

ORACLE

Essential Strategies for Configure, Price, Quote



A TWELVE-MINUTE READ

Empower sales with configure, price, quote

Customer expectations of sales have hit an all-time high, and business buyers expect seamless experiences even as consumption models continue to shift.

Like their consumer counterparts, B2B buyers show a strong preference for frictionless, self-service experiences, from initial research through purchase to post-sale support.¹ Many organizations know they need to make changes to deliver on customer expectations, but find themselves stuck with resource-heavy, manual pricing and quoting processes—resulting in inefficiencies across the entire customer interaction.

Resellers abandon manufacturers with inefficient or inaccurate systems for partners with more control of the selling and pricing process.²

As the first point of interaction, your sales team should be equipped to meet growing customer expectations around the services you deliver and the product choices you make available to them. Still, mounting challenges for sales mean that's much easier said than done.

For one, potential buyers can now reach sales through countless different channels, leading to an overload of

requests that makes it difficult to focus on the opportunities that matter. The resulting sales burnout has become an essential issue for sales leaders.³ To add to that, sales productivity is a complex formula that includes leads, time to find real opportunities, and sales agility. When capacity constraints impact sales productivity, an organization can fall into a situation where new leads don't result in more revenue.

Finding ways to leverage digital to optimize pricing efforts helps organizations realize tremendous gains. Digital allows organizations to differentiate themselves through custom, guided, intuitive product offers and pricing scenarios that are easy for sales teams and customers to access.

When faced with these challenges, a configure, price, quote (CPQ) solution can help streamline the sales process—especially for products with complex pricing scenarios. This guide outlines strategies to help sales teams configure the best product, price it, and provide an accurate quote while automating administrative activities like approvals.



What's inside?

Configure, price, quote, defined	3
Build your foundational strategy	4
Five steps to get started with CPQ	6
Reap the full benefit of CPQ	8
Create sales process efficiencies with Oracle	9



Configure, price, quote, defined

Configure, price, quote guides users through a step-by-step process of entering a correctly configured and fully detailed purchase order. CPQ is one of the most effective ways to build efficiencies into a sales process, because streamlining and automating core sales activities helps ensure accuracy, sales productivity, error reduction, and flexibility around consumption model definitions and pricing rules.

When executed properly, a modern approach to pricing and quote generation delivers tremendous outcomes, including



Increased margins: Serving the customer should always come first—even if your sales process involves a high level of complexity. CPQ helps complex sales processes and product configurations run efficiently, giving sales back critical time to focus on selling instead of administrative work.



Faster decision-making: When organizations automate pricing and quoting, they benefit from the ability to bypass manual approvals. Automation also gives sales teams more time to focus on specific deals that fall outside normal pricing parameters and may require extra attention. Eliminating lengthy quoting cycles also helps ease customer frustration.



Onboarding and advancement: CPQ allows sales organizations to ramp up onboarding efforts by allowing new and seasoned sales employees to quickly generate accurate quotes for customers' missed opportunities.



Enhanced renewals: As sales grow, so does the responsibility of managing accounts. Selling smarter with CPQ means automating the order-to-quote process, so your customers feel in control without having to deal with tedious manual contracts, negotiations, ordering, and approvals.



Maximum volume selling: Just like digital has increased the volume of requests that require a response from sales, it has also created a new consumer who doesn't want to wait for a quote—customers expect immediacy around all aspects of their experience, including pricing.

Sales teams with an integrated CPQ system that provides end-to-end sales process visibility have a speed advantage over competitors who don't.⁴



Build your foundational strategy

A CPQ solution can help businesses overcome stubborn challenges within their sales processes.

Buying processes can range from simple to complex. Selling used to be a relatively simple interaction: one-time purchase, small catalog, single list price, and limited data sources. It has evolved to include more complex scenarios, including service capabilities, complex configurations and quotes, and different purchase types, as well as automated workflows across customer-facing and operational applications.

In addition, multiple business models translate to multiple requirements, and one size does not fit all.



83% of B2B companies report that B2B buyers actively ask for a broader selection today, a figure expected to grow to 87% by 2023.⁵

A business needs the flexibility to transition its offline selling practices by using digital to stream-line and automate as much of the sales process as possible—all while improving the overall customer experience.

To develop a comprehensive strategy that accounts for these challenges, here are five key factors to keep in mind.

1. Customer expectations

B2B and B2C customers have changed. The options available to them in their personal lives have resulted in increased demands related to B2B interactions. This has led businesses to reevaluate their buying process to ensure it delivers on customer expectations. Prior to the 2020 pandemic, 56% of B2B buyers faced a significant difference between their expectations and the experience that B2B companies delivered. The study noted that while 73% of those buyers claimed to actively utilize digital channels, only 11% used digital as their preferred channel.⁵ The events of 2020

accelerated the need for digital transformation. For instance, B2C customers demand more immediacy than ever before, evidenced by the growth of products ranging from food delivery and meal preparation services to smartphone apps.

