

WHAT IS CPQ?

A Guide to Configure, Price, Quote



Introduction

Sales reps know the truth – most of their time isn't spent selling. [Research shows](#) reps spend about 66% of their time on activities, such as data entry, writing proposals, and getting approvals. They're wasting time in spreadsheets, using antiquated tools to build generic or inaccurate quotes.

Luckily, there is a better way. Configure, price, quote apps, often referred to as CPQ, have become vital to growing your business. They take reps out of spreadsheets and into an automated tool that delivers error-free quotes. They help sell the right combination of products, control discounting, and automate approvals. In short, they make the sales process easier, faster, and more organized – allowing you to close more deals, from anywhere.

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C Is for Configure

Rarely does one size fit all. A good salesperson guides customers to the best mix of products and services to solve their problems. CPQ software enables those sellers to configure unique combinations based on need, company size, and other relevant factors. It even suggests appropriate add-ons, such as extra training sessions, extended service contracts, or complimentary products.



P Is for Price

How often do you sell at list price? Perhaps you offer special bundles or volume pricing; or maybe you allow extra discounts to sweeten the deal. Keeping track of current pricing and discounting can be a major headache. And, it can be disastrous to the bottom line when discounts are applied incorrectly or inconsistently.

CPQ helps manage pricing for all your products and services. Advanced pricing rules can be set to handle volume discounts, percent-of-total subscriptions, pre negotiated contract pricing, and channel and partner pricing.

Q Is for Quote

Once sales reps provide a quote, their focus should be on closing. They don't want to worry about losing a deal because of a pricing error or a poorly formatted quote document. When reps create their own quotes manually, they risk typos, mismatched fonts, and so on, which can lead a prospect to think the rep is unprofessional, or worse, uncaring.

With CPQ, a sales rep quickly generates a quote, sends it via email, and can even include e-signature options to close the deal in just a few clicks.



Your Path To More Effective Selling

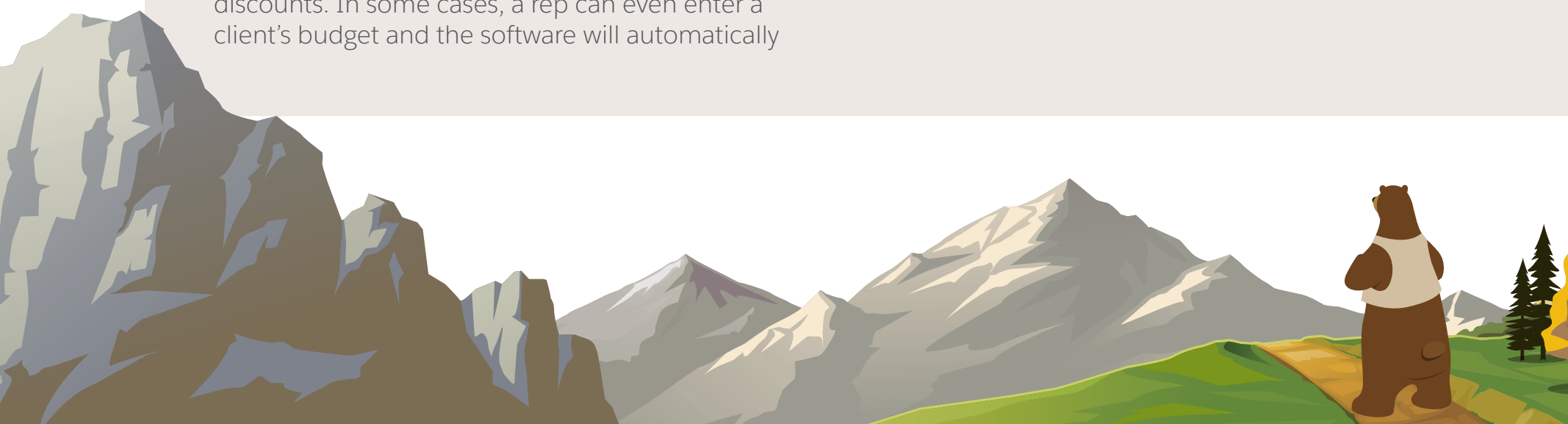
CPQ software not only helps experienced reps be more productive than ever, it's also a lifesaver for newer, less-experienced reps. CPQ automatically narrows down product selections to those that are most applicable based on need, company size, and other relevant factors. CPQ can then help reps with any additional configurations and even suggest appropriate add-ons, such as extra training sessions, extended service contracts, or complimentary products.

