White Paper

IBM CPQ*: 5 Steps to Transform Selling

*Configure, Price, Quote

Watson Commerce

IBM

Contents

Introduction

When you're responsible for a company's sales performance, the systems you have to use can't make sales harder. After all, the sales experience often is the first interaction customers have with your company—the face of the business. So whether it's the processes your team has to follow, the screens presented to your customers, or the tools used to fill orders, each element should make the entire quote, sales, and fulfillment cycle simpler—shouldn't it?

But you know that isn't always the case. Just think about some of the challenges that make it difficult to put the customer at the center of your business:

- Interfaces that make product configuration difficult for sales teams and customers
- Governance structures that make it near-impossible to respond quickly to competition
- Inventory methods that leave sales teams and customers wondering—*just when is it going to ship?*

And that's just part of what you're dealing with—just the beginning. Old systems and old processes for handling fulfillment, can limit your teams in every step they take to make a sale.

So, be honest: **How easy is it for your customers to do business with you?**

You may have the perfect product—high quality, tested again and again, and developed based on your industry experts' years of experience. It may be the pride of your company's product line.

But if your customers can't get it easily, quickly, and when they expect it...

If they can't get it without frustration...

If they, and you, can't get it right the first time...

...they'll find it somewhere else, even if that means settling for a second choice. And just where does that leave your sales team? Where does it leave you?

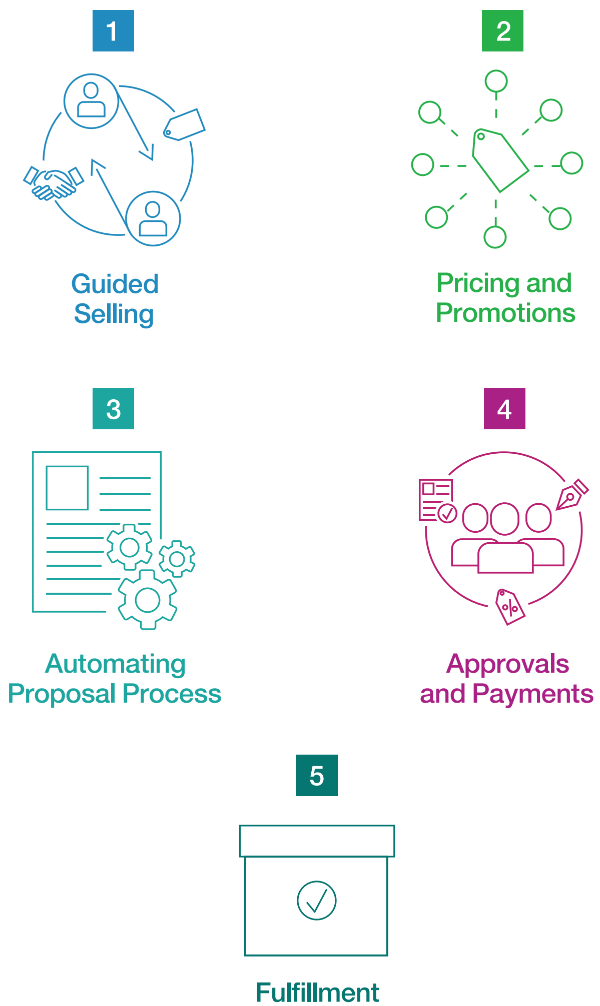
A positive experience—expectations met and even exceeded—drives today's customer loyalty. And there is no room for error, for delay, or for uncertainty in the purchasing process. But no matter what challenges you're dealing with, there are ways to face them—and fix them.

Let's walk through what it takes to simplify and transform selling, and let's reimagine how you can make successful sales easier...and your customers happier.

And then we'll show you how IBM can help.

Five steps to transform selling

Let's consider some of the struggles you're facing in each area of process and ways you can implement improvements, no matter the solution you choose.



Step 1: Guided selling

What is your customer's first experience with purchasing from your company? Whether it's through a self-service interface or a sales representative, that first interaction sets his or her expectations. And make no mistake—those expectations are already high. Customers expect individualized experiences that hone in on their needs and don't waste their time with superfluous details. Meanwhile, your products may require complex configurations, whether it's a single item with a dozen variables, a suite of products, or a bundle of services and products that need to be selected, purchased, and delivered as promised—together. Someone has to configure those products—either customers directly through an interface or sales representatives who want to close a transaction quickly and move on to the next.

