

DIGITAL TRANSFORMATION

Transforming Quote-to-Cash for Business Success



BEST PRACTICES FOR IMPROVING YOUR COMPANY'S QUOTE-TO-CASH PROCESS

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Everyone has a Quote-to-Cash (QTC) process.

But is it aligned with your business goals? Does it run efficiently? Does it comply with revenue recognition regulations? Is it scalable and automated so that you can focus on growth?

Improving your QTC process can be a significant challenge as process and data cross organizations and technology systems. Designing an optimal QTC process requires skills and experience in order to scale properly and minimize rework.



Aligned with business goals?



Running efficiently?



Compliant with regulations?



Scalable and automated?

In this document, we share best practices for your QTC initiative.

Indicators of a Low-Functioning QTC Process



Systems & data siloed — no common platform or CRM/ERP integration



Manual handoffs between systems requiring manual translation



Logins to different systems creating "swivel-chairing"



Difficulty pulling together cross-org reports



Slow sales, billing and collection processes



Inaccuracies in quoting and billing



Heavy use of spreadsheets for tasks and insights



Lack of end-customer visibility for partner-sold deals



Intensive email use for approvals, orders, and invoicing



Incomplete customer picture — no view of AR, terms, pricing



Data misalignment across accounts, quotes, orders, invoices



Revenue recognition schedules inaccurate or missing



Inability to handle amendments, renewals and coterminations

If any indicators are present → opportunity for immediate value & long-term scalability

What You Gain



Faster close rates



Faster payments



360-degree view of customer



Fewer errors due to automation



More accurate customer & financial data



Efficient, less manually intensive processes



Scale to 10x or 100x quotes per period



Prevent revenue leakage



Compliance to revenue recognition standards



Even the first step of mapping your QTC process has huge benefits.

Not only can it give you a complete picture of your company's processes and help you design a better customer experience, but it can also give you a better sense of where your company is and where the most impactful improvements can be made.

Understanding Your QTC Destination:



Current State

Where your organization is strong and where you may need help



Industry Best Practices

How to best apply proven practices to your situation



Innovation Areas

Areas worth investing in to be best-in-class and gain competitive advantage



Business Goals

The capabilities you need to meet your business objectives

02 EXAMINE YOUR COMPANY'S CURRENT QTC PROCESSES



Product offerings, pricing, bundling



Sales tax, currencies



Discounting, approvals



Terms (single/multi-year, subscription)



Channels (direct, partner, e-commerce)



Entitlements, assets



Contract, legal, redlines, amendments, e-signature



Contract management



Customer onboarding, sales order



Fulfillment/provisioning (activation, licenses, delivery)



Forecasting



Invoicing, AR aging, collections



Coterminations, renewals, upsells



Revenue recognition and compliance

Quote-to-Cash Best Practices



Customer Acquisition &
Channel Partner Management



Pipeline Management & Deal
Management



Entitlements & Inventory



Revenue & Billing



Service Delivery & Resource
Management



Renewals & Strategic Account
Management



AR & Collections

High-level best practices for a QTC digital transformation initiative

Business needs are the primary drivers for technology decisions. Once you identify your gameplan, standardizing the marketing, sales, contract, delivery, finance and renewals process pays great dividends when scaling your business. Exception paths become just that—letting your team focus on true value-added tasks.



Marketing Process

Get more marketing qualified leads (MQL) into the funnel



Renewals

Automating renewals increases revenue at much less cost (7x savings)



Sales Process

Scale SQL sales process and move leads through efficiently



Partner Sales Optimization

Increase channel revenue with partner relationship best practices



Quoting Process

Move quoting from days to minutes with automated approvals



Upsells & Cross-sells

Stop revenue leakage; scaling upsell/cross-sell increases revenue drastically



Amendments

Automate upgrades, coterminations and modifications



Invoicing Process

Clear, accurate invoices aligned with quotes lead to faster collections



Data Structure

Proper data structure mapping across CRM, CPQ and ERP. Critical objects: accounts, contacts, opportunities, quotes, orders, invoices, payment history, inventory and shipping dates must all link properly.



Data Mapping

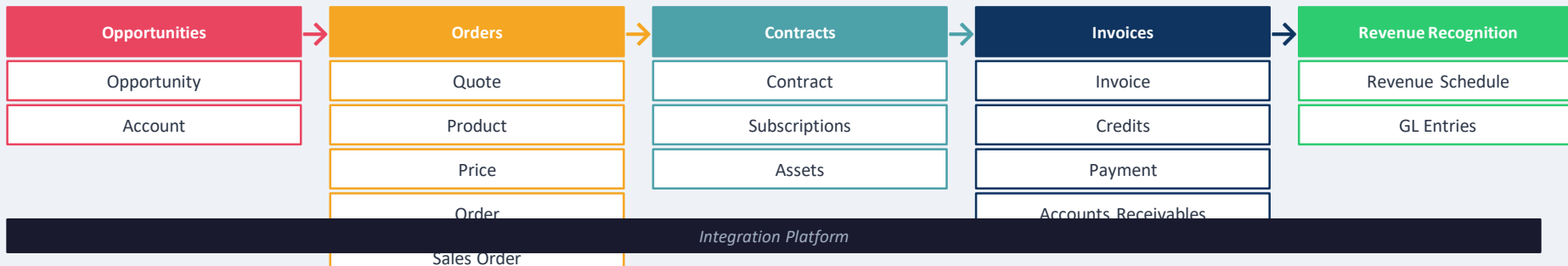
Identify the "master" or source of truth. Define how data flows with no manual effort. Plan for legacy data handling, data integrity preservation, security and compliance.



Data Access

Consider employee 360-degree access vs. customer self-service portals. GDPR and privacy regulations require customers to view and change their own data.

DATA ELEMENTS TO CONSIDER IN QUOTE-TO-CASH





Application

- Focus on simple, scalable designs — avoid complex rules
- Keep approval flows simple; automate main paths only
- Over-automating exceptions creates technical debt
- Integrate Salesforce and ERP as the first integration
- Integration automates closed won → onboarding → order entry
- Provides 360° customer view: order, invoice, payment, credits



Financial

- Customers view invoicing and payment as part of the experience
- Incorrect invoices and unclear bills harm collections
- Scalable financial controls critical for operational accuracy
- Create dashboards for CFO visibility into KPIs:
 - Average days delinquent (ADD)
 - AR turnover ratio, Days sales outstanding
 - Operating cycle, Outstanding invoices
 - Renewal rates, Retention/Churn, ARR, TCV



Regulatory

- Revenue recognition compliance (ASC 606) puts proper controls in place
- Cheaper long-term to tighten up revenue recognition controls
- Create clear segregation of duties between sales and finance
- Proper operation critical for investors or financial transactions
- Revenue recognition starts from how you set up quotes and orders
- Generate proper revenue schedules after each close won, including amendments and coterminations

Ready to Get Started?



Establish a High-Level Plan

At least a high-level plan should be established so that you can benchmark where you are and where you need to be. Having a clear picture of your road map will help you plan a path, including identifying opportunities to make the right investments.

For instance, perhaps the finance department is finally upgrading from QuickBooks to NetSuite — an opportune time to re-evaluate your QTC process to find "low-hanging fruit" that will help you on your roadmap.



Take a Phased Approach

- In today's cloud-based world, a phased approach delivers value quickly and mitigates risk.
- After defining the roadmap and phases, the approach should be iterative.
- As you accomplish each phase, re-evaluate and improve the plan.
- Take advantage of knowledge gained to create even more value.
- An overall road map ensures your investments are targeted, impactful and minimize rework.
- Formally evaluating your current state is often the best place to start.