



CPQ

THE KEY TO FAST, ACCURATE, AND
EFFORTLESS SALES QUOTES



Does your CPQ stand for complex product queries?

B2B buyers are changing. They're becoming more digitally savvy and are now accustomed to buying online, which means they also want a B2C-like shopping experience for all their business purchases. They want more self-serve options, seamless transactions, and a personalized service that makes buying products easier and more enjoyable.

However, because of the complex nature of selling multiple, diverse products – each customizable and configurable in countless different ways – no two bundle orders are alike. This makes it difficult for salespeople to give clients the speedy and accurate pricing and digital service they now expect.

CPQ (configure, price, quote) software can simplify this. A good CPQ solution will have guided selling tools, tooltips that provide additional details about products, and 3D visualization to streamline sales and minimize mistakes. Although it can be very beneficial when used internally by sales representatives, its true value lies in allowing distributors and clients to configure, price, quote themselves. This doesn't necessarily imply that sellers will no longer be needed. Rather, they'll play a complementary role by ensuring clients understand how to navigate the digital buying experience.

Is there a need for change?

Most businesses have an outdated, manual CPQ process or a highly customized software solution that takes ages to complete a sale, frustrating internal and external users. Wouldn't it be nice to have a system that could both greatly shorten the sales process and boost client retention? For most businesses a change has been long overdue, and these latest CPQ stats confirm and support our belief:

- **A long time to sell.** Over the past six years, the sales cycle has increased by 25%, meaning it now takes an average of 102 days for a business to finalize a transaction.¹
- **Fewer deals closed.** Salespeople aren't hitting their quotas, with only 53% reportedly meeting their sales targets compared to 63% only six years ago.²
- **Unoptimized pricing.** Businesses are giving inaccurate quotes because there's no dynamic pricing in place. They're either making a sale but losing money on it or the opposite: scaring off would-be buyers with prices unmatched to current market conditions.³

Too many CPQ sales processes are reliant on cumbersome, singular, unrepeatable procedures: Excel, Google Drive, and internally customized solutions usually lead the pack. This results in complications when manual, error-prone changes are made to update quantities and discounts or when last-minute customizations and added features made by clients must be factored into the final price of an order. It leads to longer sales cycles, causing deals to fall through and revenue to drop.

1 <https://www.geckoboard.com/best-practice/kpi-examples/average-sales-cycle-length/>
2 <https://www.resourcefulselling.com/closing-the-sale-statistics/>
3 <https://www.bain.com/insights/dynamic-pricing-building-an-advantage-in-b2b-sales/>



It's time to embrace the transformative power of CPQ and seize the opportunity to revolutionize your business. In today's fast-paced digital landscape, where B2B buyers demand seamless experiences and personalized service, CPQ emerges as the catalyst for success.

By implementing CPQ, you will unlock unparalleled efficiency, accuracy, and customer satisfaction, propelling your business ahead of the competition. Delaying this crucial step means relinquishing the chance to streamline your sales process, optimize pricing strategies, and captivate buyers with a truly exceptional experience. The time for action is now, as every moment lost is a missed opportunity to transform your business and forge lasting customer connections.

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Sophisticated CPQ software can digitize the outdated sales process, making it more automated, with optimized and consistent pricing. Compare an old-fashioned manual cash register to a modern state-of-the-art point-of-sale (POS) system. With a manual cash register, transactions took longer, there was a higher risk of errors, and the process was more tedious for both the cashier and the customer. In contrast, a POS system automates many aspects, from scanning products and calculating prices to processing payments and generating receipts. Similarly, using advanced CPQ can automate and modernize the B2B sales process, giving sales teams and clients a faster, more accurate, and less cumbersome experience.

Additionally, it can provide valuable insights and analytics that can empower salespeople to adjust prices on the fly according to client loyalty status and changing market conditions – improving sales performance, profitability, and loyalty. Salespeople will be able to say goodbye to wearying administrative tasks and get back to what they're good at: nurturing client relationships.

