

What is CPQ?

How Digital Transformations
Succeed with Configure
Price Quote Solutions



If you manufacture products with multiple configurations or provide complex services, **this guide is for you.**

Introduction

To maintain and gain market share, manufacturers and service providers need to offer the smoothest possible selling experience. Customers expect to be able to choose from a wide range of available configurations, and receive a timely, accurate quote.

Salespeople are under increased pressure to refine and reissue quotes quickly in order to show customers the high level of service they can expect from your company. However, outdated tools can make the quoting process cumbersome for your sales team. Configure Price Quote (CPQ) solutions provide salespeople with the tools they need to quickly provide quotes with accurate configurations and consistent, profitable pricing.

This guide is for manufacturers and service providers who want to understand how they can use CPQ to:

- Better serve customers
- Equip sales teams with approved data and methods so they can spend more time selling
- Increase the return on existing enterprise application investments

WHAT CPQ DOES



Eases the
sales process



Aligns engineering,
production and sales



Increases customer
satisfaction



Eliminates
Errors



Improves
efficiency

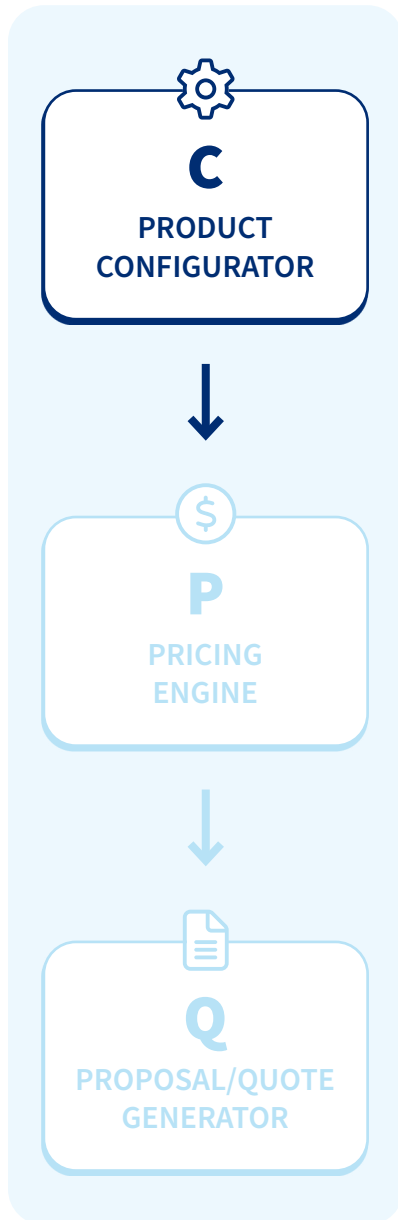
Inside this guide you'll find answers to questions people ask us about CPQ.

1. What is included in a CPQ system?
2. Do CPQ systems integrate with our existing systems and data?
3. How do you know you need CPQ?
4. Who benefits from CPQ?
5. How does CPQ reduce risk and contribute to successful digital transformation?
6. What kind of CPQ system is best?



1

What is included in a CPQ system?



“C” - PRODUCT CONFIGURATOR

The product configurator is the powerhouse of the CPQ system. This is where the rules for model selection, product specifications, sizing, material selection and more are built into the system. The process that engineering would use to manually approve quotes is translated into rules that are applied automatically, making the quoting process significantly faster and more accessible.

With the CPQ product configurator, user selections drive the available choices so that incorrect configurations aren't allowed. A salesperson can input the selections, or other sales channels such as a wholesaler or customer-facing website can be set up to use the same guidance and rules to generate quotes.



Faster quoting

Since product selection logic and intelligence are built into the configurator, most of the bottlenecks and roadblocks around scope and pricing are removed. With the product configurator in a CPQ solution, all sales channels have immediate access to consistent guidelines, eliminating the need for extra approval steps. Pricing models are maintained in a central location so sales reps don't have to go searching for them when a prospect asks for a quote.



