solicit executive sponsorship and support

# ▶ 1

## ASSESS YOUR CURRENT STATE

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*The first step in moving toward a better CPQ solution is to assess how you handle configuration, pricing and quoting today. This assessment should be frank and honest in order to discover areas for improvement.*

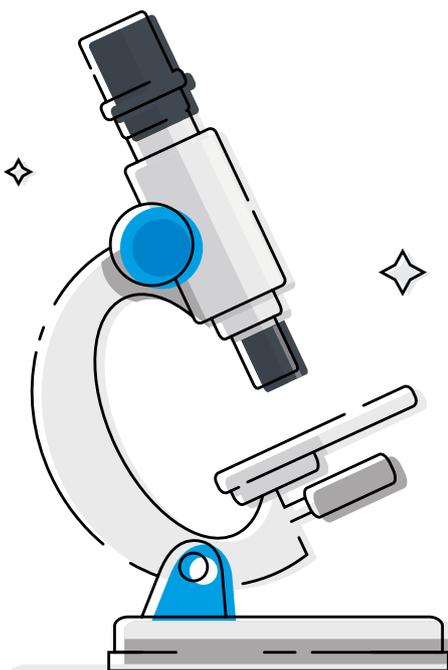
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**As part of your assessment, answer questions such as these. Details count, so be as specific as possible.**

- Do you have a documented process for configuring products, pricing and quoting today? What is that process? Is it followed uniformly throughout your organization?
- How many quotes do you generate in a year? How many hours does it take to generate them?
- How often are you the first vendor to submit a quote?
- Does it effectively handle omnichannel sales from direct and indirect sales channels with a consistently friendly user interface?
- How much do you spend on fixing problems when products are delivered with the wrong configuration?
- What is your win ratio for the quotes you submit, and the revenue generated by the deals you win?
- How often do quotes have to be revised due to errors in product configuration or pricing?
- Is your CPQ process scalable? Will your CPQ system still work if core applications of your technology stack are changed?

Once you have a clear understanding of where you are today, determine where you want to go and what problems you are trying to solve.

This will help you specify a CPQ solution that fits how you do business today, and works in the future as your technology and processes evolve.



## ▶ 2 GATHER INPUT FROM STAKEHOLDERS

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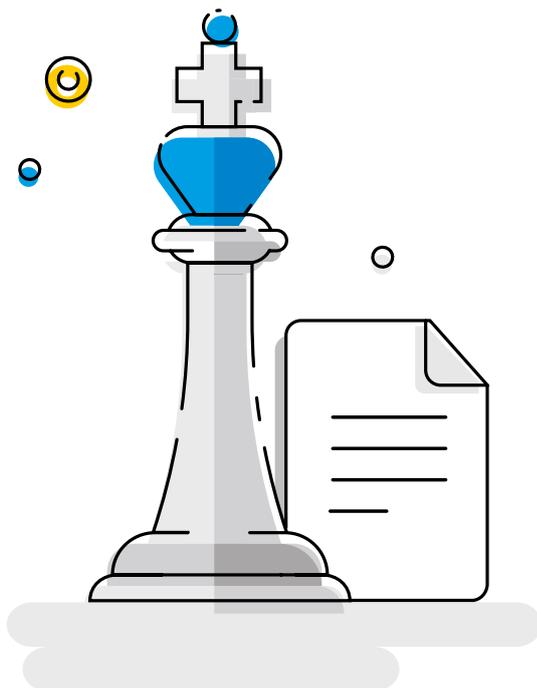
*Since CPQ touches almost every area of your business, you'll need to assemble a cross-functional team of key stakeholders.*

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The IT team is most certainly an important stakeholder, as is sales, marketing, operations, channel management, engineering and accounting.

If you don't include all stakeholders in the decision-making process and drive engagement from the start, you risk project derailment when a stakeholder comes late to the table and needs to be brought up to speed. Including all stakeholders also allows you to address objections upfront. Such as:

- Prioritization of budgets and technology projects across the enterprise.
- Why not implement a minimal viable product?
- Preference for a potential CPQ vendor that already provides another key application in the IT ecosystem that may not have a long-term future as part of the tech stack.



61 % of buyers wish their sales and sales ops departments would have been more involved in the CPQ buying process.

**2018 GLG Survey of CPQ Buyers**

## ▶ 3 BUILD A BUSINESS CASE

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*Since a CPQ solution can provide such a high ROI, your business case needs to convince senior management to give a high priority to this project.*

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A strong business case will protect other lower ROI projects from being prioritized ahead of your CPQ project. Building a business case that captures the true ROI of a CPQ solution is different than building one for a solution that involves only a single line of business. CPQ benefits the entire enterprise, so the key is to highlight how CPQ will affect ROI in many business areas.