CPQ software knows your standard pricing and provides guidance for reps to add line-item or package discounts. In some cases, a rep can even enter a client's budget and the software will automatically

calculate individual product discounts that match. Think: quotes that capture better value.

Finally, CPQ generates a customer-ready quote. These documents can include your branding and formats, cover pages, tailored cover letters, custom terms and conditions, and even marketing materials, in addition to the quote itself.

All of this can be done in minutes, which saves reps time and energy.



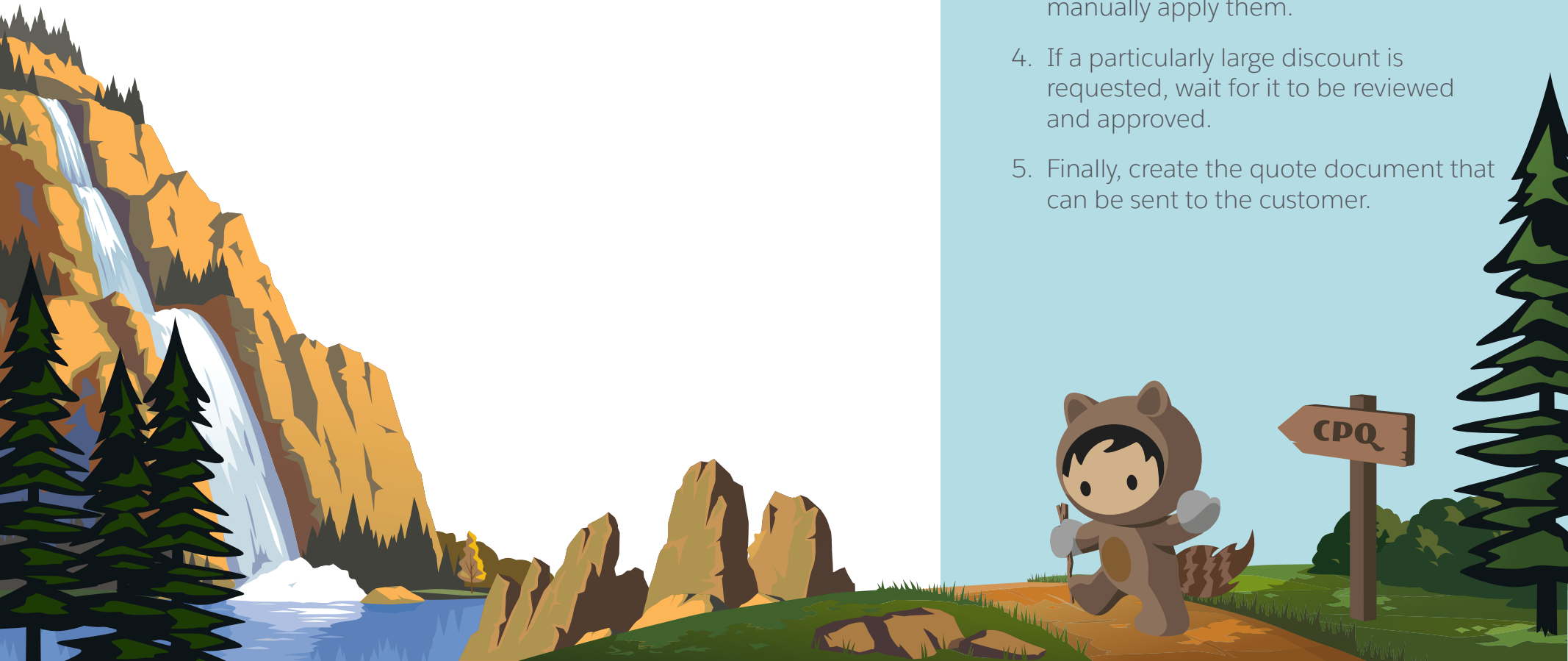
Thinking Beyond Software

The time for using highly complex, hard-coded software or manually pricing and quoting is over. These traditional processes have a number of drawbacks, including lack of scale, disconnected processes, and lost time and money.

Traditional Quoting

Here are the steps a sales rep would take in a traditional process:

1. Figure out which products are best and what configuration is necessary.
2. Consult pricing documents or static systems to determine the base price.
3. Determine eligible discounts and manually apply them.
4. If a particularly large discount is requested, wait for it to be reviewed and approved.
5. Finally, create the quote document that can be sent to the customer.



Risks with Traditional Quoting

Scale

Legacy processes that don't scale can be a huge problem. Businesses that explore new selling models and recurring sales will often find they're a bottleneck. It takes too long to incorporate change, if companies can at all.

Disconnected Processes and Data