Reduced burden on engineering and production

Special requests can be handled on an as-needed basis to reduce the amount of time engineering has to spend on reviewing and approving each configuration. Bills of materials can also be produced for configurations in the sales pipeline, giving production and engineering advance notice of special configurations that may be coming their way.

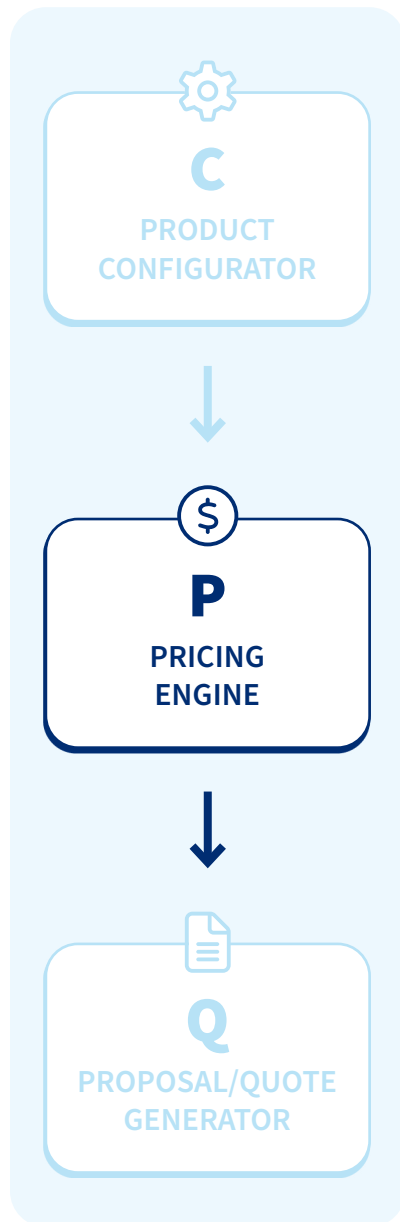


Faster onboarding and time to market

New salespeople can confidently recommend product configurations by relying on the guided selling prompts CPQ provides. With CPQ, new products and options can be deployed immediately without requiring complex “how to configure” sessions.

With CPQ, even the most complex products can be quoted in minutes rather than days or weeks. Engineering does not have to approve every quote, production does not need to reject incorrect configurations and customers receive exactly what they were quoted.

1 | What is included in a CPQ system?



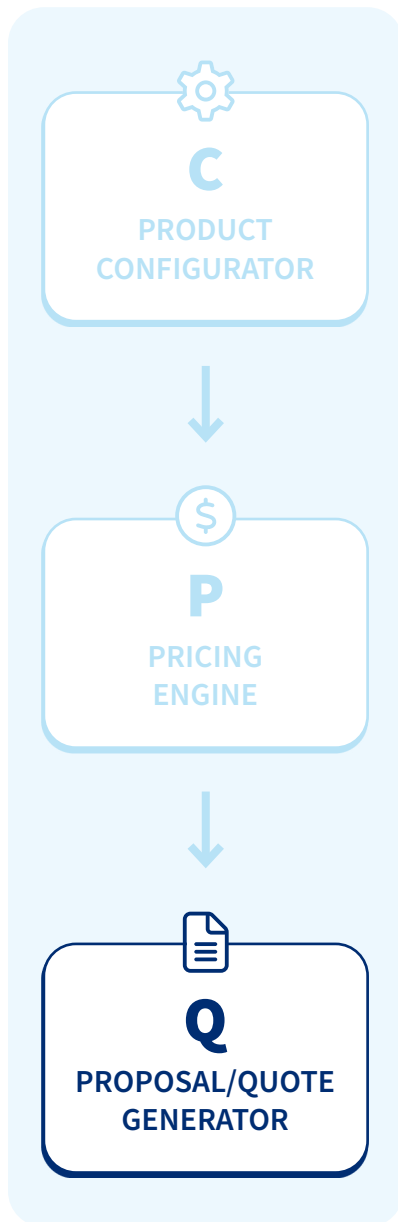
“P” - PRICING ENGINE

For companies that want to protect their profit margins and meet revenue goals, the CPQ pricing engine is invaluable. With CPQ, labor rates and raw materials costs can be set and shown in management’s view of each opportunity and stay hidden from the customer. Pricing guardrails prevent salespeople from making deals below set margins. Pricing strategies and options can be defined based on different criteria such as location, customer loyalty or risk factors.

