



# CPO and Estimating Go Hand in Hand

How Technology Can Increase Sales  
for Industrial Manufacturers



## The Power Duo for Fast, Accurate, Customer Proposals


*Hammer and nails. Bacon and eggs. Cincom CPQ™ and Cincom Estimating. *

Some things are better combined than separate. This is especially true with Cincom's unique offering of Cincom CPQ and Cincom Estimating for Advanced Manufacturers. These advanced capabilities from Cincom combine to make getting proposals back to your customers quick and complete. They assure increased accuracy because they cover the full range of customer requirements for configure-to-order (CTO) and engineer-to-order (ETO) manufacturing. 

### Why is this important to manufacturing executives?

An industry-wide study<sup>1</sup> of more than 10,000 manufacturers gives us a hint:

**64 percent** said that their company lost jobs because of overestimating. 

**93 percent** believe that their company lost money because the cost exceeded the estimate. 

1. T. Cutler, *The Language of Cost* (2010). Retrieved from [www.iienet2.org/IEMagazine/Details.aspx?id=23940](http://www.iienet2.org/IEMagazine/Details.aspx?id=23940).



## Cincom CPQ and Cincom Estimating

Proposal generation for a highly engineered solution begins with the ability to work with customers to select, configure and price the core product that best fits their needs. Then any 'specials', engineer-to-order options and associated services must be estimated. Then everything needs to be put together in a proposal that is complete and compelling. 🐦

This is extremely difficult when working from spreadsheets. For instance, a manufacturer of products for the oil and gas industry works with a system of over 175 separate spreadsheets, with many in-house and supply partners contributing data. What chance do you have to win the business when using spreadsheets or old, legacy pricing systems? 🐦


Highly configurable products offer a variety of challenges to manufacturers. Inaccuracies in configuration, pricing errors and in-service failures are just some of the risks faced by those selling and manufacturing custom products. It's a simple combination of mathematical probability and human error. The higher the number of configurations, the higher the potential for error.

Together Cincom CPQ and Cincom Estimating turn Microsoft Dynamics® AX into an Advanced Manufacturing platform capable of handling any business manufacturing model in use now or in the foreseeable future.



## Quoting "Customizable" Products

Manufacturers of highly engineered products need a configure-price-quote platform that dramatically improves the buying experience for customers. Beginning with guided product selection and configuration, CPQ software creates real-time pricing and quoting of those configurations and delivers a proposal on the spot. Using

knowledge captured in product, service and solution models, a centrally managed configurator should be integrated into all of a company's ERP, CRM, e-commerce and engineering applications to lead salespeople and customers across all channels through fast, efficient, selling and buying experiences. 




## Estimating “Custom-Engineered” Options

But what about products that contain non-standard components or even design-from-scratch products?

This is the world of engineer-to-order and it often requires something beyond any CPQ solution.

You need to spec, price, quote and build components and products that are not currently available with the same assurance and agility as configurable products. Estimating should take the mystery and guesswork out of specials and customized


components and equip you to make sound business decisions with a complete understanding of the impact that a special product sale has on your manufacturing process and your bottom line. 

This means estimating must coordinate with resources beyond the immediate sales arena. Cost-collection workflows, cost-history linkages and what-if scenarios need to be integrated into the process and account for all data and information that's pertinent to the sales proposal, engineering data, product data and cost accounting.



## Confidence in Your Front-Office Systems

Solutions like Cincom CPQ and Cincom Estimating deliver great benefit by assuring that products are configured 100 percent error-free and are fully aligned with the needs of the buyer. Our knowledge-based rules technology guides the sales agent and customer through an interactive process that covers all of the design and constraint points to specify exactly what the customer wants while preventing invalid configurations. The manufacturing and service delivery


requirements are automatically identified through generation of information such as bills of material and work breakdown structures. These solutions are fast and accurate and provide a positive customer relationship from the start of a project to the successful conclusion. 

- Increased sales capacity by making estimating more efficient
- Faster estimate turnaround
- Increased estimate accuracy



## Sales drives 53 percent of customer loyalty

“Research shows that the sales experience alone drives 53 percent of customer loyalty, more than all other loyalty drivers combined. High-performing sellers capture this loyalty by bringing customers insight on how to solve specific business problems.”<sup>2</sup>

To build customer loyalty, commercial organizations need to invest in developing their sellers to bring commercial insight to their customer conversations using a specific set of selling skills. When salespeople are supported with effective selling tools, they will have more time to build face-to-face relationships with new prospects. This translates into more sales opportunities and increased revenue. 

2. Conference Executive Board, “The Challenger Sale.” Retrieved from <http://www.executiveboard.com/exbd-resources/pdf/sales-service/solutions/SECSC1763515SYN%20FH%202015%20Challenger%20Dev%20Program.pdf> .





## A Profitable Balance

Once you can produce a seamless estimating process to the level of detail described here, you are at an Advanced Manufacturing stage<sup>3</sup>.

Your company will gain the ability to consistently deliver profitable contracts, projects and orders and deliver to customers exactly as promised.

<sup>3</sup>. President's Council of Advisors on Science and Technology, *Capturing Domestic Competitive Advantage in Advanced Manufacturing* (2012).



