

# How a CPQ Solution Simplifies Complex Sales Processes and Cuts Costs

With CPQ, manufacturers can solve immediate business problems to maximize profits and sales





# Introduction

The way companies buy is changing. [Forrester's 2021 B2B Buying Study](#) revealed that the average number of buying interactions involved in a purchase jumped by 10 in recent years: from 17 in 2019 to 27 in 2021.

The study also revealed that 63% of purchases have more than four people involved—vs. just 47% in 2017—and they can include different buyer roles—champions, influencers, decision makers, users, or ratifiers—from multiple departments.

In addition to added pressure from the buyer with many people doing much more research, manufacturers also face internal pressure to **increase profitability, reduce reliance on strained IT resources, and scale sales.**

Manufacturers of complex equipment are facing serious hurdles in B2B sales. Information silos are often the root cause of common issues that show up as symptoms.

SYMPTOMS	ROOT CAUSE
Low margins hurting profits	Product and pricing information trapped in silos
Slow, inaccurate quotes disrupting sales and production	
Missed opportunities limiting sales growth	

A robust Configure Price Quote (CPQ) solution can play a pivotal role in helping manufacturers solve the information silo problem and the related business issues that result. A CPQ solution that is designed for manufacturers with complex products will simplify sales and cut costs.

**In this white paper, we'll explore 4 ways that a robust CPQ system helps manufacturers solve immediate business problems:**

- 1 Connect silos of information
- 2 Provide profit visibility
- 3 Streamline the quoting process
- 4 Scale up sales

# 1 Connect silos of information



All sales channels need immediate access to different levels of product and pricing information. Sales representatives, dealers, and self-serve interfaces all play a role in omnichannel sales, and need to be supplied with information that has typically been kept sealed in ERP systems.

**For manufacturers that want to increase their omnichannel sales capabilities,** CPQ becomes the hub for CRM and ERP data. By including pricing rules, configuration rules, product descriptions, and product availability, CPQ ensures that **tribal knowledge is captured**, and everyone company-wide is following the same playbook.

To **reduce strain on technical resources**, regular updates of product and pricing information can be accommodated by a robust CPQ system without requiring IT involvement. A properly configured, well-implemented CPQ solution will **allow data to flow seamlessly between systems**, greatly reducing maintenance requirements and reliance on inefficient manual systems.

SIMPLIFIES SALES	CUTS COSTS
Salespeople do not have to learn and use multiple systems to pull together the information they need	Decreases maintenance of multiple systems; eliminates errors caused by disparate, outdated sources
Updates can be done quickly, giving sales current information pulled directly from ERP	Automates regular updates so that IT does not have to be involved
Tribal knowledge is captured and converted to rules	New salespeople can be onboarded faster, with less training

## Have confidence in your numbers

Disparate data in disparate systems is a recipe for inaccurate reporting and flawed decisions. By serving as the hub of sales and product information, CPQ systems enable confidence in BI reports and dashboards enable managers to get visibility into the metrics that matter.



Proposal conversion rates



Proposal cycle time



Detailed product forecast



Critical item demand forecast



Profit projections



Sales analytics by region, product, quarter, sales rep



Customer 360: opportunities, quotes, orders, history

## 2 Provide profit visibility

By serving as the hub of sales and product information, CPQ gives management increased visibility into the profitability of deals.

With CPQ, sales managers can see:

- What products are making up **each deal**
- How much of a specific product is **in the pipeline**
- Which deals have the **best profitability potential**

CPQ can be configured to suit the needs of each manufacturer, with capabilities that allow decision-makers to see into the supply chain by connecting to ERP, while leaving control in ERP. With CPQ, **labor rates and raw materials costs can be set and shown** in management's view of the opportunity, but are not shown in the version that the customer sees.

**How providing profit visibility with CPQ simplifies sales and cuts costs**

SIMPLIFIES SALES	CUTS COSTS
Managers can identify the most profitable opportunities	Reduces time wasted on unprofitable deals
Guardrails can be set to prevent salespeople from making deals below set margins	Margins are protected
Increases in raw material costs and labor rates can be reflected immediately in product cost	Profit won't be consumed by invisible cost increases



## How CPQ pipeline visibility is a game-changer

Instead of simply seeing multiple opportunities on a product, with CPQ the sales manager will know that some opportunities need special components, one of which has a component that cannot be sourced right now, and 2 opportunities will likely be below target margin.

### Pipeline visibility before CPQ

OPPORTUNITIES	AGGREGATE REVENUE
GREYLINE TRACTOR	\$400,000
CRAWFORD EQUIPMENT	\$300,000
JENSON MACHINERY SALES	\$250,000

### Pipeline visibility with Cincom CPQ

OPPORTUNITIES	PRODUCT OPTIONS	AGGREGATE REVENUE	GROSS MARGIN	PROBABILITY/FORECAST	ADJUSTED REVENUE
GREYLINE TRACTOR	MODEL 5100	\$400,000	\$80,000	✓ 80%	\$320,000
CRAWFORD EQUIPMENT	MODEL 6150	\$300,000	\$60,000	⚠ 30%	\$90,000
	CAB-DELUXE				
	LIGHTING-HALOGEN				
	GRATE-SLOTTED			⚠ 6 WEEK DELAY	
JENSON MACHINERY SALES	MODEL 5325	\$250,000	\$50,000	✓ 90%	\$225,000

One of the things I really like about Cincom CPQ is that it digitizes information we need at the point of sale. **That allows us to do much more process automation throughout the pipeline.**

Keith Brierley-Bowers,  
Director of Business Processes, BGE HOME

7

## Seven workdays saved

By using Cincom CPQ, a carrier refrigeration company saves 7 days of work each time they update their product range.