You must make sure customers understand all those decisions—and that they feel their needs are recognized and understood. And dedicating sales staff to holding customers' hands on every detail through the process is time consuming and expensive, leading to missed opportunities. You need a system and processes configurable to meet individual needs and that help customers answer their own questions when possible. You want to enable your customers to make smart decisions they can be confident about—either a day after the order or six months after delivery.

With that in mind, you're looking for a solution that allows you to:

- Enable successful self-serve sales (no matter the complexity)
- Simplify complex configurations for sales reps—both direct sellers and resellers
- Establish intelligent cross-selling and up-selling opportunities to maximize deal sizes
- Eliminate configuration errors (and create happier customers)

You need an intuitive guided-selling interface that makes it easy to configure the correct and complete solution to fit their needs. It must provide clear options to customers and help manage their expectations for the whole sales cycle, with available-to-promise (ATP) insight visible to customers and sales teams. You need a simpler process of making additions and changes to your configuration options, preferably one that doesn't require your customer or your team to be put on hold. And you need it to support the mobile experience, offering a mobile application with responsive web design that can be deployed, managed, and scaled independently of the guided-selling solutions implemented in other parts of the business.

Step 2: Pricing and promotions

How do you determine product pricing? And how do you keep your sales teams—whether they're local, across the country, or around the globe—informed of pricing changes? Many sales teams struggle with outdated communication methods—spreadsheets attached to email, or worse—that use up valuable time and increase the likelihood of human error.

After all, how easy is it for one person to transpose a few digits or miss an email in a flood of business notices? At minimum, outdated systems for sharing information introduce unnecessary delays.

And think about how you handle promotions. Do you use those same systems to keep sellers and resellers informed of their options? Many companies still make use of one-size-fits-all offerings, which may work in a tiny market with limited competition but not for a company competing on a larger scale. If a seller in one region could immediately launch a promotion to address a competitor's move, and that promotion had been approved ahead of time, imagine the value to y our customers.

And speaking of value, every customer wants a deal—and it's in your best interest to give him one. But do you know the sweet spot? How much profit is lost by offering a bigger deal than necessary to close the sale? So, let's think about a new vision for pricing and promotions. With an ideal system, you could:

- Maintain centralized governance through authorized pricing adjustments, giving flexibility locally
- Enable price changes and promotions without needing IT intervention
- View historical pricing data for the highest possible margin on the quote, while still providing value to the customer
- Target offers to the individual or segment
- Ensure consistency across all channels

You need a solution whose automation creates a responsive and flexible pricing environment that saves time, reduces the possibility of human error, and ensures your company's profits are maximized with minimal margin erosion.

But pricing isn't the only area that could benefit from automation. What about those time-consuming proposals?

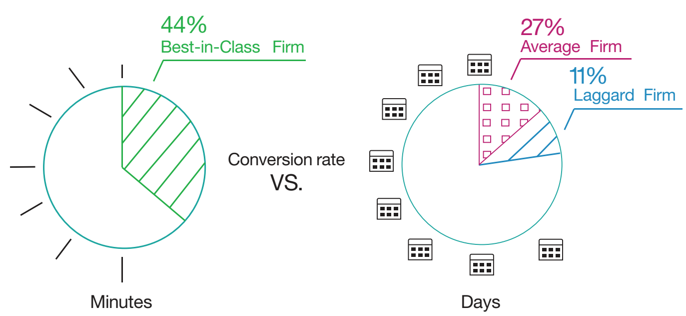
Step 3: Automating the proposal process

Successful sales teams have their skills, and whether your people are interacting directly with customers or have one degree of separation through self-service interfaces, you know it's critical to let them put those skills to work.

Right now, how much of their time is spent selling, and how much is spent configuring quotes and proposals? You know it's not the same thing. One is forming a connection, identifying and fulfilling needs; the other is administration. It's in your best interest—and your company's—to let your people do what they're good at and spend less time either recreating standard quotes and proposals or trying to modify one-size-fits-all templates to meet a custom need. Think about how efficiencies in building that quote, delivering it to the customer, and acquiring the necessary approvals could benefit your sales teams, your business, your customers— and you.

