

How to **BRING CPQ INTO YOUR BUSINESS**

A Guide for Sales & IT



FOREWORD

Transformation Doesn't Need to be Disruptive



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Businesses invest in new technology because they either want to save money or make money, and Salesforce CPQ is one of the few things out there that will do both.

You're reducing the time it takes to perform tasks, increasing sales productivity and creating efficiencies – bottom-line things. And then there are things that go beyond the bottom line. You'll become fast, agile, and digital. You'll understand what your customers truly want, and you'll reimagine your offerings to match. You'll find more opportunities to upsell, and you'll gather more revenue from renewals. You'll change.

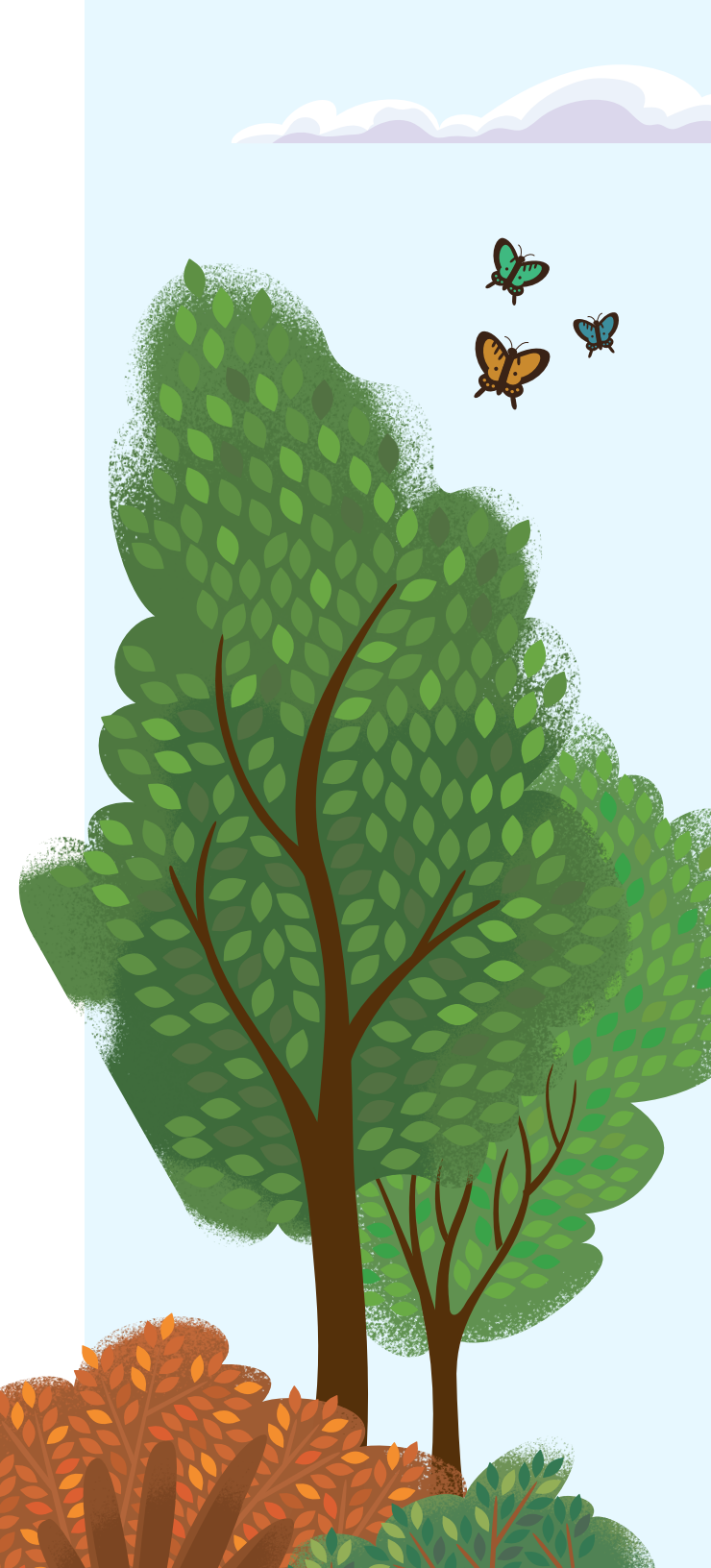
In this moment, as you lace up for an exciting journey, my message to you is this: **Transformation does not need to be disruptive. It can be iterative. Transformation is simply re-evaluating your business and making it better.**

We'll give you the tools, and we'll be there to help you every step of the way, but the change will come from you. And as you follow the best practices in this definitive guide, we believe you'll discover that transformation can feel as manageable and sequential as one foot following the other.