Profit visibility allows decision-makers to prioritize opportunities and prevent wasting resources on deals that don’t make sense financially.



1 | What is included in a CPQ system?



“Q” - PROPOSAL/ QUOTE GENERATOR

The ability to automatically generate consistent, attractive proposals is a game-changer for salespeople. A cumbersome quote generation process that forces salespeople to cut and paste pieces of other proposals often creates 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.

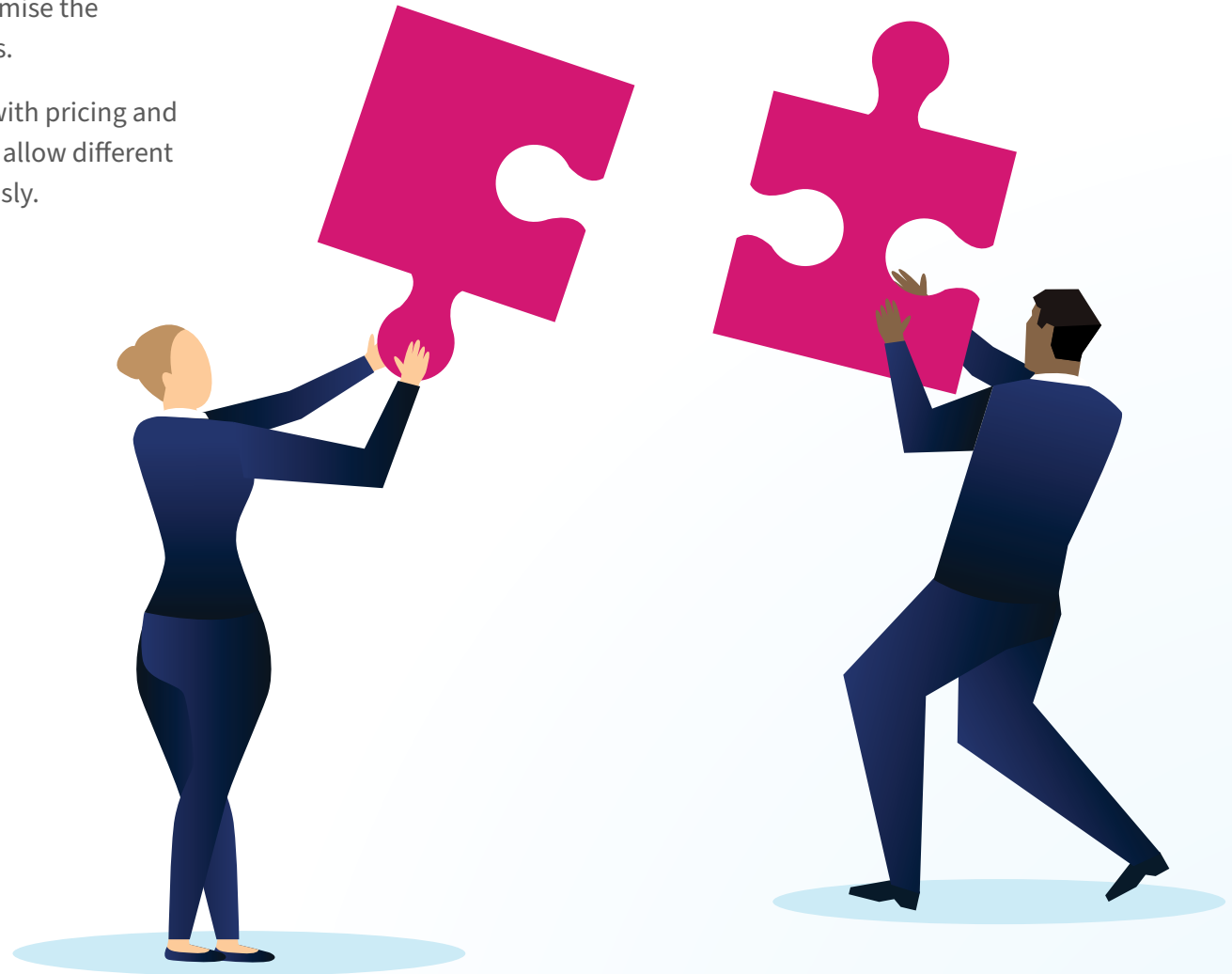
With CPQ, salespeople spend their time selling, not manually preparing proposals.