### 3 Streamline the quoting process



Waiting days for someone in engineering to manually review and approve quotes is not a competitive sales strategy. Customers will move on if they can't get the information they need quickly.

CPQ uses CRM and ERP data along with pricing and configuration rules and product availability to **allow different sales channels to generate quotes autonomously**. By using a CPQ solution, all sales channels have immediate access to consistent guidelines, eliminating the need for extra approval steps. The process that engineering was using to manually approve quotes is translated into rules that are applied automatically, **making the quoting process significantly faster**.

#### Easily generate consistent, attractive proposals

Presentation counts. A cumbersome quote generation process that forces sales to cut and paste pieces of other proposals often results in a cobbled-together unprofessional result that requires hours of polishing. With CPQ, sales can quickly prepare **consistent, attractive proposals** with an easy-to-use document generator.

#### How streamlining the quoting process with CPQ simplifies sales and cuts costs

SIMPLIFIES SALES	CUTS COSTS
Gives all sales channels access to information without waiting	Minimizes the number of people required
Enables faster quotes and proposals	Reduces personnel required for quote revisions and increase win rates
Automates manual proposal generation	Saves valuable time—salespeople can be out selling, not manually preparing proposal documents

# Attract and retain top sales talent

Providing salespeople with the tools they need to work autonomously and give customers immediate answers can be a competitive advantage in attracting and retaining top sales talent. In [The Growing Talent Crisis In Sales](#), Forbes recommends simplifying and improving the seller experience as a key to recruiting, ramping, and retaining selling talent: “Reconfigure your day-to-day selling workflow to simplify and improve the seller experience. Seller stress is a big reason

for attrition. The proliferation of sales technology has made most sales technology ‘stacks’ so complex they are creating more friction and work for reps instead of eliminating it. Sellers complain about having to learn and use too many different systems, look up too much information, and spend too much time logging call reports. Any investment that can improve user satisfaction and engagement will allow you to help sellers reach their full potential.”

“Any investment that can improve user satisfaction and engagement will allow you to help sellers reach their full potential”<sup>1</sup>



## 4 Scale up sales

How quickly can a new product offering or feature be sold by different sales channels? Any lag in availability could result in lost sales. With CPQ, **product updates can be quickly disseminated to the sales force** with correct details and pricing and standard guidelines and configuration rules.

CPQ also provides **guided selling**, which prompts the user to describe their needs, and receive tailored

recommendations. Knowledge that would typically be acquired slowly through many closed deals can be captured and shared to increase effectiveness of all sales channels.

By connecting systems and streamlining the quoting and ordering process, CPQ makes it easier to **capitalize on increased market demand** without waiting to onboard new sales reps and order entry personnel.

### How scaling up sales with CPQ simplifies sales and cuts costs

#### SIMPLIFIES SALES

Consistent product information is widely available right away

Successful strategies can be tracked and replicated

Connected systems easily accommodate and automate increased quoting and order processing

#### CUTS COSTS

Eliminate the need for technical resources to undertake a massive project to update product information in multiple systems

Minimize the gap between effectiveness of new salespeople and experienced team members

Reduce the need to hire additional personnel to scale up quickly

There are far fewer errors during the ordering process because the dealer and customer are guided through each step, creating an order based on available customization options.

Peter Gingerich, CFO, Aluminum Trailer Company

50%

### Cincom/SAP integration success

An industrial fan supplier was able to decrease their order entry staff workload by 50% by implementing a field to factory CPQ solution. Their service architecture takes output from Cincom CPQ, in XML format, to SAP XI. With this seamless and scalable integration, IT can process 1,000 orders a day.



# Cincom CPQ helps manufacturers succeed

An innovative software developer with roots reaching back more than 50 years, Cincom provides tools that help businesses succeed. Cincom CPQ enhances your organization's capabilities, optimizes processes, and delivers a better experience to your customers.

Cincom's solution has taken a lot of the 'noise' out of the business because the amount of time we used to have to build into the process to resolve incorrect BOMs is no longer needed.

*Keith Day, Group Engineering Director, Dennis Eagle*

**With Cincom CPQ, Dayton Lamina was able to capture 30 years of intellectual capital and system data.**

If a process or decision can be rationally and consistently defined, **we can apply the rules and logic in Cincom CPQ to make it happen.**

*Dayton Lamina project team*

We now have a treasure trove of data we can use to predict what our sales will be and what capacity we need to have on site.

*Aluminum Trailer Company (ATC), Cincom CPQ user*



Manufacturer Aluminum Trailer Company (ATC) reduced order defects by 90%, reduced time to quote a custom trailer by 50%, improved office throughput by 20% without additional resources, and improved dealer close rate by 25%.



Manufacturer Dayton Lamina reduced order-to-shop processing time by 60%.



Italian crane manufacturer Fassi Gru added the capability to integrate configurations straight from the dealers into Fassi's ERP system, 24 hours a day, efficiently monitor dealers' work all over the world, and improved production planning and faster raw-material requirements planning.

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or visit [cincom.com/contact](https://cincom.com/contact)

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