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5 Signs it's Time to Switch to CPQ

Think it might be time to switch your current configure, price, and quote (CPQ) process to Salesforce CPQ? Consider whether these five signs apply.



1 Weighed down by one-off processes, your business can't scale.

As companies grow and diversify, companies tend to create “duct tape” solutions to plug new gaps, and teams of people manage the process. Ultimately, these processes hit a breaking point.

2 Salespeople are slowed down by non-sales tasks.

Every minute that a salesperson spends shuffling through a spreadsheet or a price book is a minute taken away from new sales.

3 Disconnected data creates a poor buying experience.

It's difficult to do business without a single, 360 degree view of the customer.

4 Errors in manual quoting means errors in proposals.

As SKU proliferation collides with manual tools like spreadsheets, sales will tend to “mis-price” proposals and interrupt the customer with corrections.

5 Legacy tools have no flexibility to meet new types of deals and pricing.

For example, entering a subscription model will expose critical gaps in existing tools.



CHAPTER 2

What to Know Before Implementation

It may be tempting to take what you already have and recreate it in a new system. We call this a lift-and-shift mentality. But an effective CPQ implementation is just as much about your business processes as it is about your technology, and it requires a willingness to change more than meets the eye.

Create your vision.

Begin at the end. What do you want your future state to look like? Align your CPQ implementation with your business strategy to drive adoption, and create a project vision to set guidelines for prioritization as you go forward.

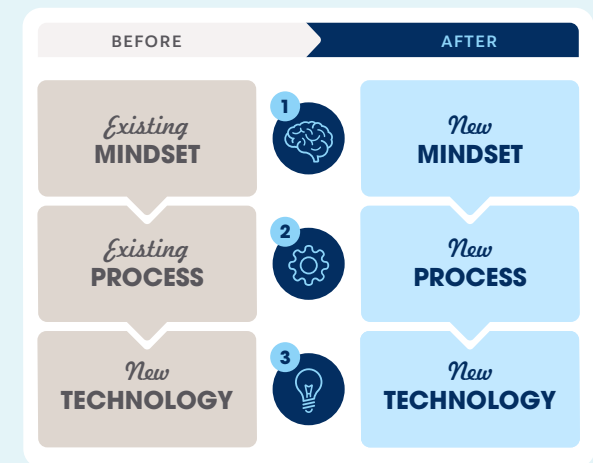
Many times in the implementation, you'll need to decide whether something is in scope or out of scope, important or not, and you'll have crowds of stakeholders in your ears. Track to the north star by agreeing on success metrics. For example, maybe you want to reduce quote time, automate approvals, drive adoption, launch mobile quoting, and improve forecasting and data within Salesforce.

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Begin at the end. What do you want your future state to look like?”

Reimagine your existing business processes with **Salesforce CPQ**

Lift and shift adds new technology to existing processes and mindsets. Transformation without disruption: If you're going to change, **then truly change.**



Rally teams around it.

CPQ will touch every corner of the organization. As you gather teams around your new vision, you'll need a big table.

Communicate your plan in advance to both executives and practitioners, prepare users for change, and get commitment from subject matter experts.

You'll need early and constant input from the usual suspects, like sales managers, customer service, product, and engineering. But you'll also need to work with finance to get actual costs from the system from finance. You'll need to work with IT for data integration. And you'll need to understand reporting requirements with sales ops. Want to start some of those conversations? Reference the next sidebar.



Cross-Functional Communication:

How to Start Conversations with Key Players



SALES OPS
The Front-End Users

It's critical to walk in the foot-steps of your end users, to really understand a day in their lives. Join them during real customer interactions, and experience the pain that comes from disjointed ERP and CRM systems.

QUESTIONS TO ASK:

- What controls are in place to control rep discounts?
- What slows down deal execution and creates a bad buying experience?
- How many quotes or orders get sent out with errors?



IT
The Back-End Managers

They care about increasing adoption of Salesforce, and about transitioning to out-of-the-box solutions (with clicks, not code) that integrate with other solutions and are easy to maintain.

QUESTIONS TO ASK:

- Where do you store customer purchase history and contracts?
- How do you increase Salesforce adoption?



FINANCE
The Data Dependents

They want to know that data trickling down is clean, accurate, and can be analyzed. They also care about systematic discounting.

QUESTIONS TO ASK:

- How do you get the sales data you need to close the books every month?
- How do you capture data for ASC 606 compliance?