2. Revenue and value

When you drive growth through a differentiated selling journey, you maximize revenue and deliver value to customers, which contributes to ongoing success. Along with options, customers want account managers and business partners that deliver an advantage that helps meet specific needs, including

- Flexible consumption models that allow them to buy only what they need
- A simpler purchase process that improves order accuracy, shortens sales cycles, and lowers operational costs



Build your foundational strategy

- An automated, always-on purchasing environment that manages recurring revenues
- A focus on high-value activities vs. every single customer interaction to enhance sales
- The right pricing strategy to streamline the value chain and maximize revenues across an entire product portfolio

3. Innovation and R&D

Especially when used to optimize pivotal processes like sales, technology is the ultimate enabler of business transformation and the backbone needed to promote growth. Take inventory of your customers' expectations and your competitors' offerings and conduct an internal gap analysis on your ability to execute. Then, consider how advanced technologies can help fill in the gaps.

- **Machine learning (ML) and artificial intelligence (AI):** As vital components in a new generation of CPQ capabilities, ML and AI improve the purchasing experience with guided configurations, adaptable and flexible pricing, and dynamic quote generation.

- **IoT:** From watches and smartphones to heavy machinery, companies leverage IoT to capture data across hundreds of thousands of devices. This data can be used to trigger purchases, automatically replenish products when supplies run low, or charge based on popular new consumption models. And sales teams can leverage the data to gather intelligence and enhance account planning.

- **Enterprise resource planning (ERP), supply chain, and service integration:** Tighter integration into existing systems allows sales and marketing teams to craft a customer experience through a better understanding of open issues, renewal deadlines, and other product-related information. It also demonstrates that your company understands your customers' business needs and is working to address them.

4. Employee tools

Sales leaders want nothing more than high performance from their teams, and streamlined sales processes ensure every seller is equipped to do their best work.

As you examine your sellers' needs, consider extending CPQ capabilities for a mobile workforce. Mobile options combined with the efficiency of automated CPQ functions can be the magic formula that delivers product and solution configurations at the speed customers expect—without missing out on maximizing additional revenue opportunities. Your new approach should look at ways to create efficiencies across sales process handoffs—from sales reps to sales operations.

5. Executive sponsorship and vision

Clearly define the sales optimization vision for your company and establish executive sponsorship from the start. This will ensure cooperation from the various lines of business (LOB) you interact with that determine the success of your strategy. This exercise will also allow you to establish clear metrics that help you understand success.

Each of these considerations works in concert with the others to provide a balanced approach that you can execute to realize gains across any LOB.



Five steps to get started with CPQ

01

Understand the competition and market disruptors

Taking inventory of competitors and market disruptors can reveal revenue opportunities you didn't know existed. Gain a better understanding of organizations that could erode your market share and offer more flexibility and agility with respect to product selection and billing options. Look for different ways to conduct competitive research, such as reading industry trends, analyst reports, and other reviews, or by interviewing your customers to find out if their expectations have changed. Do they want more options around how they pay for your products and services, and are you positioned to deliver on these changing requirements? What is the size of the market opportunity?

02

Analyze the comprehensiveness of options you deliver

Are you equipped to deliver on customers' changing expectations? If you answer no to delivering on various consumption models or subscriptions, you may be at risk. You may want to gain a better understanding of which current sales channels work well and why. Also, how will your supply chain be affected? Can your supply chain keep up with increased demand? Are there opportunities to include customers, or would they prefer to be part of a new marketplace? What technologies do you need to set that up?

03

Talk to sales and marketing leaders

Gain a clear view into what the market says about your company compared to others. Are you considered a leader? Have you streamlined your purchasing experience in a way that customers notice? Are competitors and disruptors carving out market share at your expense? Are your competitors expanding their services in new and innovative ways your management hasn't considered? Do others know something about your customers that you don't?



Five steps to get started with CPQ

04 **Discuss your technology roadmap with IT**

To understand the business pressures IT leaders face, ask about plans to upgrade the sales infrastructure. Additionally, talk about the ability to experiment with emerging technology, such as mobile tools, AI, ML, and sales tools like CPQ. You'll want to deliver management insight into the sales process, including customer-initiated quotes, sales-initiated quotes, quotes in progress, and other pipeline-related management views.

05 **Establish clear project champions**

Strong champions across partnering lines of business influence the success of any initiative. Take inventory of the LOB your new strategy will impact (sales, service, marketing, and supply chain) and make those connections early to maintain momentum as you execute.



Reap the full benefit of CPQ

Organizations that optimize selling processes to help sales cycles, increase margin expansion, improve quote quality control, and improve customer experience realize tremendous returns for their efforts.



1. Pricing optimization

Defined price parameters, including discount levels, maximize margins.



2. Enforce pricing rules and approvals

Pre-determining quoting restrictions and automatically triggering managerial approval bypasses approval processes.



3. Contract management

Standardized contracts result from merging contracts, highlighting differences in two contract versions, and storing contracts with accounts.



4. Product and consumption model support

The ability to easily roll out new products and services as they become available, including new consumption models and product types, helps grow your business.



5. Increase sales' capacity

When administrative time is reduced, sales reps have the ability to concentrate on selling instead of searching for product information or tracking down approvals.