Traditional quoting is often separated from customer data, which makes it extremely difficult for sales reps to deliver the maximum value of your products and services. Revenue teams lose time matching up revenue numbers to what's in the actual contract, which delays the revenue recognition process.

Business decisions are never made with the full picture in mind. Service teams need to spend extra time researching what the customers are entitled to under their contract, and ensure companies are delivering what has been agreed upon.

Lost Time & Money

Manual quoting takes time – time sales reps could be spending finding and landing more customers. With the right tools, you can reduce the time it takes to create an accurate quote from hours to minutes.



Signs You Should Switch to CPQ

1. Spreadsheets or homegrown systems are slowing you down.

If you are using spreadsheets or other legacy software to configure products and create price quotes, it's time to move on. By using these outdated tools, you risk errors, waste time, and won't be able to scale your business.

2. Revenue growth is outpacing your ability to operate.

As your business evolves, so will the number of sales quotes you generate and the amount of time your team will spend generating them. Keeping up requires finding efficiencies that save time.



3. You are sending inaccurate sales quotes to prospects.

Whether it's incorrect pricing or configuration, sending out inaccurate quotes is unacceptable. You are nurturing a relationship, and you don't want to lead with embarrassing mistakes.

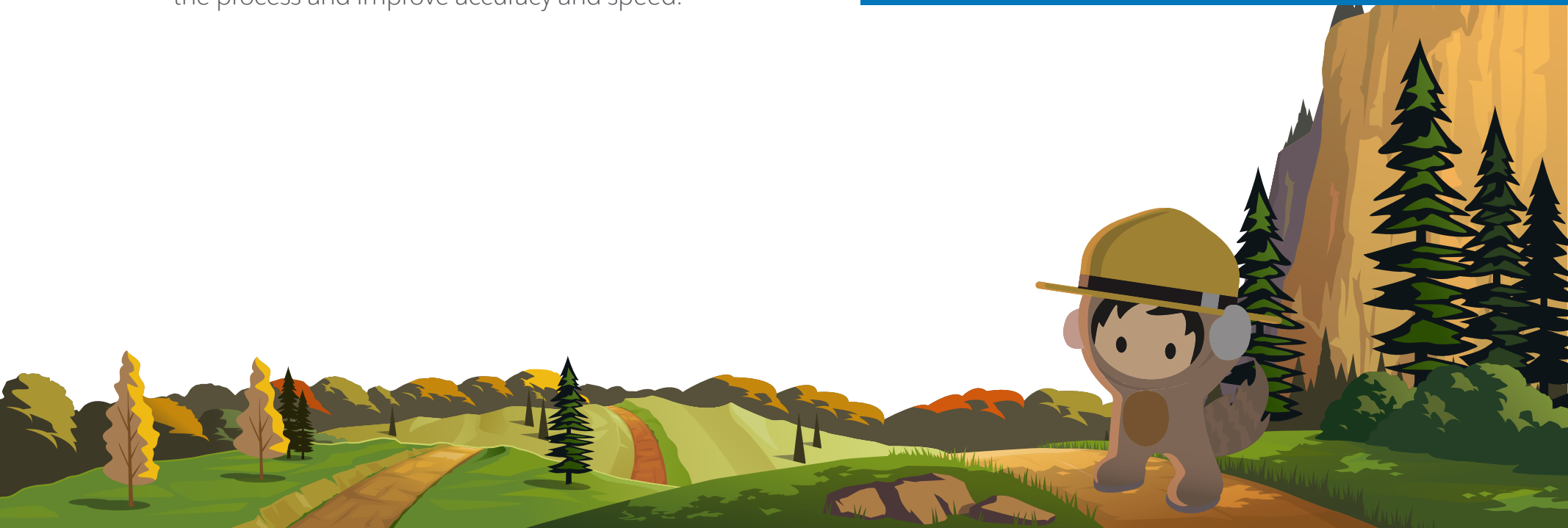
4. Someone manually reviews all quotes.

