

HIGHLIGHTING INTERNAL AND EXTERNAL DEPLOYMENTS OF CPQ

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Aberdeen Group has found that Best-in-Class organizations are twice as likely to use CPQ technology compared to All Others. But what does a CPQ deployment look like from the buyer's perspective? In this knowledge brief, Aberdeen Group explains the two ways CPQ can produce beneficial buying experiences at the most consequential points in the buyer's journey.



CPQ users are 82% more effective at increasing productivity with integrated technologies, compared to non-users (61% vs. 33%).

Knowing *why* to use CPQ is one thing; knowing *how* to use it is another...

The short rundown for why sales organizations need to consider CPQ is this:

- ➔ Best-in-Class organizations are twice as likely to use CPQ technology as All Others.
- ➔ CPQ users *shorten* the length of their sales cycle at a 13 times greater rate than the degree to which non-users *lengthen* their sales cycles year-over-year.
- ➔ CPQ users are able to grow their profit margins at a 57% greater rate, year-over-year, compared to non-users.

Aberdeen Group's report, [Unlocking Competitive Sales Advantages with CPQ](#), explores these and other CPQ benefits in further detail, but suffice it to say, sales leaders should take CPQ seriously as a technology worthy of investment.

Now, **how** CPQ delivers value to organizations is a bit similar to **why** it should be considered: It boosts sales performance. To pivot to a more nuanced topic, how CPQ **benefits buyers**, we have a rather more complicated, but still important concept.

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*Unlocking
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Overall, CPQ can be deployed in two different ways. In an internal deployment, CPQ is rolled out like a standard piece of sales enablement technology. That is, it is a tool used by sales reps to rapidly compose, customize, and complete proposals or quotes on the fly for buyers depending on configurations or requests specified by buyers. In an external deployment, the CPQ interface is embedded on a website, in a web portal, or in an application directly accessible to the buyer. The buyer can configure, price out, and request a quote for an order independently, and sales reps only have to step in to close that specified order.

While there are a lot of operational benefits to sales organizations from the structured sales workflows in CPQ, it is the value to the buyers in their purchase process that makes these two deployment types particularly relevant.

What does an internal CPQ deployment look like to a buyer?

When CPQ is used only internally by sales reps, the steps to take, questions to ask, and resulting options to present to a buyer are all presented within the platform. The sales rep doesn't have to guess and check or use intuition; the rep follows the best practices that have shown the best results.

From the buyer's perspective, this looks like an extremely attentive, receptive, and resourceful guide who is conveniently and seamlessly managing the purchase process. For a buyer purchasing a highly complex product like an industrial-grade server, for example, the sales rep is unlikely to be an IT expert on the same level. The buyer may have specific specifications and configurations that might short-circuit a typical sales rep to simply pitch the most expensive offerings vs. what's right for the buyer. With a CPQ workflow, however, past customizations can inform product configurations and recommendations. A CPQ admin can use these models to prompt sales reps to ask relevant questions and propose offerings that are similar to what other customers have done before. Nevertheless, if the buyer of this server has

Fast Fact:
CPQ helps to foster a winning environment for sales teams. CPQ users increase sales rep retention at a 4.3 times greater rate than non-users increase sales rep turnover.

highly unique specifications, a CPQ-enabled sales rep can simply check off the requests of the buyer as they come in. The system will ensure what the rep delivers is not only compliant to what can be delivered, but also in line with the buyer's requests.

In other words, CPQ in an internal deployment scales technical expertise down to sales reps without requiring the reps themselves to be experts. This removes clunky steps for buyers, such as having to have additional meetings with product specialists or engineers, along with the additional sales conversations that might otherwise be necessary to facilitate a purchase. In short, an internal deployment of CPQ enables a rep to be less "salesy" and more focused on service to buyers.

What does an external CPQ deployment look like to a buyer?

In an external deployment of CPQ, the buyer doesn't even have to rely on a sales rep to enter specifications or configurations for an order. The CPQ tool is made available directly to the buyer to explore options independently.

For organizations, the value of such a deployment can be pretty direct. When CPQ capabilities are provided externally to customers, through a website for example, complications for sales reps in simply getting to the quote or proposal phase can be removed. A buyer can visit the website, select relevant options, choose the preferred price, even customize details that they want or need on their own, and at completion, CPQ serves up a relevant quote and triggers a sales rep to reach out to walk the buyer through the final steps.

In the experience of a buyer, though, all of these steps blend into one easy, intuitive interface. If the buyer was ordering a fleet of trucks, for example, and needed custom decals, fuel-efficient engines, and all-season tires, the buyer could simply make the selections on the website and click "request a quote." If the buyer needs to think about the options or work internally to flesh out whether higher prices for fuel-efficient engines yield favorable

Best-in-Class sales organizations are 38% more likely to deliver relevant value propositions aligned to buyers' business challenges, compared to All Others.

enough savings, the buyer isn't reliant on a sales rep to deliver such information in competitive proposals. The buyer can run the numbers independently, and decide what's best without undue sales pressure. After all, the majority of the sales process is done before the buyer has to talk to a rep, and the interaction with the sales rep is an assuring "human set of eyes" to confirm that the order goes through as intended. The sales rep can even help to validate one of the options selected by the buyer if necessary, or guide the buyer away from losing out on things like long-term benefits from fuel efficient engines over immediate cost savings.

In other words, in an external deployment, CPQ creates a buying experience comparable to simple eCommerce transactions, despite complex business-to-business or industrial-scale orders. Sales reps are better enabled to better serve buyers, but for the most part, the buyers themselves are equipped to serve themselves.

The Bottom Line:

Whether considering an internal or external deployment of CPQ, the benefits of the technology to the business must be considered alongside the benefits to the buyers. By making the sales process less cumbersome, and more consistent and convenient to buyers, CPQ technology can help to compound on the returns from the sales operations best practices the technology enables.

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