

# 7 Questions to Ask When Buying a CPQ System



Configure



Price



Quote

*Selecting the right configure, price and quote (CPQ) system for your organization can be a difficult and daunting task. There's a lot at stake. That's why we put together this list of questions, based on over a decade of experience successfully deploying CPQ and guided sales systems, to ensure you select the right system to succeed.*

*Here are the top 7 questions you should be asking:*

## 1. Who will be the users?

Will your CPQ system be used by internal sales reps, external sales agents, distributors, end-customers, or a combination of these? Each user group will have different requirements and different levels of knowledge about your products.

Internal sales reps that routinely specify your products will want a system that lets them quickly pound in orders. End-customers may have limited knowledge of your products and need help determining what products and options are available and which options are compatible. If you're selling products through multiple channels, your CPQ system should support the definition of user groups to determine what products and options are displayed to the user and drive specific user interface functionality. For example, distributors will only want to view and select from the subset of products they're allowed to sell. Your CPQ system may allow self-registration or "guest" access when accessed from a public website but require pre-approved credentials when accessed from a dealer portal.

Make sure your CPQ system can provide support for all types of users you require.

## 2. Will the system provide guided selling and guide us to the right products?

Guided selling helps your sales team lead customers to the right decision, based on their specific needs and the factors that matter to them. It is important to pick a CPQ solution that provides guided selling and allows you to specify solutions based on customers' needs and not on product option codes, BOM or other rules-based systems.

With guided selling and needs-based configuration, your sales rep should be able to directly address each customer's requirements and present the most appropriate, optimal solutions.

There is no need to walk through and configure the product feature by feature - just plug in the customer's specific needs, in any sequence. Anything that isn't of importance should be skipped entirely. The right CPQ system will fill in the blanks and propose the best overall solution for the objectives that the customer wants to achieve.

## 3. Can we easily generate documents and drawings automatically using the CPQ system?



By definition, CPQ systems help automate the configuration and pricing of products, with a quote document as the end result. However, the data used to configure products can also be used to drive other critical sales, engineering and manufacturing processes.

For industrial parts that are used as components in other products, delivering accurate CAD models of configured products is a critical part of the sales process. If a CAD model is incorporated early into a customer's design, it could mean significant downstream sales when that product goes to market.

A CPQ system that automates the generation of custom CAD models and drawings from configurator selections provides near-instant delivery of these assets to customers and offloads the need to divert valuable engineering resources to support sales.

Proposal process can also be automated with a CPQ system to compile related product collateral and generate custom specification sheets, proposals, and equipment schedules.

## 4. Does the CPQ offer total systems-level configuration?

Depending on the number of available options, a single highly-configurable product can have hundreds or even thousands of variations. A manufacturer with thousands of products can offer millions of potential configurations.

Ideally, the CPQ system will allow a single configurable product in the repository to represent all the SKUs that can result from selecting a product's options. The system's data model should be specifically designed to manage complex product data, accommodating all attributes and behaviors.

Prospective CPQ vendors should provide examples of systems they've deployed that support the number of stock items (SKUs) and potential configurations you offer.



## 5. How easy is the system to set up and maintain?

It is important that the system is not only easy to set up but also easy to maintain. Product data and other relevant information need to continually be updated. It becomes challenging to manage international operations with different product offerings, currencies and languages.

Be sure to choose a configurator that offers automated maintenance with automated conflict resolution and optimization. Your CPQ system should do all the heavy lifting for you and doesn't require any programming and automatically solves any conflicts when updating data. Not only that, you should be able to easily update customer form fields or product data without needing the IT support or having to go back to the CPQ vendor every time a change needs to be made. Be sure to ask CPQ solution providers about their maintenance system.

## 6. Will the system integrate seamlessly with our other business systems such as CRM, ERP or CAD?

Every successful CPQ deployment depends on integration. As with any sales system, the ultimate goal for CPQ systems is orders. Eventually, quote data has to get into your ERP system. Anytime data has to be manually reentered from one system to another is a chance for costly errors to be made.

If your sales reps have to reenter customer data into the CPQ system that they've already entered into your CRM system or the ERP system, they won't want to use the CPQ system.

Integrating your CPQ system with a CAD system to automate drawing and CAD model production can offload engineering resources from these tasks and pay big dividends when manufacturing engineer-to-order products and delivering products that are sold as part of a system, such as lighting controls.

Prospective CPQ vendors should be asked to provide examples of systems they have deployed that integrate with your specific CRM, ERP and related systems. If you are using dealer portals or order entry systems that were developed in-house, check if the CPQ vendor has a standard or neutral set of web services that can be applied to legacy systems.

## 7. How will the system give us a competitive advantage?

**Winning customer experience:** CPQ systems can be used as more than transactional systems for your internal staff and experienced sales reps. Highly-interactive interfaces that provide confirmation to users as they make selections keep them engaged. Product images and visualization tools (e.g. interactive 3D models) let users visually validate that they've specified the right products. With the right user interface, CPQ systems provide an opportunity to engage with inexperienced and new customers, resulting in new sales and a competitive edge against other manufacturers.

**Shorten sales cycles and reduce order errors:** CPQ system has proven to reduce work orders by 86% while shortening sales cycles as much as 85% so that you can focus on winning new business opportunities and satisfying your current customers. By generating high-quality quotes at a fraction of the time with CPQ, you can respond to your customers much faster than your competition and meet their requirements with 100% accuracy.

***Be sure you are asking the right questions when evaluating CPQ solutions providers and choose the best CPQ for your business.***

For more information about CPQ systems, visit Technicon CPQ on [www.technicon.com](http://www.technicon.com) or click [here](#) to request your demo today.

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