RESOURCE GUIDE

The ultimate guide to configure, price, quote (CPQ)

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Missed revenue opportunities

"I don't know which products can be sold together"	**incorrect configuration, frustrated customer**
"I discounted too much in order to close the deal"	**margin leakage**
"I had to meet with too many people to create the quote"	**delayed quote**
"I need to find someone who can approve this quote"	**missed opportunity, delayed quote**
"I didn't even know that product was available to sell"	**lost sales**
"I don't have enough information to forecast my pipeline"	**inaccurate forecast**
"I discounted too much in order to close the deal"	**margin leakage**
"My deals take too long to close, and buyers end up going with someone that's faster"	**frustrated customer, lost sales**

These are common concerns raised by sales teams and are indicators money is being left on the table. So, what business processes cause statements like these to arise? Which of these challenges is your business currently facing?

Complex and revolving offerings

If your business has any measure of complexity, such as complex offerings, your team is likely facing these challenges:

- **Difficulty finding current and complete product info**
- **Thousands of SKUs to sort through**
- **Dynamic price points that are hard to calculate**
- **Physical goods, subscription-based products, services, and usage-based services that need to be sold differently**
- **Complex product and service configurations making it difficult to provide the correct offering without time-consuming reviews and corrections**

Complexity and consistent change can cause unfamiliarity with offerings. Time spent on things like hunting down the right price or figuring out what products work together leads to human error and inadequate deal sizes with lower win rates.

62%

of a typical salesperson's time is spent on responsibilities that do not produce revenue.

Inefficient, manual processes

If your business is relying on manual processes to get complex quotes to prospects, you're likely experiencing some of these acute pains:

- **Incorrect order configurations because teams don't know the correct options**
- **Your product experts get called into more deals to create accurate configurations than they have time for**
- **Data in multiple systems results in slower response times as well as incorrect quoting and product configurations**
- **Your quotes take too long to get out the door and contain many errors**
- **Managers become bottlenecks for approvals**

Inefficient manual sales processes delay quoting and ultimately cost extra in fulfillment, leading to dissatisfied customers. **As the way people are buying evolves, the way you sell needs to adapt.** Customers want speed. Taking too long to create complex quotes can greatly impact your win rate and sales reps' quota success.

up to

50%

of sales wins go to the vendor that responds first

Disconnected revenue lifecycle

For many, the revenue lifecycle operations process is disconnected and fragmented. Many companies and organizations are using multiple products and solutions, which creates a multitude of business and customer challenges including:

- **Poor customer experiences**
- **Compliance issues**
- **Lack of consistent and historical data**
- **Unpredictable revenue**
- **Poor employee experiences**

Operational complexity causes challenges for employees and pain for your customers. When these processes are not working, your revenue becomes unpredictable.

82%

of B2B decision - makers think sales reps are unprepared

The solution: configure, price, quote (CPQ)

For forward-thinking organizations with complex products, complicated pricing, and manual processes, CPQ can be a meaningful change.

What is CPQ?

CPQ empowers sales, partners, and customers to efficiently configure complex products and services offerings while providing personalized prices and quotes that utilize rules-based configurations and pricing information—ensuring higher win rates and a more pleasurable buying experience. Maintain a single price book, discounting structure, and quoting structure across all your channels with Conga's CPQ solution.

What does CPQ do?

CPQ delivers increased sales and improved margins by automating the selling of complex products and services, which enables a more efficient and profitable sales process. CPQ enforces processes that mimic the actions of an organization's best sales reps, driving faster and more accurate quotes at the optimal price.

CPQ picks up where CRM left off by making your complex product, pricing, and business rules available to sales reps and partners in real time. As a result, they always have access to the information, guidance, and tools they need to configure, price, and quote every opportunity quickly and accurately.

Configuration guidance

Search for desired products or services based on features and options. Pre-defined rules will guide the user through any required configurations as well as offer insights into any optional components or services for cross-selling or upselling opportunities to increase deal size. Rules-based configuration improves the accuracy of selling items with unlimited product complexity, including nested bundles.

Leverage the knowledge of your top sellers within the organization by incorporating their successful selling processes into a guided selling model that can be replicated at scale across the organization.