Having a person look over sales quotes to ensure accuracy may work for the short term, but it doesn't scale. What happens when that person goes on vacation or gets sick? Will approvals stop? Can a temp be trained to take over? CPQ software can automate the process and improve accuracy and speed.

5. You are building a recurring revenue stream.

Improving your relationship with customers requires not only providing strong customer service, but also creating a sales model that meets modern demand. Today's customers are gravitating to subscriptions and contract terms more amenable to the fast pace of business. To grow, you'll need to meet them where they are.

If any of these signs sound familiar to you, it may be time for your company to make the move to a CPQ solution.



How to Select the Best CPQ Software for Your Business

Once you decide that CPQ is right for you, how do you know which app is the best? Consider these questions:

Does it scale?

A better CPQ solution is built on a platform that you are already using (think CRM). The best solution comes with pre configured, out-of-the-box features and workflows to meet your most common use cases.

The right CPQ solution scales along with your CRM, so growth is never an issue. When your CRM is upgraded, you shouldn't have to worry about breaking the integration with your CPQ. You also want a solution that's flexible, so you can easily tailor it to add new products and pricing in the future.



Does it support multiple revenue models?

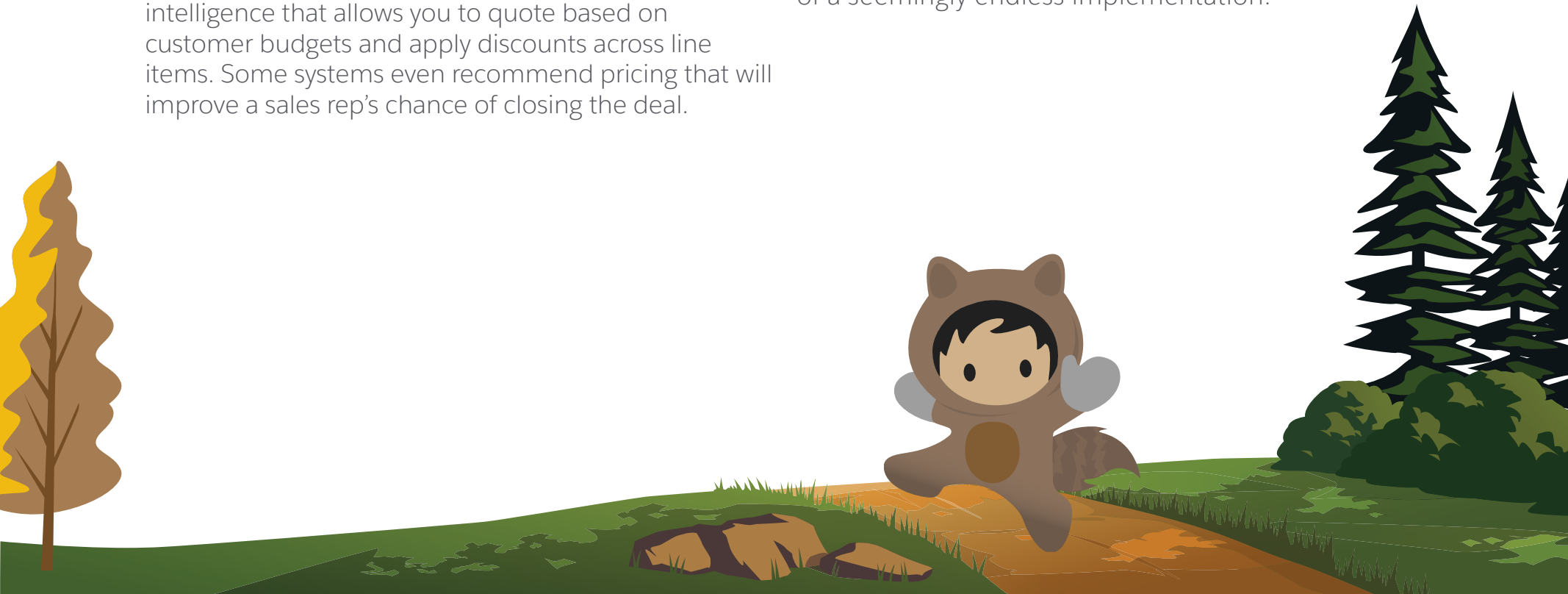
Nowadays, more companies are shifting their business models toward recurring revenue. That means they're charging customers on a predictable, regular basis for ongoing services – think Netflix or Amazon's Subscribe & Save feature. The best CPQ solutions let you adopt this strategy, or whatever revenue model you choose.

Is it practical and intelligent?

Look for smart approval processes that support tiered and series-based approvals. Look for pricing intelligence that allows you to quote based on customer budgets and apply discounts across line items. Some systems even recommend pricing that will improve a sales rep's chance of closing the deal.

What's the implementation plan?

CPQ should simplify life for your sales team. That begins with the implementation. Before deciding on a CPQ solution, be sure to check references and speak to other customers who have implemented the same tool. What was their experience? How easy was the implementation? Who supported them during the deployment? How responsive was the vendor? Were promises kept or were excuses made? Asking these questions can make the difference between going live quickly or feeling the frustration of a seemingly endless implementation.