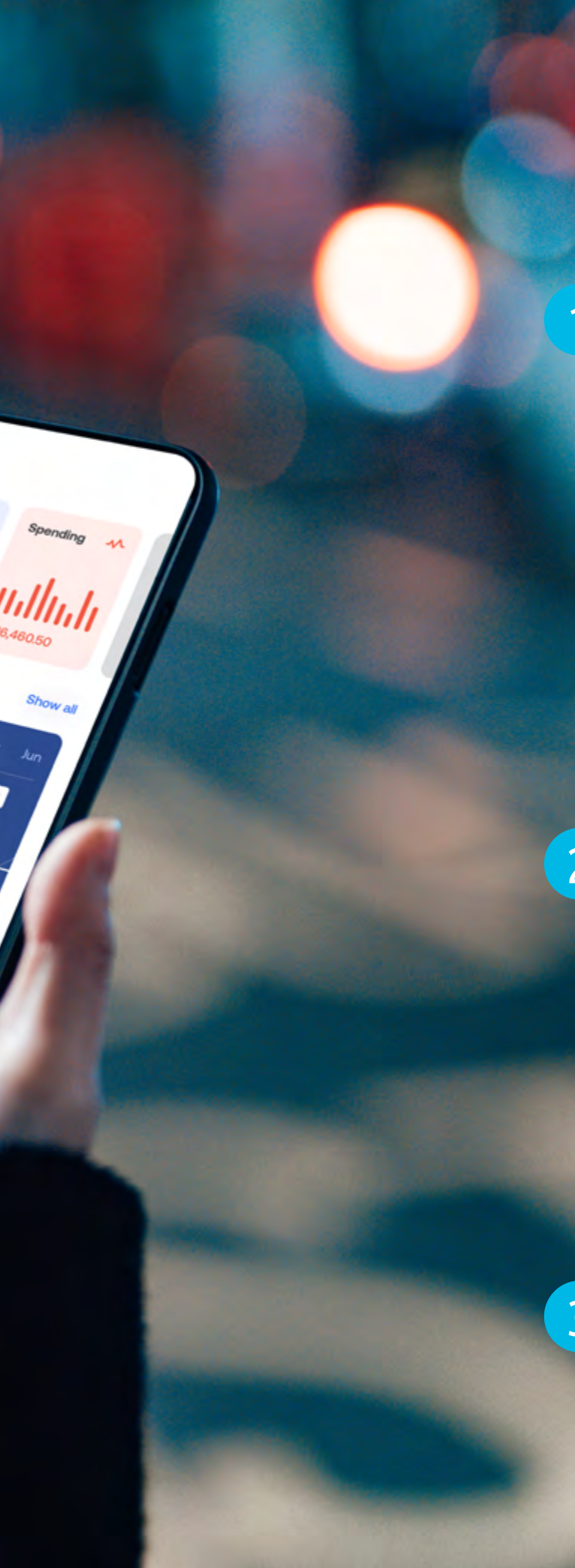
“But we already have a CPQ solution.”

Some organizations are using a CPQ feature embedded in software designed to do something entirely different, such as product management. Although it's important – because every product needs a unique ID number and must be linked to its family of products – this is just the tip of the iceberg. There's so much more to a good CPQ solution. For example, each client can also be assigned an ID so they're immediately identifiable whenever they reenter the sales cycle. Surprisingly, many organizations don't have a way to track the quantity of quotes their sales people generate nor the historical data of those quotes, which means the business has no way of knowing whether meaningful one-to-one interactions occurred between salespeople and clients.

To gain valuable insights into new and existing accounts, as well as optimize pricing strategies and facilitate self-service for clients, sales teams require a specialized CPQ system such as one offered by Salesforce, PROS, or Tacton. These platforms are designed to streamline the end-to-end sales process, from configuring complex product offerings to generating quotes, managing contracts, and tracking performance metrics.

One of the biggest advantages of CPQ is its relatively short implementation time. Typically, businesses can start realizing the benefits within just 3-6 months, which allows them to quickly see a return on their investment. This expedited timeline is due in part to the pre-built nature of many CPQ solutions, which can be quickly configured to meet the needs of each organization. There are, however, a few hurdles to first overcome.





1

Many struggle with not knowing about everything they offer, especially after completing new acquisitions, leaving their product portfolio, salespeople, and sales strategy disconnected. To address this, companies must ask themselves some fundamental questions:

- Do we know about all the products and services in our catalog?
- What dependencies exist among them?
- Are our salespeople informed?
- Is our pricing strategy optimized for maximum revenue and operating profit – yet still competitive?

Getting answers to these questions can be a complex and time-consuming process that requires the involvement of multiple stakeholders, such as product owners, salespeople, and marketing teams. Only by including the right people in the room and taking a deep dive into the offering portfolio can companies truly learn how to optimize their pricing strategy for better margins.