6. Simplify contract and subscription management

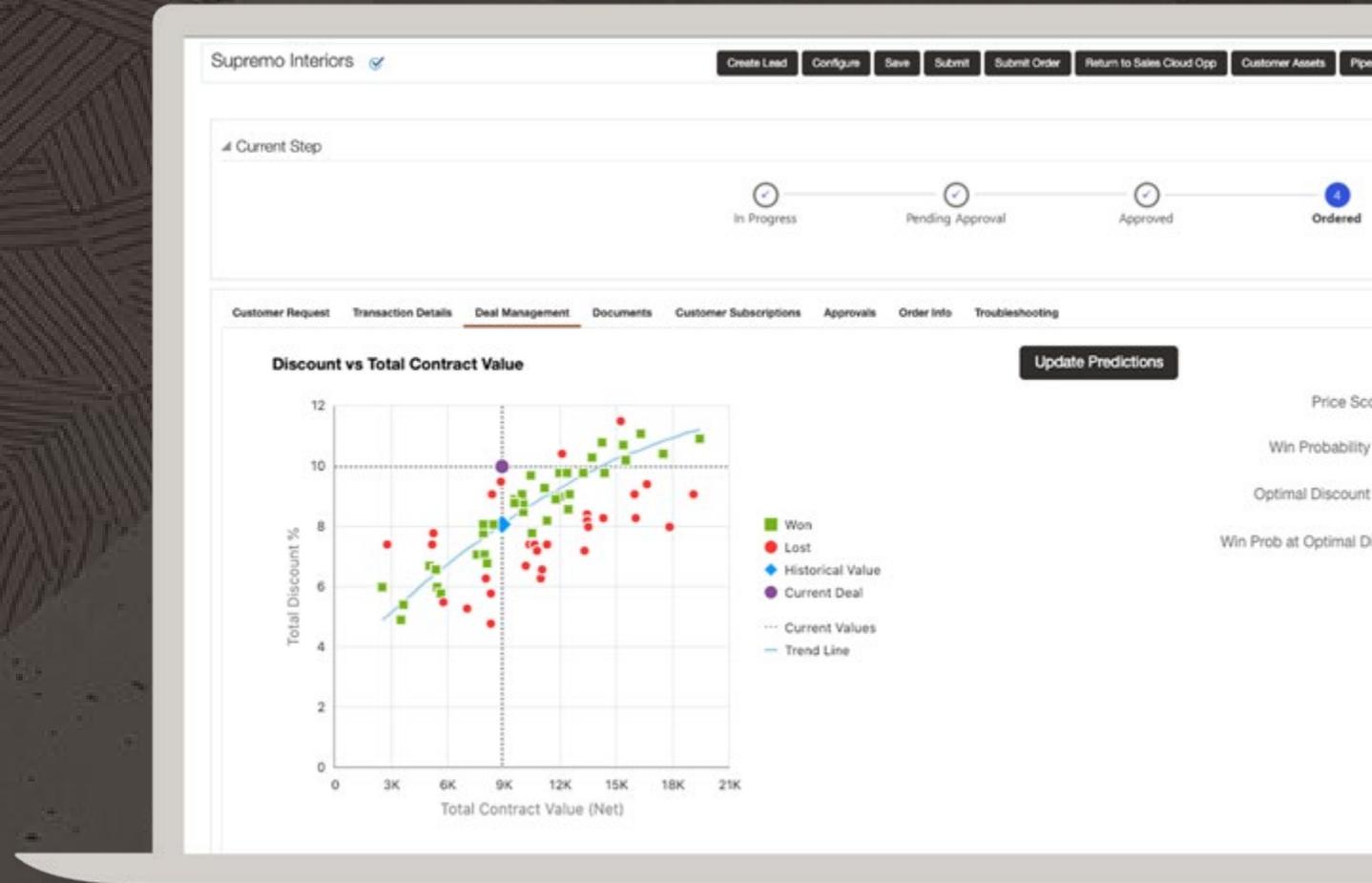
A subscription ordering interface allows sales to easily accept, modify, or terminate contracts.



Create sales process efficiencies with Oracle

Harness correctly configured and fully detailed purchase orders to improve order accuracy, shorten sales cycles, and lower operational costs.

[Want to know more?](#)



To the experience-maker who's always moving forward

As modern customers seem to shape-shift from one moment to the next, it's critical to maintain pace with their expectations. To help, we created the Ignite series to fuel your continuous pursuit of customer experiences that always hit the mark.

Guides like this one on CPQ aim to advance your expertise and help you craft foundational strategies in less time. So, you can get back out there to captivate customers and drive revenue.

What will you discover next?

- [Essential strategies for subscription models in B2B](#)
- [Essential strategies for proactive customer service](#)
- [Essential strategies for content management](#)



About Oracle Advertising and CX

Make every customer interaction matter by connecting all your business data across advertising, marketing, sales, commerce, and service. Oracle Advertising and Customer Experience (CX) is a connected suite of applications that goes beyond traditional CRM to help you create and nurture lasting customer relationships. Build a complete view of every interaction and every customer, no matter how and when they engage. Empower your entire business to deliver exceptional customer experiences—from acquisition to retention—and everything in between.

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