Take the quiz

- [ ] **Do you have an up-to-date catalog and product data for your customers across all channels?**
- [ ] **Can you configure and sell optimal solutions to your customers?**
- [ ] **Can you produce accurate configurations that do not result in errors, delays, fulfillment issues, or lost revenue?**

If you answered "no" to any of these questions, you have some **configuration** challenges to solve.

Pricing Optimization

The P in CPQ—pricing—incorporates the optimal price to sell an item as well as what approval routes should kick in when sales reps offer prices outside the preferred parameters. These rules are an essential part of controlling your margins—without guardrails like this in place, your deals are at risk of rogue discounting or inconsistent pricing across channels. This creates lost revenue that quickly adds up.

With the right CPQ solution, users get a sophisticated pricing engine to define multiple price types (one-time, recurring, contracted pricing, cancellation, etc.) for any product. Dimensional or formula pricing can also be defined based on quantity, customer rating, region, etc. Pricing discounts can be tailored based on company goals and suggested discounting can be provided and enforced to meet those goals.

Take the quiz

- [ ] **Are sales reps sending quotes with incorrect prices to customers?**
- [ ] **Are customers contesting the prices based on what was contracted with them?**
- [ ] **Are you requiring time from a developer to update prices or add new prices?**
- [ ] **Are sales reps not getting the visibility needed during price negotiation?**

If you answered “no” to any of these questions, you have some **pricing** challenges to solve.

Quote collaboration

For complex quotes that require participation from multiple people or teams within the organization, CPQ allows for collaboration with the various teams. By sending the whole quote or portions of it to team members or groups, they can help configure and price the quote, allowing various contributors to work in tandem, expediting the quote, without compromising on quality.

Take the quiz

- [ ] Are your quotes accurately and quickly created and sent to customers?
- [ ] Are you able to process small to large carts with optimal configuration and price?
- [ ] Can you easily manage contract pricing, ensure compliance, and drive loyalty?
- [ ] Are your teams enabled to work together and produce quotes quickly?

If you answered "no" to any of these questions, you have some **quoting** challenges to solve.

A single data model

In order to provide real-time, up-to-date information to all parties, it's imperative to consolidate all your data in the same system. A single data model eliminates silos and allows for executive decision-making from a single source of truth with trusted analytics of the entire revenue lifecycle. This lowers the risk of data inconsistency between quotes and contracts while ensuring accurate billing forecasts upfront during the quoting process.

A single data model also has a lower total cost of ownership. Managing multiple sets of data increases risk and as well as cost, however with a single data platform, when you add new products, you don't have to worry about new databases or integrating databases between existing and new products.

Connecting the revenue lifecycle

A common mistake of businesses is when they consider a sent proposal to be the end of the quoting process. However, the sales cycle doesn't stop there. Quoting continues until finalized quotes turn into contracts and completed orders.

If it takes weeks to negotiate terms and conditions and to get a signed contract, you've limited the advantages of a CPQ solution. Instead, quotes should flow seamlessly into contracts, so you can close deals and get them on the books quickly and efficiently.

CPQ is the first step in an end-to-end process that transforms the revenue lifecycle and connects all your major business functions, from sales to legal to finance. As a result, it's vital to choose a CPQ solution that is part of a unified set of revenue lifecycle solutions built together on the same platform.

Want to learn more about the revenue lifecycle?

Check out our guide

Benefits of CPQ

With a CPQ tool, sales teams and leaders can create complex quotes faster with better accuracy, reverse revenue leakage into guided upsell and cross-sell opportunities, and harvest data to drive predictable revenue.

38%

faster time-to-quote

Increase speed without errors

With CPQ, organizations can provide faster, more accurate quotes to prospects, providing a better buying experience for both the buyer and the seller regardless of the selling channel.

