

10 Reasons your Business NEEDS CPQ

Benefits our customers are getting from CPQ



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CPQ (Configure, Price, Quote) is a sales tool for companies to quickly and accurately generate quotes for orders.

CPQ applications often work in tandem with CRM platforms, ERP programs, and other business technology, which helps ensure integrated data as well as accuracy. Quotes produced with CPQ software are automated according to a pre-programmed set of rules, ensuring error-free pricing that takes into account quantities, discounts, customisations, optional features of products, multiple revenue types, and incompatibilities.

The market for CPQ is growing rapidly. Xenogenix are working with many customers to implement CPQ on Salesforce and our consultants are amazed by the results every time.

Why is CPQ making such a difference? And why does your business NEED CPQ?

Here are our top 10 reasons:



1. Increase in Revenue and Decrease in Cost

The benefits of CPQ software include formalising rules and pricing, establishing standardisation across the company, increasing companywide efficiency, and more. By far the most important benefits are the proven increase in revenues and decrease in costs. Most companies gain 80% of their revenue from 20% of their customers, so the greatest profit potential lies in penetrating the most profitable accounts. CPQ software makes automated up-sell and cross-sell suggestions, enabling your salespeople to quickly increase the average quote and order size. In fact, companies that use CPQ see an increase of 105% to their average deal size.

Revenue is increased by:

- ≡ Providing tools for sales to upsell and cross sell
- ≡ Close more deals by giving your customers the best experience#
- ≡ Reducing admin time to focus on selling
- ≡ Enabling new pricing structures easily, bringing new products to market quicker

Costs are reduced by:

- ≡ Reducing sales staff turnover
- ≡ Vastly reducing errors, refunds and returns
- ≡ Ensure minimum discount levels are adhered to



2. Allow Sales to Focus on Selling

Sales reps spend just 34% of their time actually selling, and research shows that a large part of a sales team's non-selling time is spent generating quotes, proposals, and gaining approvals. CPQ can benefit your business and help your reps overcome common sales hurdles. If your reps use legacy quote configurators, are manually reviewing quotes, or seem to have a habit of sending inaccurate quotes to prospects, it's time to look into CPQ software.

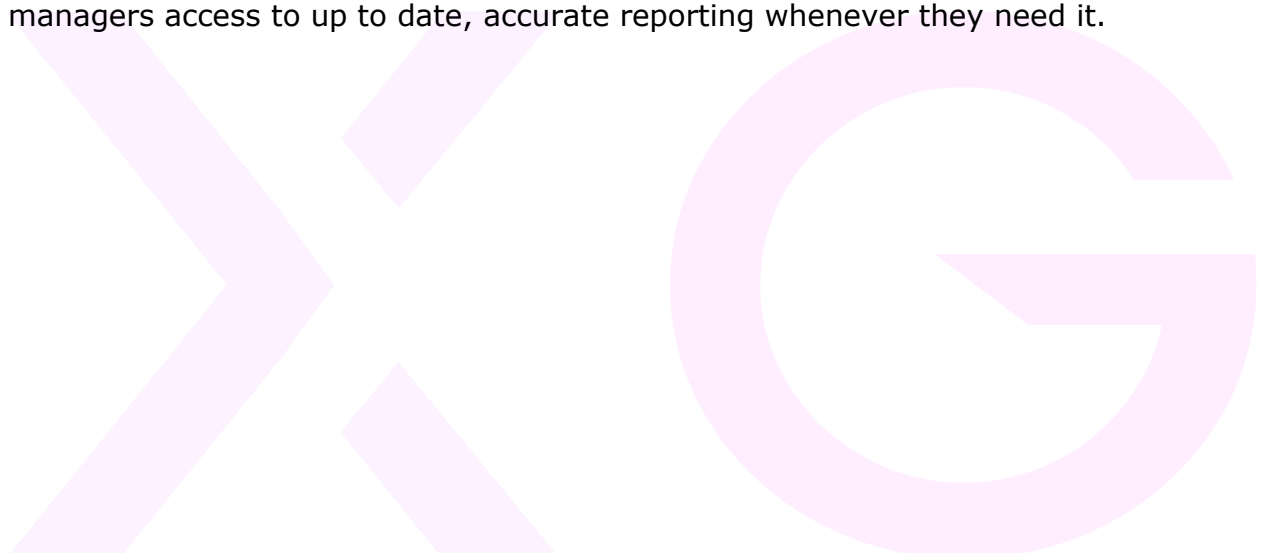
When CPQ is deployed and used correctly, users have reported:

- ≡ 10 times faster quote generation
- ≡ 95% reduction in approval time
- ≡ 28% reduction in Sales cycle
- ≡ 49% higher proposal volume
- ≡ 30% quicker ramp for new reps

3. Give Managers Unprecedented Control and Visibility

If your company has a complex and lengthy quote approval process, your prayers will be answered by CPQ. Your sales team may be spending time chasing quote approvals, managers may be manually approving quotes and your customers will have a delay before receiving their quotes. A good CPQ system can ensure this process is simplified and reduced drastically, one of our customers reduced the time it takes to approve a quote from 2 days to 30 minutes! In addition to this, the whole team knows where each quote is throughout the entire process so no need for chasing.