2 Do CPQ systems integrate with our existing systems and data?

The right CPQ solution can have a powerful impact on the success of a digital transformation initiative. Behind the scenes, CPQ integrations allow data to flow between different enterprise systems, breaking down the silos that compromise the efficiency and effectiveness of digital solutions.

CPQ can connect to CRM and ERP data along with pricing and configuration rules and product availability to allow different sales channels to generate quotes autonomously.



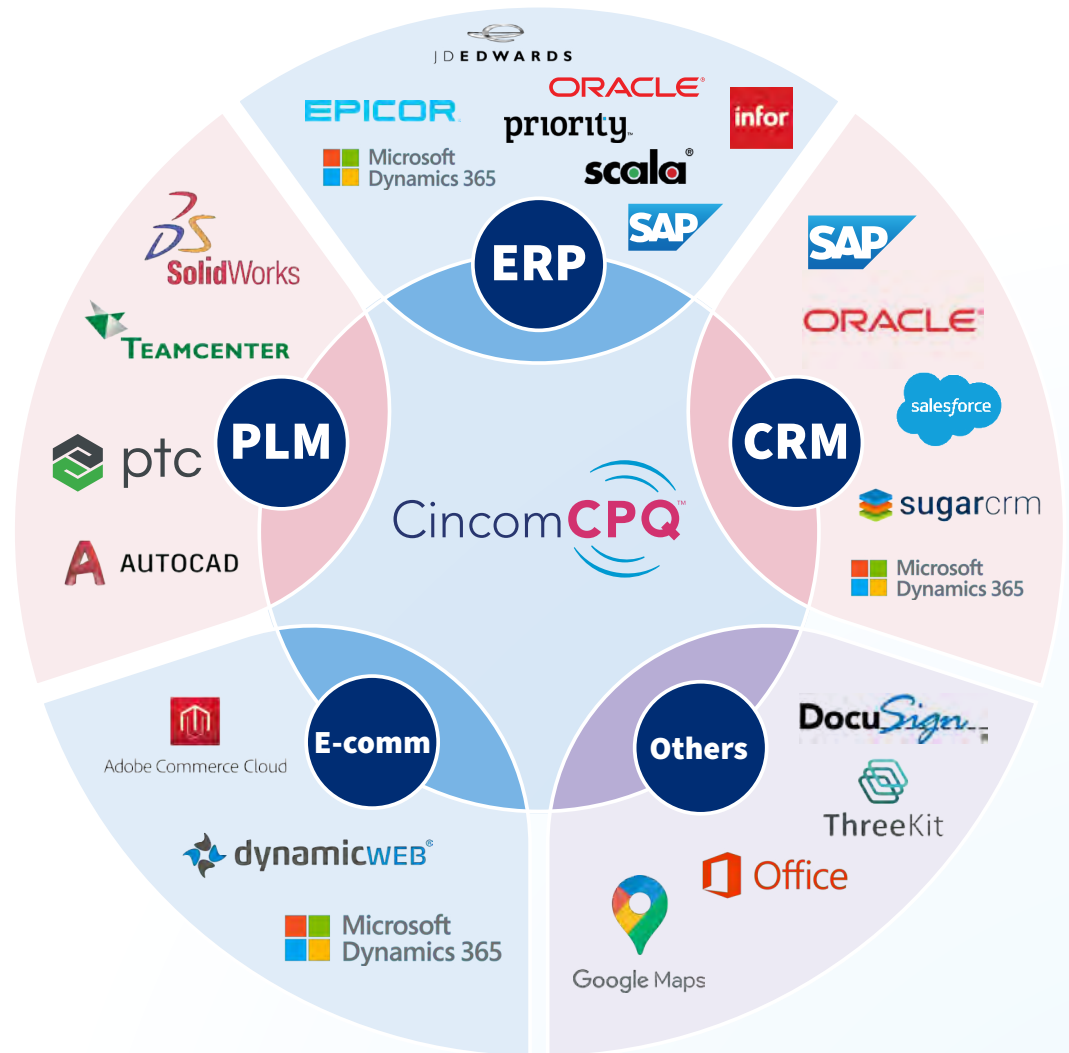
2 | Do CPQ systems integrate with our existing systems and data?