CHAPTER 3

Actions to Kick Off Your Implementation

We see customers succeed when they align their business strategies with CPQ's out-of-the-box capabilities.

Gather requirements to tackle the most important use cases.

CPQ was built with the best and most standard sales practices in mind. Often we see customers struggling with scope creep. Single or uncommon use cases will become the misguided focus of attention, or a team will try to automate an edge case because it involves many manual steps.

Gathering requirements is key to preventing your teams from over-engineering CPQ. Determine the processes that CPQ will cover, and focus on your various user groups—and on your end user in particular. Use process mapping to plan for requirements in dependent functional areas like new quotes, amendments, and renewals.

As you identify processes between teams, you might find that processes differ among business units. Highlighting those discrepancies will help you survey the landscape of use cases as you enter the next stage: supporting these use cases with your new product catalog and pricing model.



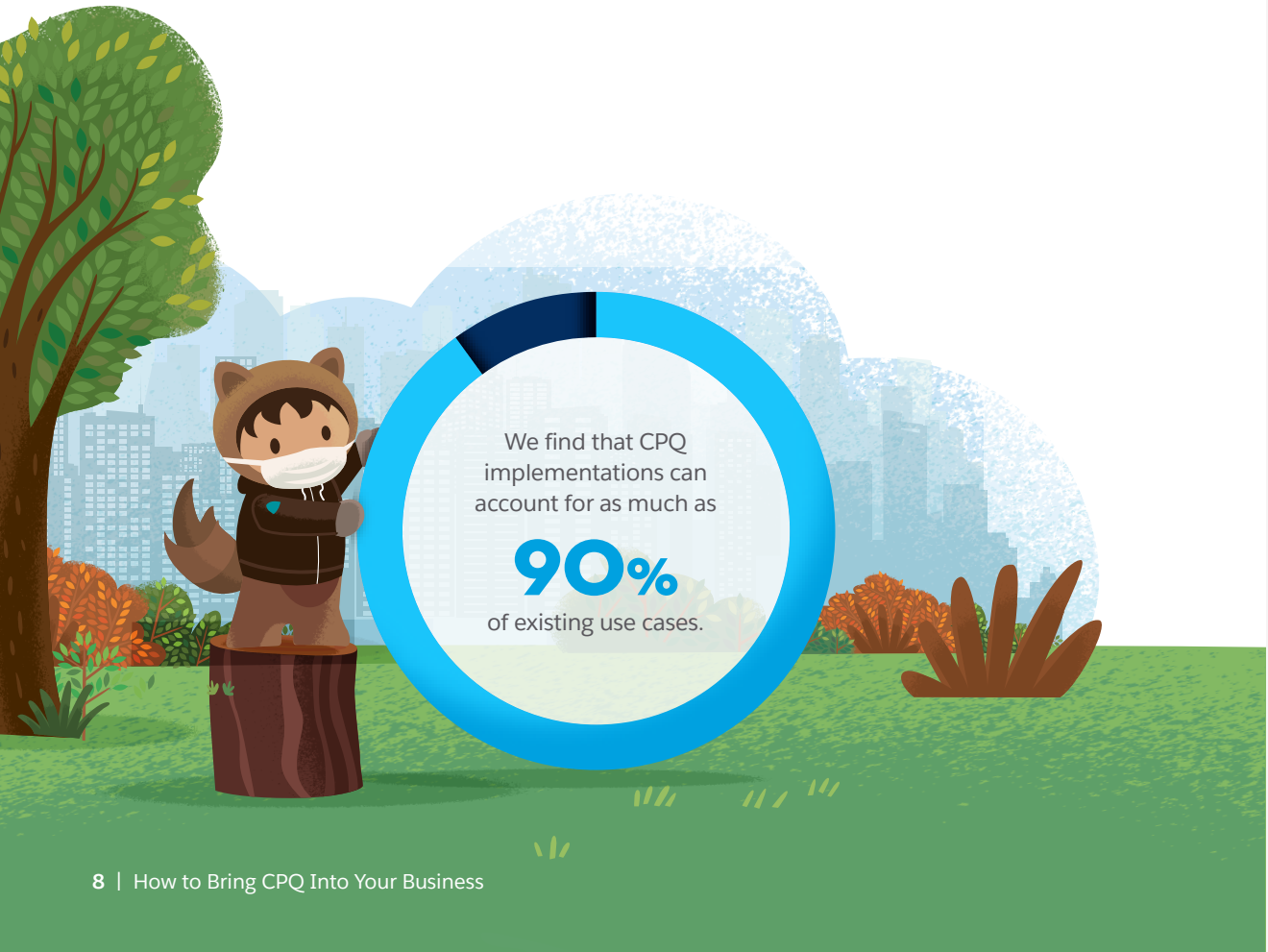
Minimize customizations as you rethink your product catalog.