### **Here are just a few factors to consider including in your business case:**

- Cost savings of a more efficient CPQ process
- Reducing the cost of fixing problems when products are incorrectly configured
- Incremental revenue from giving your sales team more time to sell instead of preparing quotes
- Incremental revenue from providing channel partners with a CPQ tool with their specific products, configurations and prices
- Higher average selling price by giving your salespeople a tool for providing solutions to customers that include more options
- Incremental revenue generated by being the first vendor to submit professional, personalized and error-free quotes to your prospects and customers
- Higher average selling price by reducing unauthorized discounts



The most difficult aspect of the business case to quantify during CPQ procurement is projecting revenue uplift associated with faster quoting.



A global leader in advanced controls and automation technology **increased its profit margin by 150 basis points in the first year.**

The organization also realized 8% growth in new customer acquisitions, reduced the time-to-market for new products from six months to 15 days and retired 18 legacy systems.



An optical transport technologies organization realized **\$2 million in savings** by improving the configuration of sales orders and quotes of complex products and services **in real time with 100% accuracy.**



## ► 4 SOLICIT EXECUTIVE SPONSORSHIP AND SUPPORT

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*CPQ will change your organization's business processes, so it's critical that you have support from the top.*

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Doing your homework by developing a comprehensive analysis of the gaps in your current CPQ processes, building a strong business case and gathering input from key stakeholders at project start will make getting sponsorship and support from executive leadership easier.

### Items to consider:

- Be prepared with a business case that proves the ROI of CPQ across the entire enterprise; consider that one fraction of one percent can generate significant incremental revenue.
- Include all key stakeholders in your presentation to executive management.
- Describe how a new CPQ solution aligns with company objectives and strategies.



30% of CPQ buyers wish the C-suite and executive sponsors would have been more involved in the CPQ buying process.

2018 GLG Survey of CPQ Buyers

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## THE VALUE OF THE RIGHT CPQ PARTNER

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Selecting the right partner for your CPQ solution is critical to generating ROI quickly and developing a technology approach that is future-proofed.

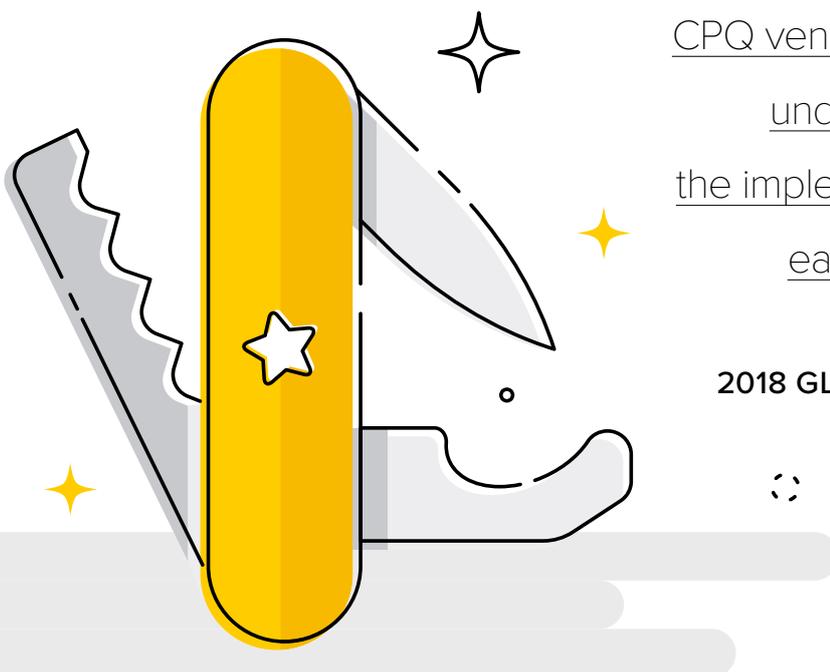
You'll want a partner that has decades of experience, uses a consultative approach that addresses your unique needs, and focuses on how CPQ can deliver quick wins and establish a competitive advantage over the long term.

Look for a partner with a platform-agnostic solution that can integrate with the applications you have today, and the applications you may have in the future.

Your partner should be able to provide expert consulting to assess your current CPQ process, recommend a better solution, demonstrate the ROI of that solution and aid in implementation. This will reduce the amount of time your team is taken away from their important daily duties, and accelerate how quickly you start generating positive ROI from a new CPQ solution.

42% of CPQ buyers believe their CPQ vendor 'over-promised and under-delivered' with the implementation timeline and ease of integration.

2018 GLG Survey of CPQ Buyers



## STAY INFORMED



## GET IN TOUCH

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