The ROI of CPQ

Return on Investment

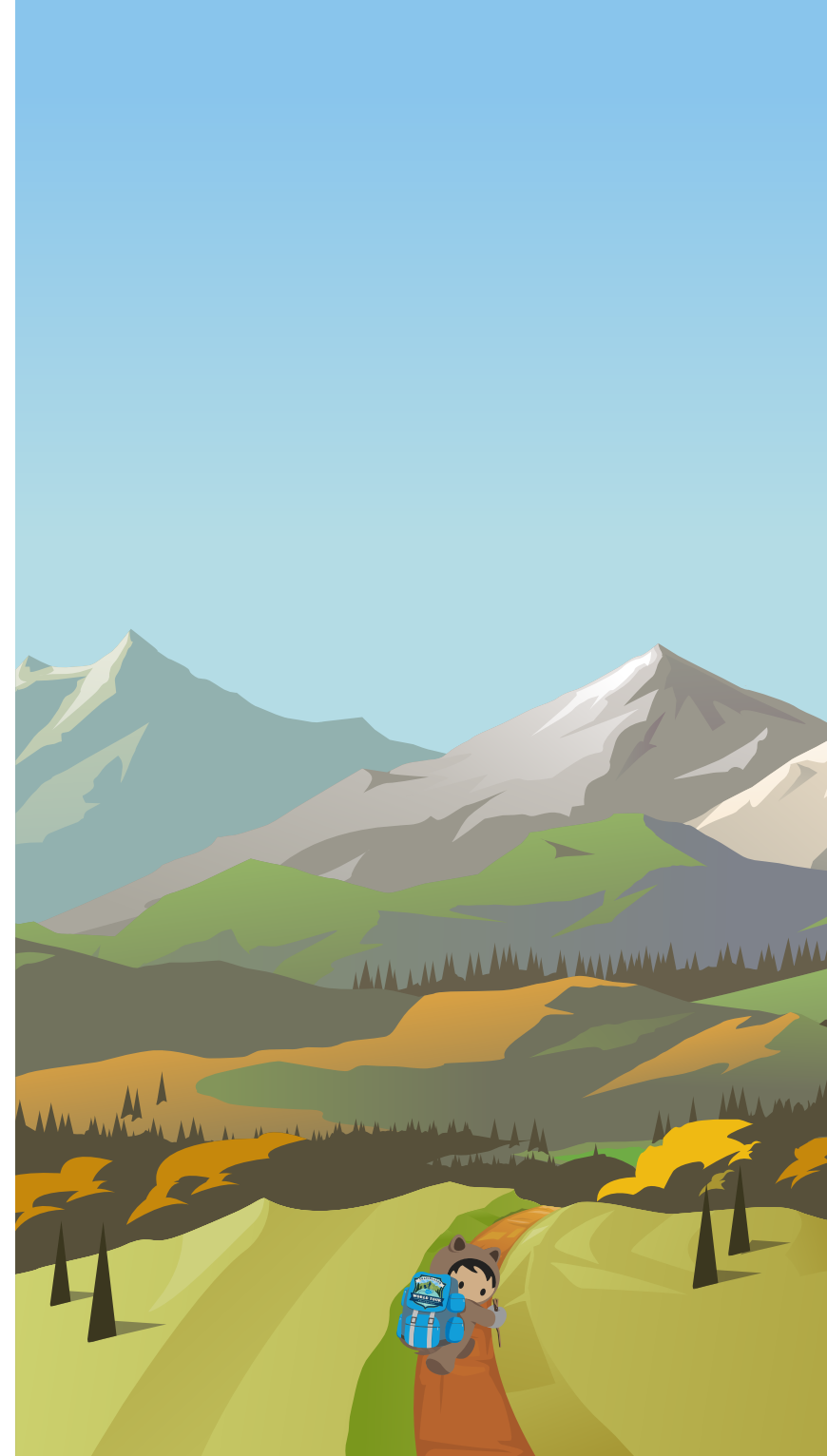
The value of CPQ goes beyond your sales team. It extends across your operations and to your customers, as well.

1. Your Customers

When you use CPQ, your customers receive quotes faster. CPQ tracks which customers are eligible for discounts so sales reps can offer the best pricing options, ensuring they get the best value. Your customers will also appreciate getting proposals that include accurate and appropriate product bundles and configurations.

2. Operations and Technical Teams

Operations and technical teams often have to clean up the mess when quotes contain inaccurate product configurations. By implementing CPQ, reps are guided to create sales quotes that are correctly configured and accurately priced every time, making it easier for operations to do their job.



3. The Quote Approval Team

Your company may have one person who reviews quotes to check for correct product configurations and another person who reviews them for pricing accuracy. These can be never-ending jobs, and as your company grows, those responsibilities do, too. With CPQ, you can enforce your business rules for pricing and configuration, so the expertise can be automated, saving their time for more complex projects.

4. Your Sales Team

With CPQ, your sales team creates accurate, professional quotes and proposals. Your reps will be thrilled with the additional time they now have to prospect, generate leads, and close more deals.

5. Finance

Your finance team will be hassled less frequently when you adopt CPQ. They'll be pleased that the right permissions are baked directly into the system, freeing up their time for more strategic processes.