Optimizing your product catalog is the first cog for enabling CPQ functionality. As you downsize and simplify your catalog, identify differences among attributes that cause changes in product codes and pricing, and incorporate these attributes into your CPQ design. Now these attributes don't need to reside as product records, but maybe as variations in lookup tables, for example.

For your pricing model, understand how your different products are priced and discounted, and follow the threads to see how this information is carried over to order fulfillment, billing, and even accounting. One benefit of CPQ is that now you can carry over multiple price points throughout the order-process-contract lifecycle, which creates an additional layer of accounting accuracy. This drives transparency throughout your organization, beyond even your sales process.

As you reimagine your products and pricing, bring awareness to the customizations you take on. We find that CPQ implementations can account for as much as 80 or 90% of existing use cases. Before you try to customize for the remaining 10 or 20%, take a step back and consider not implementing these customizations.

Often, we see scope creep come out of special cases with the pricing model: special approval processes, for example, or special discounts for specific customers. A rule of thumb is to look at the number of quotes and the percentage of revenue that these special cases represent. If the volume is low, consider not supporting these outliers systematically, and using a manual process instead.



CPQ paves a path for **consolidated products and dynamic pricing**



Product Catalog

- New SKU list
- Rules and validations
- New product lines



Pricing Details

- New pricing models: Transaction, Subscription, Combination
- Discounting
- Amendments and Renewals
- Integrations



Quote Templates



Automated Approvals

CHAPTER 4

Deploy in 3 Phases: Crawl, Walk, Run

Crawl: Identify a pilot and get a quick win

What's one part of your business that you can get immediate value by addressing with CPQ? In the crawl phase of your deployment, identify your pilot project with the tips in the next chart.



How to pilot CPQ

Graft CPQ onto an emerging go-to-market strategy.

This is a tip-of-the-spear approach that has a high likelihood for implementation, while also reducing risk, because it impacts a small area of your business.



By business unit

Where is the “startup within the company”? Choose a smaller business unit that’s agile and just developing its GTM.

By product line

Launch CPQ together with a new subscription product, whose model is based in license, consumption or usage.

By region

Maybe you’re bundling your software differently in Canada, or pricing differently in Europe, or offering a new consumption model in APAC. These are great candidates for implementing CPQ.



Use CPQ to transform a **discrete end-to-end process.**

Later, in the walk phase, you can take what you've learned here and apply it to a broader transformation.

By revenue model

Perhaps you have a subscription product that's already launched and is growing rapidly. Leverage CPQ to manage the renewal side and mitigate churn.

By manual stopgap

Initially, you can leverage CPQ to implement approvals for deals, even on an opportunity level. Now you have an audit trail where approvals are taken out of emails and spreadsheets, and put into one system of record.

Walk: focus on functionality, data, and onboarding

Now that you've carved out a pilot in the crawl phase, it's time to walk, by adding enhancements and functionality, onboarding more users, and creating high-quality data.

This is a tall order for one team to handle. Let's look at a real-world example of a Salesforce customer who navigated this phase successfully.

Siemens is Europe's largest industrial manufacturer with offices in over 200 countries. In its pilot phases, Siemens chose to leverage CPQ to enable spare parts quoting at an extremely large scale – 20 million parts across a dozen ERP systems. The pilot team worked to integrate data pushes for parts-related information back into CPQ as line items, allowing sales people to go through their process for pricing, quoting and approvals within Salesforce.

Then it was time to “walk.”

