

A **5** MINUTE
GUIDE TO
SALES QUOTING SUCCESS!



KEY BENEFITS AND IMPLEMENTATION TIPS



INTRODUCTION

A key success factor for any business in a competitive global marketplace is to provide innovative and quality products and services better, faster and cheaper than the competition. The ability to deliver on-time, and at the right price is essential in today's competitive market.

For businesses that issue quotes or configure custom products, the quote-to-order process is a crucial part of the business enterprise. No other process is as critical for maximizing revenue and meeting the needs of customers. Timely and accurate quotes and proposals have a significant and direct impact on orders.

Businesses that fail to identify the need for better sales quoting tools or, continue to rely on Word Documents and Excel Sheets, put at risk (handcuff) their ability to grow revenues and meet customers' demands. Disconnected sources of information, such as customers, products and quotes lead to inefficiencies, duplication, errors and delays. Just one error a week that flows from the quote to the order, resulting in re-work, can have a disastrous impact on a company's bottom-line.

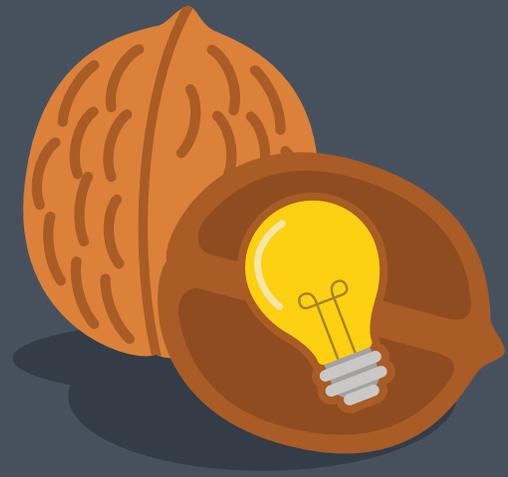
An effective quote to order strategy helps businesses to control costs while also uncovering hidden opportunities for business growth. There is a direct link between a well-designed quote to order process and a company's ability to grow sales and enhance customer service.



This white paper will provide a road map on how your business can implement and benefit from a new sales quotation solution

A well implemented CPQ/Sales quoting program can entrench customer loyalty, boost margins and establish a distinct competitive advantage in the market.

BENEFITS IN A NUT-SHELL



Companies that implement a sales quotation/CPQ program find that a well-implemented solution provides a competitive advantage by increasing efficiency, eliminating errors, and enhancing customer satisfaction. Implementing a solution requires a commitment of time, money and resources, but once installed the return on investment can often be as little as six months to under a year. The key to a quick ROI is to focus on the main pain points in the current quote process and implement a solution focused on resolving these issues.

IDENTIFYING THE ROI

Getting the approval to invest in a new solution can be the first challenge. Before embarking too aggressively on software evaluation, ensure you have management, finance and ownership agreement. Too often an organization will spend significant time evaluating software, only to be told that there is no money.

Normally, staff in the trenches recognise the need and have a gut feeling that a better approach will add significant value to the business. The challenge is converting this intuition into some tangible benefits. The key is to identify the main bottlenecks with the current approach and then applying a cost or lost opportunity, if the current approach remains. Typical benefits fall under one of four types:

- **PRODUCTIVITY GAINS**
- **LOWER COSTS**
- **IMPROVED REVENUES PROFITS**
- **ENHANCED CUSTOMER SERVICE**

The best place to start, is to look at productivity gains and lower costs as these are typically easier to quantify.

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PRODUCTIVITY GAINS

A well-implemented quote system automates repetitive tasks and frees-up sales reps and customer service staff to spend more time interacting with customers. By standardizing procedures and consolidating all quote activity into one application organizations can eliminate many manual and disconnected steps, making it easier to find a quote, price or customer in just a few simple steps.

Accurate quotes reduce time spent error checking and eliminates back and forth questions between sales and customer service, leading to significant time savings. This frees up time for staff to focus on added-value projects, prospecting and marketing efforts that they wouldn't otherwise have time for. More importantly, automating the quote to order process enables a business to grow sales while maintaining staff levels.