2

Another challenge when implementing CPQ is the lack of a structured sales organization and processes. Without a clear structure, salespeople can't qualify leads effectively, so they spend an excessive amount of time on "leads" that don't contribute to revenue. (According to Invespro, 80% of new leads never turn into sales.⁴) Secondly, companies' sales and proposal processes are often undefined, which makes it difficult to negotiate contracts and secure approvals. It results in delays and missed opportunities as salespeople waste time chasing down managers and legal teams to obtain, what should be, routine signoffs. Companies should work on defining their sales processes, automating them, then training their salespeople on how to use technology to close deals faster and make the steps in between key stages smoother.

3

Lastly, companies must examine if they're fully leveraging their technology stack. Simply setting up CPQ without connecting it to back-end systems designed to handle product categorization, contract management, approval processes, and other critical functions, can severely limit its effectiveness, reducing it to nothing more than a hollow tool.

4 <https://www.invespro.com/blog/lead-nurturing/>

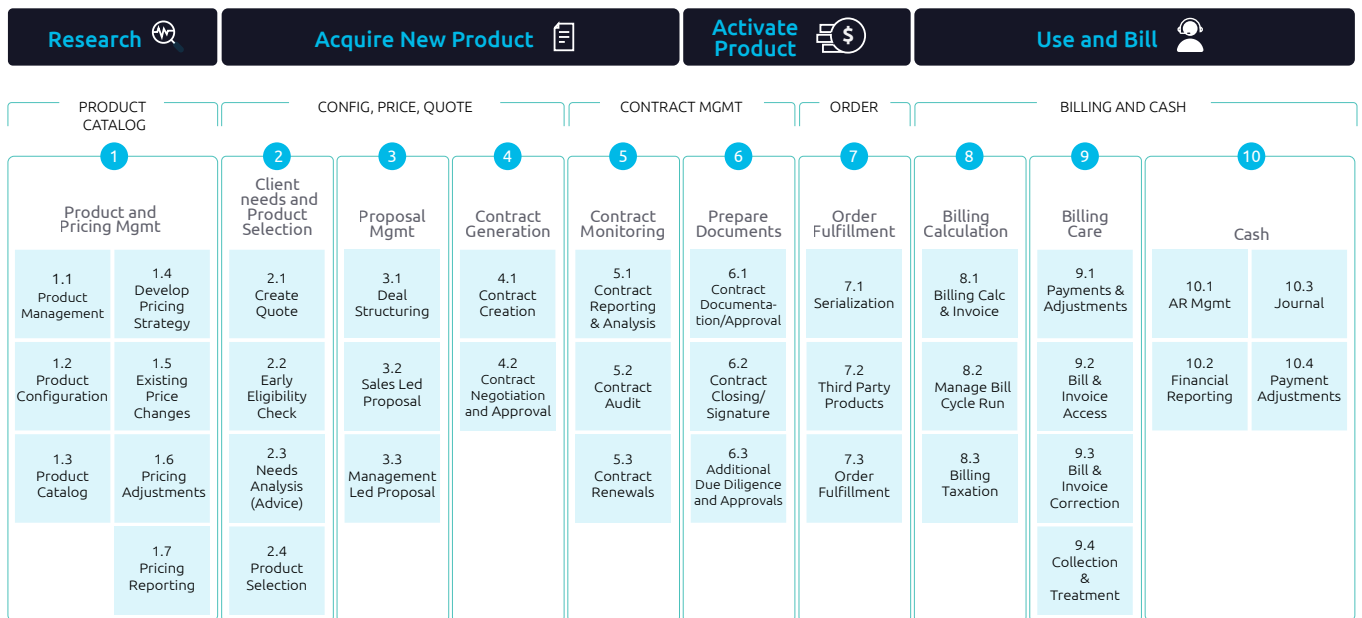


Mapping your CPQ strategy: a blueprinting methodology

Research shows that 35%-50% of successful sales go to the vendor that responds to a lead first,⁵ so it makes sense to invest in a solution that has the potential to significantly speed up response times. To execute a fast but effective transformation, organizations should partner with an experienced consultant, one who can assess how far along they are in setting up a structured sales approach and identify if any gaps exist in their current system and processes.

At Capgemini we use a unique blueprinting model to kick-start every new implementation. We break it down into several categories and areas that need to be considered, working from left (product catalogue) to right (billing and cash) while ensuring no middle processes are overlooked or neglected. This way organizations can identify their strengths and weaknesses in different areas and create a roadmap that shows the specific actions required en route to a comprehensive solution.

