What Better Quoting Means for Manufacturers

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In today’s economy, selling has changed and is more complex than ever before. While companies once sold a product with an attached volume discount, they’re now selling a solution or concept to customers who demand more. These customers want products and services specifically tailored to their needs and priced expressly for them. This makes managing your bottom line tougher than ever, especially when you’re up against forces like a sagging market economy and aggressive competitors who threaten to put a squeeze on your margins.

To help manage thousands of customer requirements and millions of products — with the hope of stemming the tide on the competition — many companies have invested in ERP and CRM systems. But taking control of your product portfolio and more effectively managing quoting requires far more. That’s where the power of a configure-price-quote (CPQ) solution comes in.

A CPQ solution streamlines the entire opportunity-to-revenue cycle time and optimizes the demand from dealers. By automating processes, CPQ solutions eliminate a host of problems, such as multiple price book versions, which can wreak havoc on invoicing.

However, it’s important to know: Not all CPQ systems are equal. A high-performance solution should address five specific elements.

#1 Multichannel Deployment

Companies that operate with a multichannel sales strategy often face challenges including inconsistent customer experiences across channels, inaccurate product information and difficulties synchronizing product and price updates. Whether your direct salesperson creates quotes in the CRM, your partners generate proposals on a dedicated portal, or your customers shop online, you should be able to propose the right product, at the right price that results in an outstanding user experience anytime and anywhere.

#2 No Coding Needed

Updating a product catalog or a price list, even with a small change, can take weeks to deploy across your sales channels. Your CPQ solution should make it simple for your product marketer, pricing manager or multimedia designer to update and manage all your product and service offerings with a limited need for IT resources. From a simple price update to a whole new offer, the process must be collaborative and easy.

#3 Performance & Scalability

CPQ tools have shifted from the back office to the front office. These tools, which were once used by engineering and order entry clerks, are now commonly used by direct sales, partners and end customers who rely on e-commerce capabilities. By any measure, this presents enormous technical challenges. So how do you support the increase of simultaneous users with the demands on the application? For many companies, a top-performing CPQ solution ensures their organizations always deliver an exceptional customer experience no matter how many people are using the application.

#4 Cross-Selling & Up-Selling Capabilities

The most efficient way to increase revenue is to increase the average purchase per customer. Your CPQ solution should suggest complementary or additional products or services throughout the selling and buying process. It should anticipate customer requirements and even detect their underlying needs.

#5 Mobility

Many companies lack adequate tools to empower their sales teams to increase responsiveness and effectiveness, and to enhance the customer buying experience. Sales reps have traditionally used spreadsheets to manage quoting, but a multi-device CPQ solution saves time and money, enabling reps to generate quotes in the field that can be accepted on the spot — wherever they’re working.

Better Quoting, Bigger Sales

What does a modern sales organization with a high-performance CPQ solution look like? Reps use their CRM to add products to their quotes and prices are automatically populated, which creates price consistency.

With real-time updates, reps never have to worry that they're quoting the wrong prices. If deals meet the acceptable pricing guidelines, they're automatically approved, empowering reps to move quotes forward and get them into the hands of prospects faster. For example, if one company cut its quoting time by 43 percent, it would free up sales reps to generate 135 percent more quotes — that's 135 percent more opportunities to win. Another company can simplify quoting, taking it from 30 days to a matter of minutes.

This means that CPQ solutions help you win deals faster. An independent study conducted by Aberdeen Research even found that companies that employ CPQ solutions benefit from a 105 percent larger average deal size, 27 percent shorter sales cycles, 19 percent higher lead-conversion rates, and 26 percent more reps achieve quota compared with companies that do not use CPQ solutions.

Operational efficiency also improves dramatically. A simplified opportunity-to-revenue process means no more rekeying information from CRM to ERP tools. Quotes produced in your CRM automatically appear in your ERP. For example, imagine all the manufacturing data — including bill of materials, routings, technical date etc. — that's automatically generated and transferred when keying in the order. When customers place orders against quotes, reps now have full visibility and can see the delivery status, which makes life easier for both rep and customer.

This is just scratching the surface for what's around the corner. Imagine the opportunity-to-revenue framework with the power of scientific pricing and segmentation to increase pricing intelligence, and you can see things like what your optimum deal looks like.

In our high-tech, digital, know-now world, many companies are asking themselves, "Why is quoting so difficult? How do I make this easier for my sales channels and customers?" Harnessing the power of a CPQ solution ensures a better experience for everyone and boosts your bottom line.

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