The integration capabilities of a CPQ system are where the benefits of digital transformation take center stage. To realize the full benefits of an interconnected system and get the most out of robust CRM, ERP, PLM and other enterprise applications, data needs to flow between systems. CPQ breaks down silos and provides a framework for sharing information across departments, eliminating guesswork and inefficient, error-prone copy-and-paste steps.

CRM integration links customer information to quotes and orders and can provide analytical insights such as buying cadence and upsell opportunities.

ERP integration provides pipeline visibility so that production knows what's coming. Integration can also show sales which components are at risk for late delivery due to supply chain or other issues.

Other applications such as **PLM** and **eCommerce** can also be integrated for improved efficiency and channel expansion. The Cincom CPQ integration framework provides out-of-the-box connectors to many enterprise applications (e.g., Cincom CPQ, D365 CE, D365 F&O and Salesforce), along with the ability to easily extend and include connectors for other applications. Other out-of-the-box connectors include File, Email and SQL.



Cincom/SAP integration success

An industrial fan supplier was able to **decrease 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**.

Learn more about how CPQ provides a versatile framework for easy integration with enterprise applications.



How do you know you need CPQ?

Many companies start out with a spreadsheet system, other homegrown applications and a piecemeal approach to configuring products and generating quotes. However, as businesses and product lines grow and become more complex, and more salespeople are added to the team, these ad hoc systems are no longer up to the task.

The following signs and symptoms often appear in companies that could benefit from the efficiency of a CPQ solution:

- Quote generation takes days, hurting the probability of closing sales
- Inconsistent pricing causes internal disruption and customer dissatisfaction
- Incorrect configurations cause multiple change orders and rework
- Product and pricing information is trapped in silos



A purpose-build CPQ solution offers many benefits compared to spreadsheet-based systems.

COMPARE HOW THE ALTERNATIVES PERFORM	SPREADSHEETS, HOMETGROWN OR LEGACY SYSTEM	CPQ SOLUTION
Product configuration	Ranges from open-ended order forms that allow incorrect configurations to having basic configurations included in a system. Any customizations require approval.	Rules-based options and guided selling eliminate incorrect configurations. Only special exceptions require approval.
Customer ability to drive product selection	Customers are reliant on sales to provide configuration information.	Customer selection-driven prompts are available through a web interface.
Access to product expertise	Requires consultation with specific people.	Captured in the product configurator, available to different sales channels.
Pricing	Typically, pricing is in siloed systems that require manual updates and intervention by finance and other departments. Margins are not protected, pricing requires multiple approvals and salespeople are not always aware of bundle deals or which discounts to apply.	Guardrails prevent non-profitable pricing; applicable bundles and discounts can be set up to guide salespeople. Approvals can be built in, leaving only special cases requiring extra sign-off.
Identification of cross-selling and upselling opportunities	N/A	The CPQ knowledge engine offers guided selling prompts to identify cross-selling and upselling opportunities.

3 | How do you know you need CPQ?