⁵ <https://blog.hubspot.com/sales/average-lead-response-time-sales-data#:~:text=According%20to%20InsideSales%2C%20%50%25,after%20the%20lead%20was%20submitted.>



Some key questions along the way could be:

- What is our product management process like?
- What factors determine how we set prices?
- What is our negotiation and approval policy?
- Do we have a standardized contract creation procedure?
- Do we conduct client eligibility checks? What are the criteria?
- How are audits completed?

With an assessment in hand, we can then create a timeline of events that prioritizes the areas that require immediate attention while outlining the benefits the business can expect to gain by completing each one.

A vendor evaluation can help determine which CPQ software is right for the business, considering its back-end systems and integration requirements. CPQ selection is a critical step that requires a thorough analysis of a range of factors, so organizations shouldn't do it alone. If a business already has some sort of CPQ functionality, a partner can test its effectiveness and identify opportunities for improvement while also recognizing that starting from scratch may be a necessary alternative.



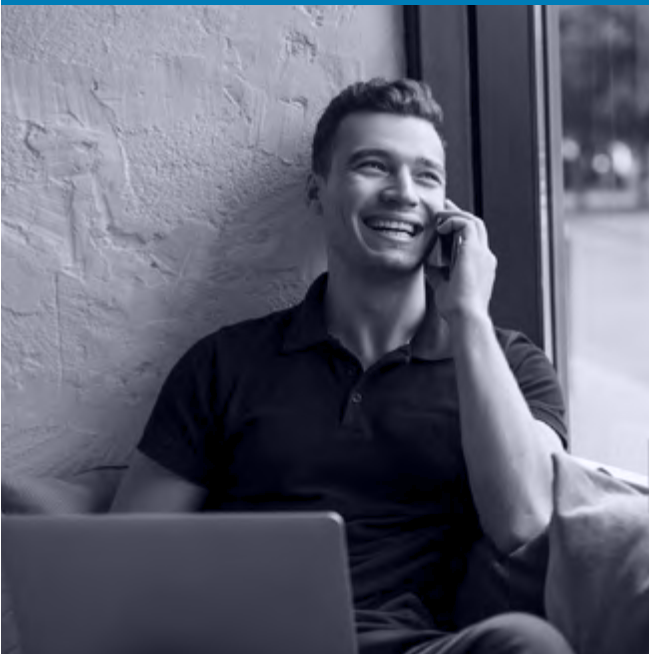
DIGITALIZING SALES FOR SUCCESSFUL CLIENT RELATIONSHIP MANAGEMENT

Siemens Healthineers is a global leading medical technology firm, dedicated to improving outcomes for patients using advanced diagnostics and breakthrough innovations. In addition to delivering high-quality healthcare solutions, the company had goals to strengthen its market position, but its weak legacy CRM and CPQ solutions were holding it back. Sales teams struggled to close deals, while clients had trouble finding the right products and completing the often-tedious purchase process, resulting in lost sales.

Transforming its sales processes and tools was no longer an option but a critical imperative for its roughly 6,500 users in 65 countries. Using state-of-the-art cloud-based solutions, Capgemini helped deliver an exceptional sales experience that included:

- Geo-specific pricing strategies for all business lines
- The creation of Shareville, a user-friendly, cross-device global sales platform, which serves as a seamless end-to-end solution for CRM, personalized customizations and pricing, and client-centered proposals

Our work for Siemens Healthineers has jump-started the way it now provides quotes, with an up to 75% reduction in time-to-quote. The company also launched a global transparency capability with advanced pricing methods, and clients have the option to buy using a mobile app.





The power of CPQ in the buyer's journey

Waiting 102 days to close a sale is no longer acceptable. CPQ software can considerably speed up the sales process and make the customer experience closer to that of a standard B2C transaction. But first, just like in B2C, companies must understand the buyer's journey and how to leverage CPQ to improve each stage:

Awareness: offer personalized and targeted promotions or incentives to attract potential clients.

Consideration: provide clients with accurate and transparent pricing information to help them make informed decisions.

Acquisition: automate the sales process as much as possible and reduce the time and effort required to complete a sale.

Service and loyalty: provide customers with a seamless, personalized experience that can improve their satisfaction and loyalty to the brand.

With no more time wasted on crunching numbers, sales teams can focus on tracking verified leads and building client relationships. And, with optimized pricing strategies in tune with market conditions, businesses can align their offerings with the specific needs and preferences of their target audience, which can be a game-changer in today's hyper-competitive market.

But remember, the benefits will only come if the selected CPQ vendor strongly believes in supporting its client. That's why you should find an experienced company that will work closely with you to implement a system architecture that's ideally suited to give your distributors and clients that outstanding buying experience they've been after.



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About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

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