REDUCED COSTS

Getting the order correct at the quote stage has significant cost savings that extend throughout the order fulfillment process. Enterprises that rely on manual steps and disconnected procedures risk introducing errors at the quote stage that flow through to the order. For example, a revision made in the quote pricing work sheet is not carried forward to the quote document to the customer, leading to an error and costly rework at the order stage.

A centralized and integrated solution helps a business control costs in several other ways including;

- Reduced duplication
- Improved purchasing decisions
- Better account continuity
- Eliminating unprofitable work
- Simplified data administration
- Better supplier pricing

Having a unified quote to-order solution helps a business deliver on promises, increases quote and order volumes and eliminates order errors.

INCREASE REVENUES & PROFITS

Businesses and sales reps are continually under pressure to sell for less. As competitors, lower prices it's natural to follow suit. In the end, profitability suffers.

When margins are tight, it's very important to know the profit on any potential order at the quote stage. Not knowing the true margin on a sales opportunity can lead to orders that lose money. By implementing a well-designed quote-to-order solution, it's possible to see the margin upfront, adjust margins where acceptable and walk away from unprofitable work. In time, businesses can begin to improve overall margins and stay clear of undesirable business.

After setting margin targets, and expectations for the sales team, sales reps have the tools to maintain required margins, and managers can easily monitor the effectiveness of the program. When customers try to negotiate price, everyone in the sales process knows what further movement is available and decisions can be made to maximize profits to the company.

In addition to margin improvement, a sales quoting program can help businesses:

- Improve quote tracking and follow-up with fewer missed opportunities
- Ensure required options and services are not overlooked
- Maintain up-to-date pricing – price increases implement painlessly and immediately
- Increase accountability by sales reps and dealers to enhance revenues
- Upsell options or additional services to increase order size
- Improve management reporting - Identify market trends faster and adjust accordingly

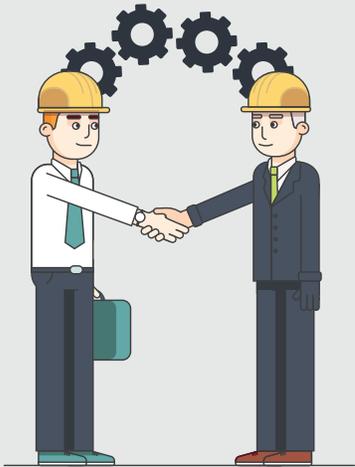
Customers will continue to demand better pricing and shorter turnaround, placing tremendous pressure on sales organizations. An effective quote to order solution helps businesses to respond to these demands and provide management with the information they need to make informed decisions.

By implementing a well-designed quote-to-order solution, it's possible to see the margin upfront, adjust margins where acceptable or walk away from unprofitable work.

ENHANCE CUSTOMER SERVICE

In most businesses, the ability to manage an account falls on several individuals, including sales, customer service and order fulfillment. An automated quoting solution allows employees in various departments to successfully collaborate to service the customer. Even when someone is away, the ball can continue to move forward. Here are a few key ways a sales quoting program can help improve customer service.

- Customized quotes to individual customer's needs
- Faster quote turnaround
- Consistent and professional presentation
- Instant access to up-to-the-minute product pricing and information
- Provide on-the-spot customer specific pricing
- Quickly convert quotes to orders
- Better account continuity through effective collaboration



The biggest benefit of a well-implemented sales quoting system is often the improvement to the overall customer experience. The ability to easily and accurately identify customer needs and track and prioritize opportunities helps build relationships with customers, leading to more sales, shorter sales cycle and greater customer retention.

An automated quoting solution promotes collaboration and allows employees in various departments to successfully work together to service the customer.

ACCOUNTABILITY, EFFECTIVENESS & COLLABORATION

In the end, implementing a sales quotation solution will simplify work and enhance a business' ability to service the customer. It facilitates accountability as performance can be measured and promotes better decisions as data analysis is more effective. Equally important are the intangibles a solution provides by fostering greater collaboration within the organization, leading to a better overall work environment.