COMPARE HOW THE ALTERNATIVES PERFORM	SPREADSHEETS, HOMEGROWN OR LEGACY SYSTEM	CPQ SOLUTION
Number of systems salespeople must access to create a quote	Multiple systems are required to generate a quote, which takes hours of cutting and pasting and reformatting; errors and omissions are common.	By consolidating legacy calculators and apps into one CPQ hub, sales personnel have all relevant data and product information available through one application.
Time required to generate a quote	Days, sometimes weeks, depending on complexity and availability of approvers.	Hours, even minutes in many cases.
Rollout of new products and features	Cumbersome, requires technical resources from IT. Out-of-date product offerings are often used by sales due to necessity.	CPQ keeps sales synchronized with current product and features. Standard updates can be done by non-technical personnel.
Quote revisions needed	Frequent revisions are needed to adjust invalid configurations, results in customer dissatisfaction and lost opportunities.	Revisions are only needed for rare exceptions due to exceptional circumstances such as supply chain issues. Products are quoted to match configurations that can be produced.
Onboarding new sales reps	Takes time to learn multiple systems and undocumented information. Quotes require heavy supervision; steep learning curve.	With CPQ, new salespeople can be onboarded quickly so that they're productive and meeting quotas on target.

[Learn how a die and punch manufacturer reduced order-to-shop processing time by 60% with Cincom CPQ.](#)



Who benefits from CPQ?

Sales teams are often the first to recognize the benefits of a CPQ solution; however, multiple departments benefit from the efficiencies that CPQ offers:




Salespeople do not have to learn and use multiple systems to pull together the information they need.



New salespeople can be onboarded faster, so they can be spending their time selling rather than learning a complex quoting process.



Engineers only need to review special cases, not every single quote. For automated configurations, engineers can access configuration data at any time.



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

4 | Who benefits from CPQ?



IT does not need to update multiple systems when costs or prices change; automated updates can be done quickly, giving sales current information pulled directly from financial sources, ERP, CRM, etc.




Purchasing can get ahead of the curve by analyzing the types of products being quoted and trends with customers. For example, purchasing can view high-probability quotes with hard-to-order components with enough time to modify sourcing if needed.



Key stakeholders such as the C-Suite, finance and production have excellent visibility into the pipeline to support informed business decisions. Staffing can be ramped up or down with trends; machines can be ordered in anticipation of increased business.



Customers receive exactly what was quoted and ordered.



Every company has a suite of software that they use, and leveraging in another suite of software can be difficult. With Cincom, that wasn't a problem. We were able to feed our ERP system, our reporting system and our financial systems. It all meshed seamlessly, and again, Cincom was wonderful in helping us figure out those touch points.

Configuration Manager, E-ONE




How does CPQ reduce risk and contribute to successful digital transformation?

The right CPQ solution can make a significant impact in solving business issues that result from using an inefficient system.

RISK	CPQ SOLUTION
Low margins hurt profits	Pricing guardrails built into CPQ protect margins
Out-of-date product and pricing information is presented to customers	CPQ integrations break down silos and synchronize sales with current pricing and correct product configurations
Scalability is hindered	CPQ provides an infrastructure for guided selling that can be used by multiple sales channels such as dealers. CPQ systems also reduce the burden on IT
Selling opportunities to existing customers are missed	CPQ can present recommendations for upselling and cross-selling opportunities that a salesperson may not have been aware of
Inability to meet production deadlines	CPQ increases pipeline visibility so any potential supply chain issues can be addressed early
Tribal knowledge of products is lost when experienced employees leave	CPQ can capture tribal knowledge and make it accessible
Opportunities are lost to more responsive competitors	Many CPQ users cut quote times by 50% or more, increasing the likelihood of closing deals that would have been lost due to slow quoting

[Learn more about how CPQ simplifies complex sales processes and cuts costs.](#)