# Cincom and Microsoft® Help You to Deliver World-Class Experience

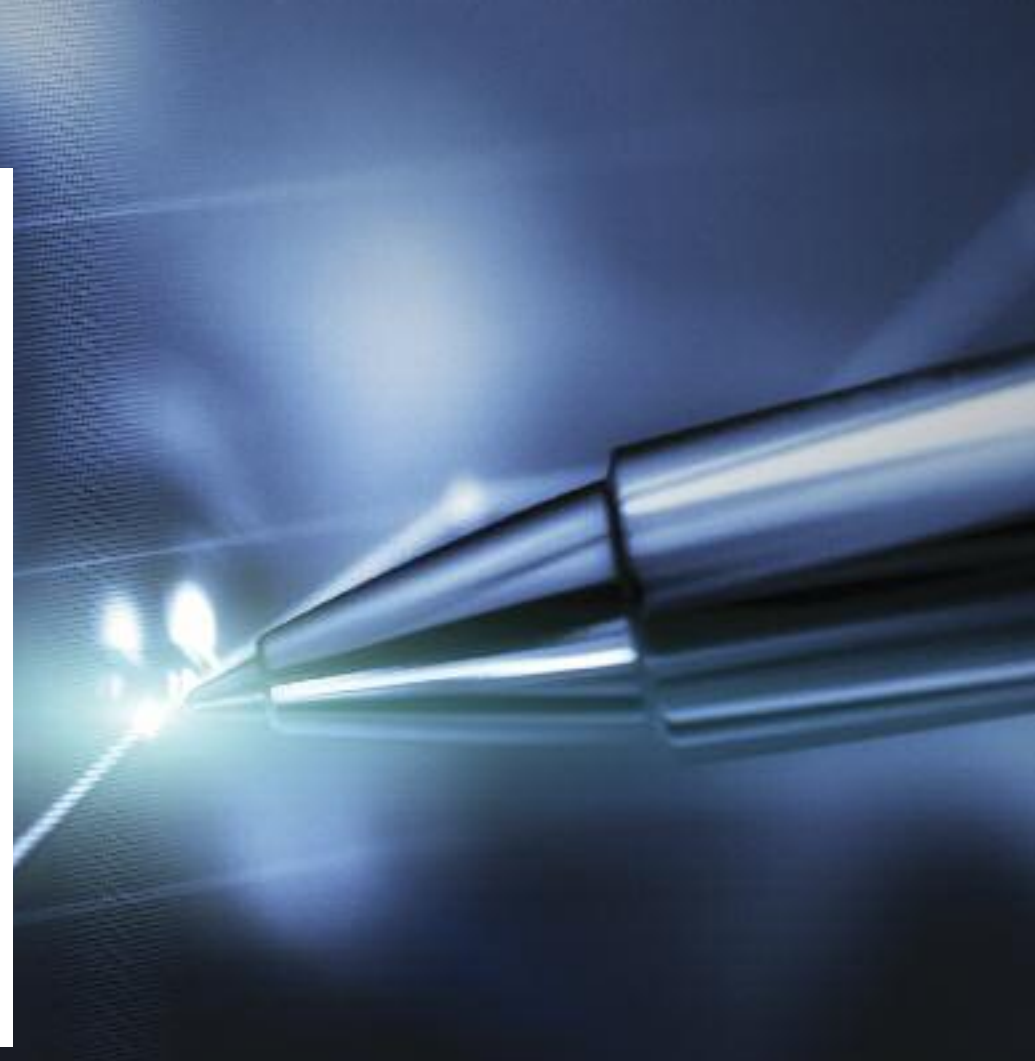
---

We've seen how vital strong estimating can be to both the sales and production sides of your operations. Robust CPQ and estimating capabilities are a clear differentiator to winning more business.

All of the features discussed here are also part of the estimating module within the Cincom Manufacturing Business Suite. If you are an IEM company considering ERP options, Cincom

is worth a look for its modular approach to the many advanced capabilities that make up an Advanced Manufacturing approach—all of which are built upon the popular Microsoft Dynamics AX platform.

To learn more about estimating and the other modular capabilities of the Cincom Manufacturing Business Suite, visit [www.cincom.com/mbs](http://www.cincom.com/mbs).



## Want More? Check These Out!



[www.cincom.com/NewApproaches](http://www.cincom.com/NewApproaches)



[www.cincom.com/SellingPerfection](http://www.cincom.com/SellingPerfection)



**World Headquarters** • Cincinnati, OH USA • US 1-800-224-6266 • International 1-513-612-2769 • [info@cincom.com](mailto:info@cincom.com) • [cincom.com](http://cincom.com)  
**Americas:** Brasil [cincombr@cincom.com](mailto:cincombr@cincom.com) • Ontario, Canada [NOBrien@cincom.com](mailto:NOBrien@cincom.com) • Quebec, Canada [infoquebec@cincom.com](mailto:infoquebec@cincom.com)  
**Europe:** Brussels, Belgium • Lyon and Paris, France • Schwalbach/Ts., Germany • Turin, Italy • Monaco • Culemborg, The Netherlands  
Madrid, Spain • Maidenhead, United Kingdom [InfoEurope@cincom.com](mailto:InfoEurope@cincom.com)  
**Greater Asia Pacific (GAP):** Sydney and Melbourne, Australia [info@cincom.com.au](mailto:info@cincom.com.au) • New Delhi, India [info\\_india@cincom.com](mailto:info_india@cincom.com)  
Tokyo, Japan [info@cincom.com](mailto:info@cincom.com)

Cincom, the Quadrant Logo and Cincom CPQ are trademarks or registered trademarks of Cincom Systems, Inc. Microsoft Dynamics is a registered trademark of Microsoft Corporation. All other trademarks belong to their respective companies.  
© 2015 Cincom Systems, Inc. FORM CPQUS150399 7/15 Printed in U.S.A. All Rights Reserved