Imagine a workflow in which your best people spend less time on administration and more time selling. Imagine:

- Quotes and proposals that can be both template-based for consistency and customizable for flexibility
- Allowing partners to add value to the quote by including their products and services
- Reduced time to provide a quote, through automation and pre-defined templates



Avoid time-consuming pricing and quotation discussions

You need a solution that maximizes efficiency while ensuring consistency for your sales staff—that makes it easier for them to focus on part of the job that's critical to your business's success. The result? Customers are served faster, your best sales people are happier, and more orders can be handled in the same amount of time.

So, the proposal is completed, and it needs to be approved...

Step 4: Approvals and payment/workflows

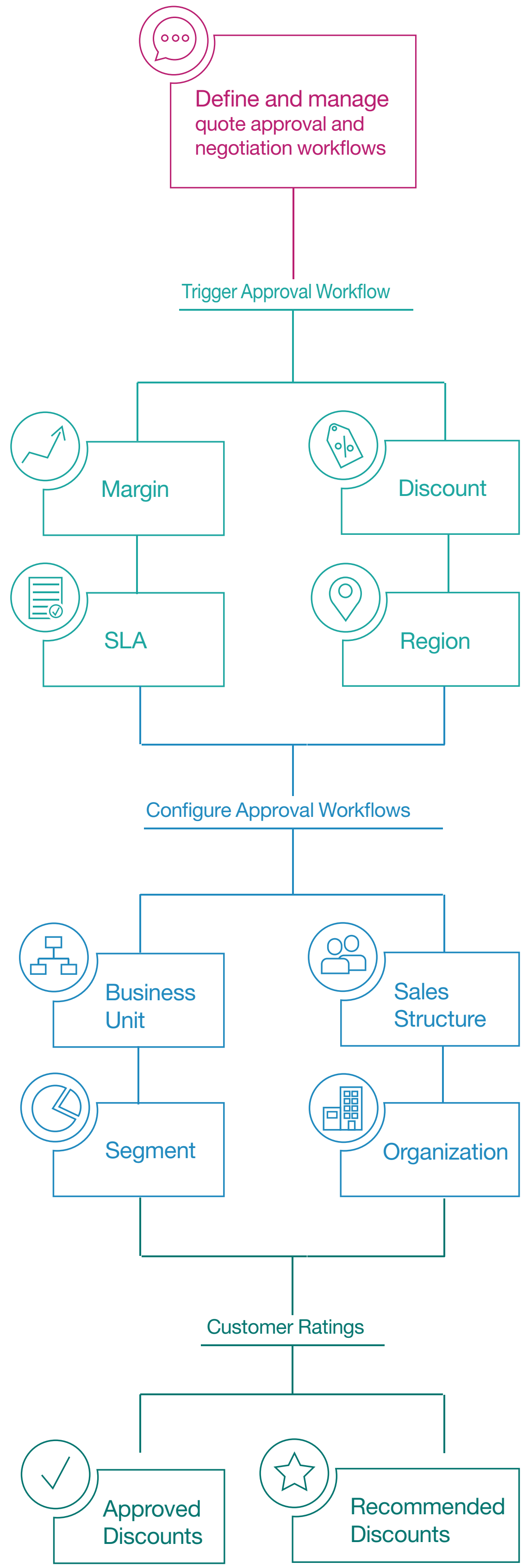
...and then, you wait. Or, rather, the sales staff waits. A quote or proposal needs to travel up the org chart and be evaluated by one person, two...an entire department? Who approves a deal—and how confidently it's approved—can be dependent on any number of factors, such as sales margin and discount, products and services offered, and location. It all adds complexity, and every finger that touches the quote adds time. Time to evaluate from the beginning whether the terms, price, and configuration are within parameters.

A complicated internal approval process can be fatal to the momentum of a deal, and the risk of deals "slipped and lost" is high. How many of your potential customers drop out during this step? How many deals are you losing because of your internal processes?