Many CPQ tools come with inbuilt powerful reporting tools, allowing your managers access to up to date, accurate reporting whenever they need it.



4. Make Pricing Flexible

One barrier to delivering timely quotes occurs when sales reps want to offer the customer options, configurations, or prices, but have to go digging through spreadsheets to find the right pricing rules to create the quote. CPQ avoids this conflict by clearly establishing pre-programmed rules.

With a CPQ application, every conceivable configuration, price, discount, and scenario can be specified, making the product configurations and options straightforward based on company capability. Then, when the rep builds the quote, CPQ walks them through the process in order to create a complete, accurate quote, using a customised template, all within minutes. It's automatically routed to the correct parties for approval, shortening the wait time even more.

5. No More Mistakes!

Inaccurate quotes will make you look unprofessional to your customers, cost valuable selling time and ultimately cost your business money. CPQ takes human error out of the equation, delivering accurate, dependable quotes every time.

- ≡ 35% reduction in quotes with configuration errors
- ≡ 38% reduction in quotes with pricing errors
- ≡ 29% increase in forecast accuracy

6. Respond quicker to your customers

Taking into account complex options and configurations, bulk pricing and discount rules, CPQ's automation allows for personalised quotes that were once complex to build and deliver quickly to the customer. A fast sales quote process makes your company more efficient and knowledgeable and allows the deal to coast through the sales pipeline. CPQ software allows sales to deliver quotes quickly thanks to a streamlined quoting process — the result of the customised rules and pricing CPQ automation allows.

- ≡ 33% reduction in time to create a quote
- ≡ 30% reduction in approval time
- ≡ 20% improvement in time taken from quote to close

7. Manage Repeat Orders and Subscriptions with Ease

Subscription-model businesses are able to provide their clients with an ongoing service in exchange for a reliably constant revenue source. Customers see this as a convenience; they don't have to re-enter a lengthy sales process for products or services that they plan to regularly buy. They also don't have to endure being constantly solicited by sales teams hoping to lock them into ongoing purchases.

On the other end, businesses are able to build better relationships with their clients, and gain access to better analytics data. They also benefit from having access to a population of interested, committed clients, where they can showcase new offers and get reliable feedback.

Subscription pricing can become very complex and is open to costly errors. Mistakes made in regular payments can often take months to be noticed and very difficult to rectify. CPQ software seamlessly manages the tasks associated with repeat orders and subscriptions, automatically generating renewal quotes and applying existing contracted terms and conditions to add-ons.

8. Launch New Products Quickly

For any company, significant work goes into launching a new product. CPQ can streamline process of getting a new product to market. CPQ makes it easy to:

- ≡ Adjust prices and deploy to sales immediately
- ≡ Add new products or remove obsolete products from the catalogue
- ≡ Offer promotions prices or product bundles
- ≡ Give sales workflows which assist in the selling process



9. Help Your Departments to Collaborate

While CPQ helps salespeople create accurate quotes quickly, CPQ's effects on efficiency are more far-reaching. One of the biggest advantages of CPQ software is that the entire company can be involved. CPQ deployments, done right, allow sales, renewals, finance, and legal to each seamlessly have a hand in the different configurations. That means you won't have salespeople selling configurations that aren't possible financially or legally.

With CPQ, you're also able to create configurations and bundles that make sense. Instead of salespeople determining configurations independently, you can have the subject matter expert on the product determine the best options and configurations for your customers. These are entered into the CPQ system as rules so salespeople can offer the best possible options for your customers. When cross-functional teams work together, everyone wins. Your product becomes more solution-oriented and customer-centric than ever before.

You can streamline sales order acceptance and easily pass quote details downstream. Billable charges get automatically consolidated into one unified invoice per customer, and you can even make revenue recognition easier by spreading revenue transactions over financial periods. All of this can break down silos and create a more collaborative company.

10. Integrate with Other Systems to Standardise Processes

Your CPQ program can be integrated with enterprise resource planning (ERP) systems, and when such integrations are established, entire processes are streamlined. CPQ and ERP integration offers a connection between sales and operations and becomes a major benefit of adopting a CPQ solution. Sales can monitor the status of deliveries, executives can monitor the sales process, and operations can monitor trends to plan for new deals. Sales can work with product design. Better, data-driven decisions can be made to meet customer needs. Combining CPQ with ERP leads to a reduction in operating costs, and on-time production is greater because operations and materials and manufacturing departments are in the loop.

Who Are Xenogenix?

Xenogenix provide business improvement for your WHOLE organisation, on a single world leading cloud platform. We improve the way people, processes, and systems work together so that our customers can compete in a digital world. We exist to enable organisations and the people in them to thrive, not just survive.

We created Xenogenix for innovative problem-solving organisations who are looking to excel because, to be successful, all businesses must continually improve how they operate. Many have disparate, disconnected systems with manual and unstructured processes. They need to increase flexibility, gain visibility and take controls of their working environment.

We are passionate about creating a world where business systems and processes empower employees, partners and customers to achieve collaborative success for the benefit of all.

To find out more about Salesforce CPQ and what difference it could make to your organisation contact us on 08456 525 625 or email smart@xenogenix.co.uk.



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