For organizations that are selling complex offerings, CPQ eliminates manual quoting processes and helps simplify business complexity, so your reps have more time to spend with customers. Here are the top ways that CPQ shortens your sales cycles:

- **Provides one centralized location containing all product and pricing information which is easy to navigate, update, and scale globally**
- **Guided selling and user-friendly interfaces make it simple for reps to find and configure the right products for their customers**
- **A powerful configurator simplifies product complexity, so it is efficient for both reps and admins to use**
- **Automated workflow approvals take real-world situations into account, like non-sequential approvals or unavailable managers**
- **Collaboration tools allow all experts and contributors to work on a complex quote in the same system**
- **Grow revenue with multiple business models like subscription services, usage-based services, physical goods, and professional services on a single quote**

A single data model also has a lower total cost of ownership. Managing multiple sets of data increases risk and as well as cost, however with a single data platform, when you add new products, you don't have to worry about new databases or integrating databases between existing and new products.

Maximize Value

When manual processes collide with business complexity, your bottom line suffers. Reps become too engrossed in manual processes to spend time on cross-selling and upselling. And, in a frenzy to close deals, they often give deep discounts that can leave your margins empty.

A sophisticated CPQ:

- **Does more than just prevent deep discounts—it helps your sales team expand the value of your deals**
- **Provides guided configuration to highlight cross-sell and upsell opportunities**
- **Has intelligent pricing tools that protect your margin while guiding reps on prices that win**
- **Stops rogue discounts with approved discounts and workflows to get reviews on other pricing changes if necessary**
- **Allows you to see what deal configurations are more profitable and successful**

When you price your products with market conditions, prospect and buyer demographics, close rates, geography-based factors, and pricing history in mind, you can offer smarter discounts based on data, and avoid making mistakes that cut into your margins.

22% increase in overall deal size

32% reduction in rogue discounting

Predictable revenue

CPQ is foundational to predictive revenue models. It creates a repository of configurations and discounts that can be tied to deal attributes, like competitors, segments, industry, deal size, and win/loss data. You can start probing the data to answer questions like:

- **What configurations and combinations typically sell together, and at what price points?**
- **Can we deliver standard, reusable configuration and discounts as a starting point to reduce the time it takes to generate a quote?**
- **How long does it take to turn around a quote approval?**
- **How much variation do we see in terms of discounts? Can we auto-approve certain discount thresholds?**
- **Can we sell standard, simple configurations with an online, self-service e-commerce solution?**
- **Are we doing low-margin deals to win the opportunity? Are those deals worth doing?**