The approval process is another area that can benefit the most from efficiency and automation. Consider a system that allows you to:

- Define and manage quote approval and negotiation workflows
- Trigger approval workflows by configurable criteria such as margin, discount, SLA, offering, region, or more
- Configure approval workflows by business unit, sales structure, segment, organization, or other demarcation points
- Use customer ratings to influence approved and recommended discount levels
- Monitor order margins throughout the entire quote and order process to ensure corporate standards are maintained

Like your quote preparation process, managing approvals should have as little impact as possible on sales teams, and your solution should ensure that your business can approve deals with speed and confidence. After all, the quicker you can get a quote in the hands of the customer, the higher the customer satisfaction and greater likelihood of closing the sale.



Step 5: Fulfillment

Once the deal is made and the approvals are acquired, the job is done—for some. For the systems, departments, and people who handle fulfillment, the work is just beginning. And in many companies, fulfillment feels like an entirely different job.

It isn't.

Every step in the process is part of a single goal—ensuring your customers receive what was promised, when it was promised. But having a separate inventory and fulfillment process can be counterproductive to that goal. Perhaps your sales people are flying blind to what is actually in inventory or when delivery can be achieved. Perhaps you have a manual process for fulfilling orders that allows inefficiencies and errors to creep in throughout. Perhaps changes to an order, such as the addition or removal of products, throw your system into turmoil.

Fulfillment should be efficient, streamlined and integrated. Consider this potential:

- Automated fulfillment of each line on the order based on optimal fulfillment location
- Real-time accurate visibility to inventory and the complete quote to fulfillment process at every step of the deal
- The ability to modify an order no matter where it was originally placed
- More accurate ATP dates based on the entire project's workflow
- Tracked fulfillment with alerts for delays

With the right fulfillment process, those five steps to transform selling will take you all the way to a happy customer. And happy customers will drive new buyers. In fact, 75 percent of B2B buyers are influenced by social messaging: The new B2B buyer is educated, social, and doesn't require face-to-face contact.

We'd like to tell you how IBM can make this happen for your company and your customers.

How a single CPQ and Order Management platform helps

You don't have to imagine what's possible anymore. The ideals captured above—guided selling, pricing and promotion, automation, approvals, and fulfillment. IBM Configure, Price, Quote (CPQ) and Order Management brings every single one of them to your sales efforts.

It's efficient: By covering the entire engagement-to-fulfill lifecycle, IBM CPQ introduces efficiencies all along the way—from that customer or business user configuring an order to the ultimate on-time, as-promised delivery. You'll ensure your sales team spends their time selling, not configuring documents or waiting for approvals.

It's empowering: You'll increase the flexibility of regional and on-the-ground sales to respond to local competition immediately, and ensure their ability to implement promotions accurately. You can update pricing and promotions strategies without turning to IT intervention.

It's multichannel: No matter how or where you sell, IBM CPQ makes it easier by streamlining a complex sales process with multiple market segments, channels, product lines and divisions or brands.

No matter what your organization sells, no matter the size, B2B or B2C, you will benefit from IBM CPQ. Consider these scenarios:

- A company has a mobile sales force that goes out into the field and configures solutions for customers. A mobile device guides them through the configuration options and various choices to meet the requirements and generates a quote that can be emailed to the customer.
- Another company has huge infrastructure needs—needs in which a single error can be catastrophic in both cost increases and time delays. Orders are fewer in frequency but higher in consequences: correct configuration and as-promised delivery are essential.
- Lastly, a large employer with numerous departments—a hospital or university, for example—needs the ability to present different business users with different items at granular-level, negotiated prices. Any changes to authorities for ordering can be handled without external intervention. The business users expect, and experience, an efficient process and autonomy.

Whatever the scenario, whatever your line of business, **IBM CPQ delivers for every quote-to-fulfillment need - ensuring each customer gets the right and complete solution.**

What's next

Getting from where you are now to an efficient sales process may seem overwhelming, but it doesn't have to be. Whatever sticking points your company is experiencing, there are solutions—efficiencies that can make your selling more successful, and, ultimately, your customers happier.

Read the report to support why IBM is the right CPQ solution and why we are positioned as a leader in the IDC MarketScape for Manufacturing CPQ Applications.

Read the report →

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