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, Constellation Home

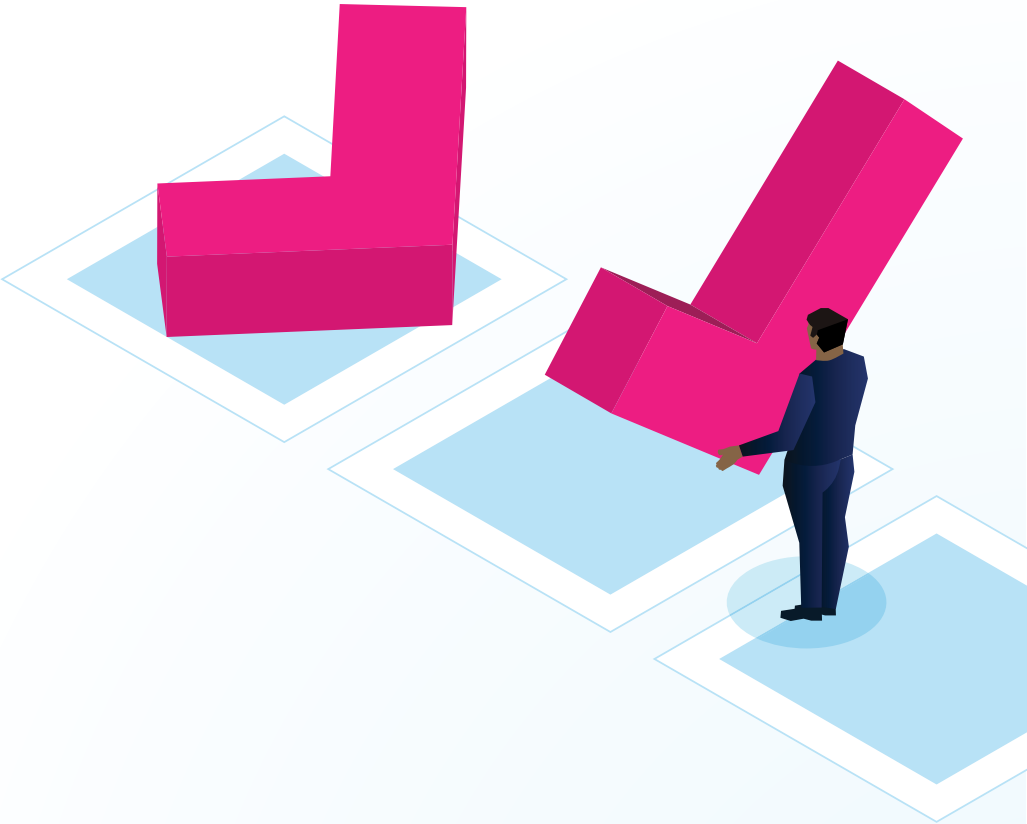


What kind of CPQ system is best?

Available CPQ systems range from those that focus on streamlining quotes for basic products to those with a robust document generator, a complex product configurator and the infrastructure to support integration to multiple enterprise applications.

Use the checklist below to help determine the type of CPQ system you need:

CPQ SYSTEM FEATURE	REQUIRED?
Complex product configurator that can handle thousands of possible product configurations	<input type="checkbox"/>
Robust quote generator that integrates with CRM	<input type="checkbox"/>
Integrations with enterprise applications such as ERP PLM, SAP and others	<input type="checkbox"/>
Multichannel sales support	<input type="checkbox"/>
Infrastructure for a web sales interface	<input type="checkbox"/>
Guided selling prompts	<input type="checkbox"/>
Pricing guardrails	<input type="checkbox"/>
Product visualization	<input type="checkbox"/>
E-commerce capability	<input type="checkbox"/>
AI suggestions for products and pricing	<input type="checkbox"/>



Cincom was one of a very few products that could even meet our criteria and is, by far, the most flexible and intuitive product we saw. The graphical method of programming allowed our staff to work with the product without a heavy programming background.

Randy Wissinger, Vice-President of Finance, Dayton Lamina

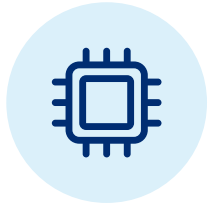
Ideal for manufacturers with highly complex product configurations, Cincom CPQ is used by companies in a range of industries:



Industrial manufacturing



Specialty vehicles



Electronics manufacturing



Medical equipment and device manufacturing



HVAC



Complex services



Helmer Scientific achieved a systematic digital approach to capturing tribal knowledge and removed manual processes from the quote cycle. They also connected systems from front-end Microsoft Dynamics CRM to back-end Fourth Shift ERP.

See how our CPQ solution for manufacturers is helping to empower sales teams and solve complex quoting challenges.

Contact Cincom or [learn more](#) about our Cincom CPQ™ Software.

Contact us at **info@cincom.com** or visit **cincom.com/contact**



Experience Selling. Made Simpler.™

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