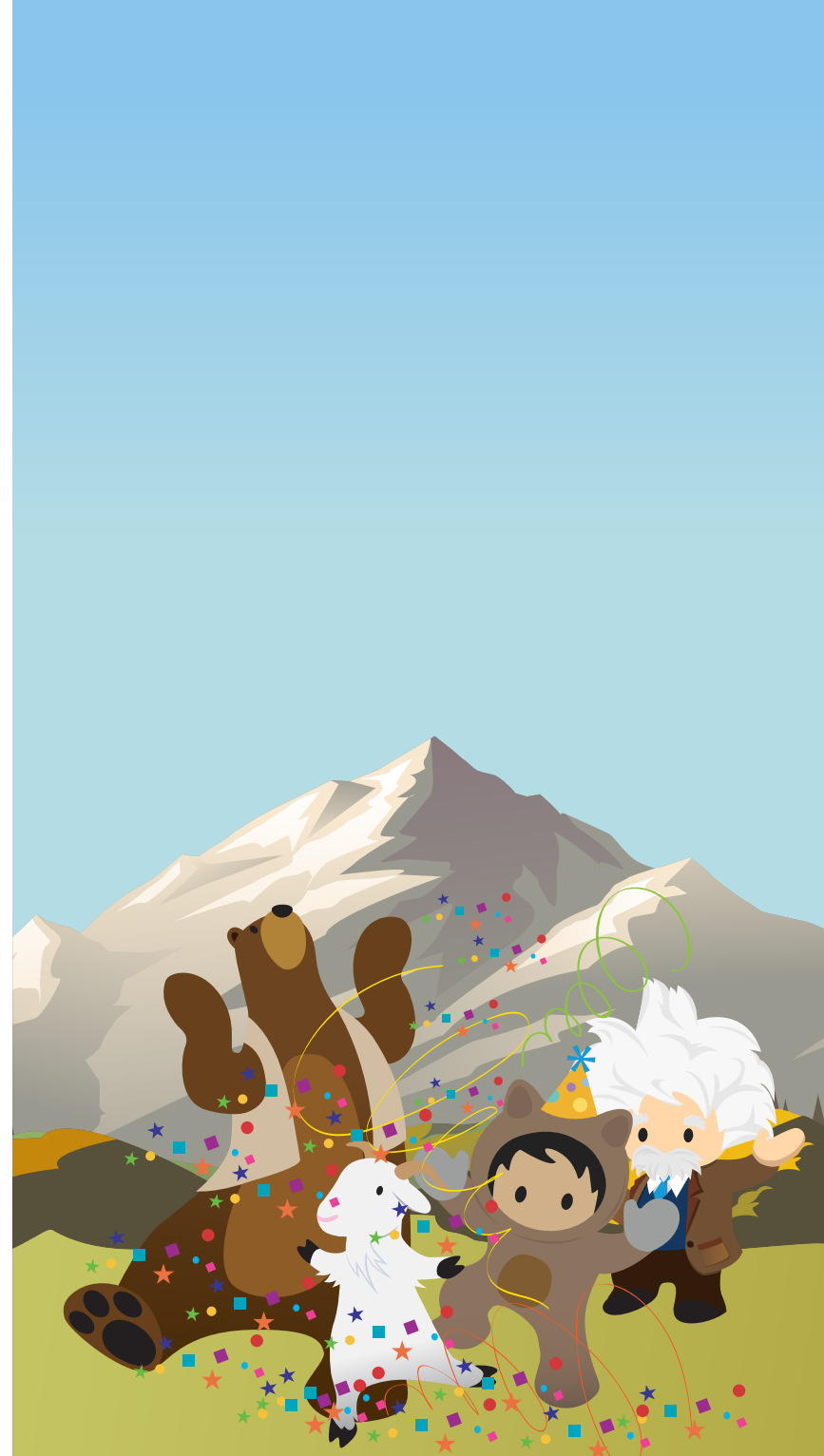
There's Always More to Learn

Check out our CPQ demo to see Salesforce CPQ in action.

[WATCH DEMO](#)

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