8 BEST DEPLOYMENT PRACTICES



The process to implement a new software solution is well documented. The challenge is that businesses do not follow the plan. They often try to take short cuts or under estimate the commitment required to get the project up and running. No pain, no gain, no short cuts! It's also important to keep in mind that sales quoting is unique to each business. Quoting is not like accounting where there are set rules that need to be followed. Each business can decide how they want to arrive at a cost and price for their products and services. Even businesses in the same sector, can all use the same ERP program, but all have a different approach to quoting. Although planning is essential, it doesn't need to be a stumbling block to advancement. Significant progress can be made in one or two focused sessions with all stake holders present. An experienced vendor, with credible industry experience can assist with this first step.

ALIGN WITH THE BUSINESS

It is essential, at the planning stage, that the goals you want to achieve that are aligned with the overall business objectives. Your roadmap should clearly show how the new software solution will benefit users, departments as well as the entire organization. With everyone on the same page, quick adoption is more likely and the contribution to the business can be a game changer.

BUY IN – MANAGEMENT/OWNERS/USER

Crucial to the project is management's commitment to the time, resources and investment to the project. If this doesn't exist, then the project will quickly stumble when the first hurdle is met or other priorities get in the way. A successful roadmap is one where all the stakeholders can clearly see the value of where they are going and why. Your roadmap should clearly and concisely articulate the benefits of buy-in for everybody—and be open enough that they feel they have contributed to its design. Users must see the benefit and be willing to accept change. Users reluctance is a main contributor to shelf-ware.



CHAMPIONS

A typical project requires two champions. One from management and a second at the user level. These individuals act as the primary contacts between the business and the vendor. They facilitate planning, project continuity, accountability and cooperation. User involvement is also key. They must be active in the requirements stage and early adoption phase. Getting user acceptance by a few core users helps bring the rest along leading to full user acceptance within the organization. Full adoption rates allow a business to maximize the potential of the new software and shortens ROI.



REQUIREMENTS ANALYSIS

The lack of proper planning and analysis is the major reason projects fail. Once software is selected, there is an assumption that all requirements have been met. But as the saying goes “the devil is in the details”. That is, there is likely a gap between what the buyer is expecting and what the vendor is delivering. To avoid this mistake, a proper and full requirements analysis is needed. This should include a clear statement of what is being delivered, what is included as standard or whether a request is a custom feature. Agreeing up front on all key deliverables helps ensure a project runs smoothly and side-steps costly extras and change order requests.

It’s a good practice to test your plan before embarking on a complete implementation. This step involves loading some of your data in the chosen quoting solution (e.g customer, product and quotes) and working through the process from quote to order. In this way, you can refine your requirements and confirm some of your more unique needs will be satisfied with the software you have selected. During this activity, any special requirements, management reporting, systems integration and any customization issues should be reviewed.

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AVOID THE KITCHEN SINK

Another pit-fall to many projects is the desire by the customer to include every possible need. It's important to identify core and non-core requirements and prioritize. Focusing on the core and leaving non-essential issues to a subsequent phase, helps everyone stay on course. Packing too much into a project can needlessly escalate project costs and, even worse, a program becoming cumbersome to use. Experience has shown, if a company takes care of the core requirements, many of the fringe issues actually disappear as the users begin applying the software, resulting in lower project costs and a quicker ROI.

QUALITY DATA PREP

A key ingredient to every quoting software implementation is the need for quality data including customer, product and pricing information. Depending on the source of this data it can be the most time-consuming piece of the preparation phase. Sources of data can be from an existing ERP system, Excel Sheets or supplier pricing lists. Developing a strategy and commitment to organized data to load and keeping data up-to-date, is a key success factor for any quote to order software project.

PHASED-IN IMPLEMENTATION

The implementation plan must adjust to the scope of the project and needs of the business. A phased-in approach can help deliver benefits quickly, while ensuring the deployment runs smoothly. For example, the first phase may involve deploying 4-5 users with the core requirements. These users can then provide feedback on program adjustments prior to rolling out the full user group. In a subsequent phase, the full range of requirements, including custom features can be delivered and all users trained.