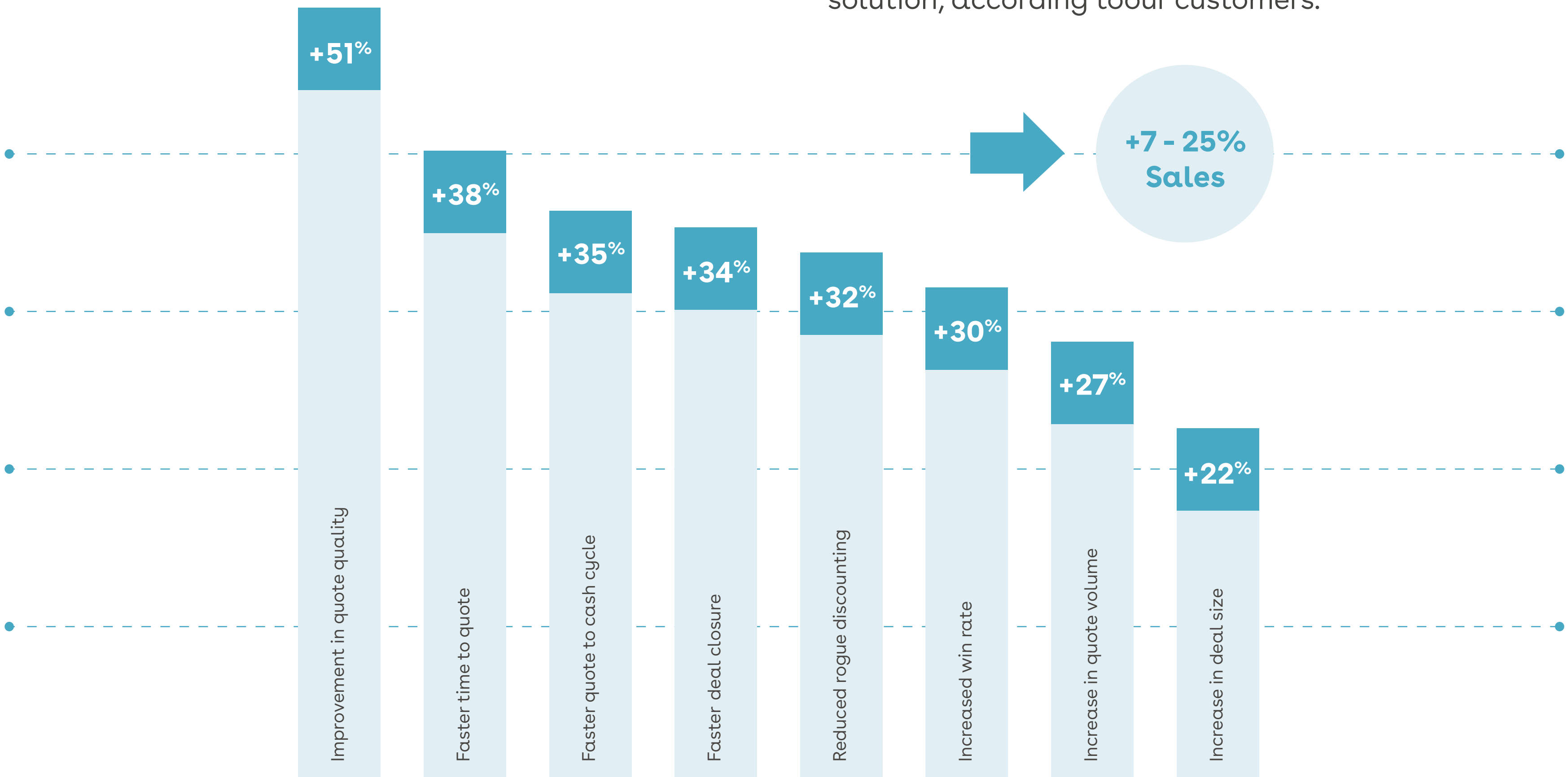
With these answers, you can start surfacing the characteristics of historically successful deals, position complementary products and optimize discount levels with recommendations at quote time for all your in-flight opportunities. These outcomes can maximize revenue, margin, or a combination of the two.

Learn more about how CPQ drives predictable growth.

Read the blog

The return on investment of CPQ

CPQ is paramount for sales efficiency and effectiveness, especially when quotes and contracts are fully integrated from end-to-end. Here are some of the real business outcomes of an automated CPQ solution, according toour customers.



Average percentage improvements reported by Conga customers

Source: Apttus Quote-to-Cash (QTC) Impact Study conducted June 2017 by an independent third-party, Satmetrix, on 200+ Conga (Apttus) customer contacts selected at random. Performance metrics are intended as a guideline based upon historical results from a sample set of customers. Results are dependent upon many different, customer-specific factors. Therefore, actual results will vary. Response size per question varies.

Conclusion

By eliminating complex processes and driving better selling behaviors, CPQ allows sales reps to generate complex quotes faster and with improved accuracy, leading to bigger deals at a higher win rate.

Don't take our word for it. Our customers tell us every day what a major improvement our solutions make for their teams.

Hear more about how other companies use CPQ tools to solve business challenges.

Read more customer stories

"We now get much more accurate quotes out with good pricing guidance and sales reps can edit from within the cart. We've seen a 50% drop in the time it takes to create a quote. We now automate a majority of our quotes, both direct and channel. This has been a huge win for our deal desk and sales operations teams.

- Anisha Vaswani
Corporate CIO - Box

About Conga

Conga crushes complexity in an increasingly complex world. With our revenue lifecycle management solution, we transform your unique complexities for order configuration, execution, fulfillment, and contract renewal processes with a single critical insights data model that adapts to ever-changing business requirements and aligns the understanding and efforts of every team.

Our approach is grounded in the Conga Way, a framework of entrepreneurial spirit and achieving together to champion our 11,000+ customers. We're committed to our customers and to removing complexity in an increasingly complex world. Our solutions quickly adapt to changing business models so you can normalize your revenue operations.

Learn more at conga.com or follow Conga on Twitter: @CongaHQ

For more information

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