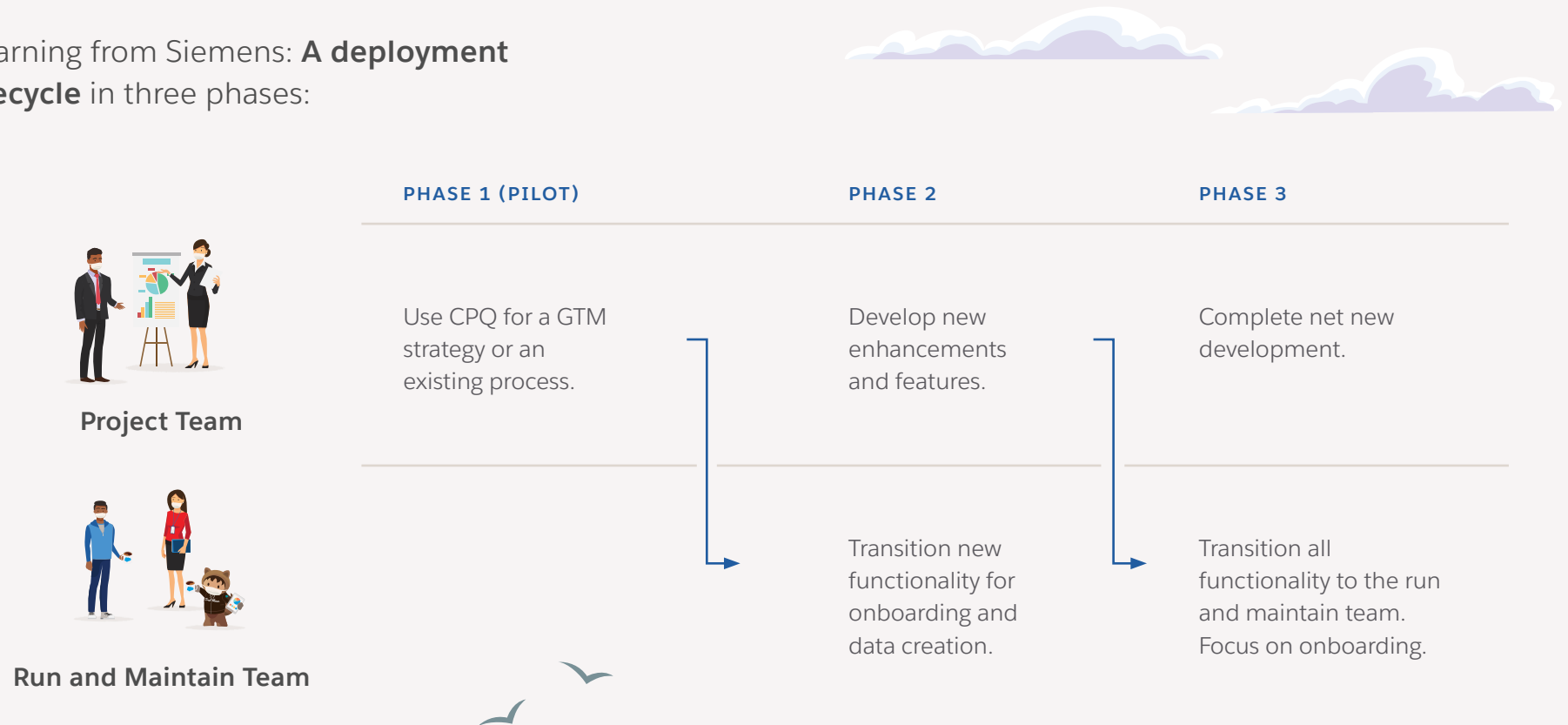


The pilot team split into two: a project team, responsible for net new development, and a run and maintain team, responsible for onboarding and data creation, enabling processes such as pricing methodology and approvals, and creating objects such as templates. As the project team transitioned new functionality to the run and maintain

team, the two teams could work in parallel to develop additional functionality and onboard new users.

In phase 3, as the implementation achieved velocity and traction, the teams worked to move all the functionality to the run and maintain team. The two teams now came together to focus on onboarding.

Learning from Siemens: **A deployment lifecycle** in three phases:



Run

Our customers describe a feeling of comfort as they arrive at this point, where people have migrated, and the system is integrated with the rest of the business. operating at a highly functional level.

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The run phase powers acceleration, because now you have a platform that lets you do things you couldn't before.”

The run phase powers acceleration, because now you have a platform that lets you do things you couldn't before: rapidly experiment with new and emerging revenue models, launch different product offerings, and be agile in adapting to the new kinds of customer insights that come with recurring relationships.

And because CPQ is so accurate, with a unified model for quote to cash, you're free to innovate on pricing, improve margins, and increase approval times.

This phase is about operating a new piece of machinery that you didn't have before, to change and grow your business without the fear that you'll "break" your revenue system. Ask any new driver why they put their feet on the gas. They might say it's because now, they can.

Next Steps

Ready to learn more? Move to the next step in your journey and follow the resources below.

Gartner Peer Insights released a “voice of the customer” report on CPQ applications.

GET REPORT

Salesforce has a calculator to help your business determine the return on investment for a CPQ solution.

CALCULATE ROI

Dive into features and functionality with our CPQ Micro-Admin videos:

WATCH SERIES





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