Do not cut corners on the training component. Companies that invest in training, generate superior results. Since most users don't really start to learn until they actually use the program, it's good practice to identify coaches within the implementation team to help user's cross hurdles in the first days and weeks of deployment. Good vendors will also provide coaching during the ramp-up phase. The goal is to make the transition to full-production as painless as possible.

Working through the project step by step lowers the overall project risk and provides an opportunity to make adjustments during the transition to the new program. It also provides the users flexibility to schedule project activities around normal business activities, thus mitigating disruption to the business.



A phased-in approach can help deliver benefits quickly, while ensuring the deployment runs smoothly.

CONTINUOUS IMPROVEMENT

Once the program is in production it is a good time to take stock and decide if there are any further improvements to be made. These can be requirements identified at the outset, but not included in the original installation or totally new requirements that emerge as users begin to work with the application. Businesses and technology are continuously evolving and it's important to keep software up-to-date with these advancements.

Most businesses use software as a productivity tool, but some realize the strategic value an application provides in terms of market analysis, opportunity tracking, customer retention, margin improvement, sales performance and other high impact business results. These businesses tend to continue with new add-on features that pay big dividends with relatively small additional investments.

TYPES OF CPQ / QUOTING SOLUTIONS



To help plan your CPQ/Sales quoting deployment you will need to understand the cost, time and resources crucial to starting the process. The complexity of your requirements and desired results will affect your selection criteria.

Solutions can be defined into three types, 1) Basic Quoting Programs 2) Tailored Quoting Systems 3) Advanced Systems

BASIC QUOTING PROGRAM

Businesses that implement the most basic quoting programs are looking for a solution that is “out of the box,” with minimal configuration or implementation needs. Normally these businesses have a single key issue they want to solve with no plans for integration. Reporting, workflow, data analysis and dashboard functionality is not essential. Basic quoting programs follow a “one size fits all” design. The ability to configure the application to user specific quoting requirements is limited.

Entry level programs can be effective when the business requirements fit within the capabilities of the program. However, many businesses attempt to solve their quoting issues with a basic program only to learn after many hours of effort that the program can't meet the needs or the ability to expand the functionality is restricted.

These systems can be typically deployed in 30 days or less.



TAILORED QUOTING PROGRAM

When the overall business problems you need to solve involve multiple issues with varying levels of complexity, then a Tailored Solution is likely a better fit. These solutions offer greater flexibility and the ability to adapt to business specific processes. For example, a tailored fit solution is better suited if the business needs to handle a wide range of requirements such as customized configuration, BOM assemblies, multi- currencies and varied business rules for cost, price and discounting. Other capabilities Tailored Quoting deployments include;

- Supports custom fields, tables and forms
- Quote approval process
- Business workflows
- Integration and connectivity tools with other business systems
- Advanced reporting, dashboard capability and support Reporting Services (e.g. Microsoft SQL Reporting)
- Market trend analysis and forecasting
- Supports custom add-on functions and program extensions outside of traditional sales quoting

Deployment for these systems range from as little as six weeks to six months.

ADVANCED QUOTING/CPQ SYSTEMS

Advanced Quoting/CPQ deployments provide highly configurable solutions, but also require a larger investment in both resources and money. They are designed to solve multipart workflow and highly complex quotes with a product configurator. Typically, these solutions are implemented with tight integration to ERP systems and support portal access by customers and with self service options.

Other attributes of advanced quoting solutions include;

- Extensive workflows requiring interaction with outside programs
- Support custom-developed modules, tables, fields and forms
- Model and automate complex business requirements.
- Extensive reporting and dashboard capabilities
- Tight integration with enterprise resource planning
- Integrated credit approval
- Complex quote configuration tools
- Manufacturing routing

ADVANCED QUOTING/CPQ SYSTEMS - CONT.

Advanced quoting systems are robust and highly configurable, but do require a sizeable investment and commitment in time and resources to deploy. Deployment for these systems range from 6-9+ months.

The best solution for your business depends on the complexity of your requirements and the desired results. Developing a full understanding of your business issues and desired benefits will help you plan a deployment strategy for your Quoting/CPQ project in terms of time, resources and dollars. Whichever application you decide, it's important to develop a roadmap for success and work with a proven solution provider with extensive industry experience.



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