



CPQ PLATFORM SELECTION- A SIX-STEP APPROACH

Introduction:

Configuring, Pricing and Quoting (CPQ) are important steps in accelerating the sales process. Still, many companies do not have a comprehensive process to do it efficiently.

Many companies have several siloed systems that do not work well together. As a result, they slow down the process or rely on spreadsheets and tribal knowledge scattered across internal teams. Therefore, these companies therefore struggle to prepare and deliver timely, accurate quotes to prospects, giving the competition an opening to provide the first quote and secure the business.

Companies that build configurable, multi-option and customizable products are now realizing that a robust CPQ solution can provide a competitive edge by reducing lead times, automating quotation

documentation, increasing workforce efficiency, eliminating errors and rework and increasing customer satisfaction.

Companies are keen to have a CPQ solution as part of their ecosystem, but at the same time, they are looking for a CPQ platform that can serve their use cases with out-of-the-box functionalities and very little customization. This becomes tough, especially for large manufacturing companies, due to their product portfolio's sheer length and breadth. So, it is critical to use a scientific, data-driven approach to select the CPQ platform.

With a comprehensive RFP that clearly covers all your critical CPQ requirements, your business can begin to move through the vendor selection process confidently, realizing faster ROI. In addition, with an RFP that asks the right questions the first

time, your team can reach a decision quickly, possibly saving weeks or even months of valuable time during evaluation, and more importantly, avoiding implementation delays or struggling with features you do not need.

Infosys has more than 15 years of experience helping businesses worldwide solve their CPQ challenges. As businesses look to streamline sales processes, bridge gaps across the front and back offices to drive efficiency, and ultimately, deliver an overall better experience to both direct users and the end customer, we help them create RFPs.

This whitepaper provides a glimpse of the framework companies must follow while selecting a CPQ platform through our well-researched and proven six-step approach.

The Six-Step Approach

Based on their experience, Infosys CPQ experts have arrived at a well-crafted six-step approach that can help companies select the best CPQ platform for their needs.

The first three steps involve groundwork to select the CPQ platform, while the last three revolve around selecting the CPQ platform.

The first three steps are a foundation for selecting the right CPQ platform and are likely cumbersome.



01. User Personas and Use Cases

Creating User Personas:

The important stakeholders in designing a CPQ solution are its users. So, it's extremely important to understand their pain points with existing systems and requirements from the new CPQ solution.

It is recommended to conduct a Voice of Customer survey where opinions of sales reps, channel partners, end-users, manufacturing and engineering teams must be sought.

User personas for each role must be created once all data points are available. These user personas can help capture the critical requirements from all stakeholders and provide a comprehensive view.

Ideally, each user persona should have this information:

- **Roles and Activities:** It is important to know the different roles within a particular persona group and their

respective activities. For example, there may be a separate sales rep for B2B & B2C scenarios, sales managers, marketing resources within a sales group.

- **Core Systems:** While the task is defining requirements for a new CPQ solution, it is equally important to know which other core systems are used to ensure integration between them and the CPQ solution. For example, the sales group may use CRM, discounting systems and order tracking systems.
- **Observations:** After talking to this group, you need to detail your observations on current tools and processes used in their day-to-day activities. This will help you to decide what to reuse and what to replace.
- **Requirements:** This is probably the most important section of the user persona where you need to detail out requirements for the new CPQ tool from this group. It can act as a guiding light while selecting the CPQ platform.

- **User journey in new CPQ solution:** Creating a high-level user journey for this persona group is recommended based on the information gathered.

Infosys' experience has identified the important stakeholders for CPQ usage and created standards persona templates for each user group. These standard templates are the starting point for creating final user personas based on our customer's industry and sales process.

Crafting Use Cases:

Use cases are the important building block of any application development project. They will articulate how users will interact with the new CPQ system and are essential for requirements gathering and high-level stakeholder communication.

After user personas are finalized, the next step is to create use cases that will serve as a basis to create a CPQ features list. The use cases must be specific and address all requirements from every stakeholder.

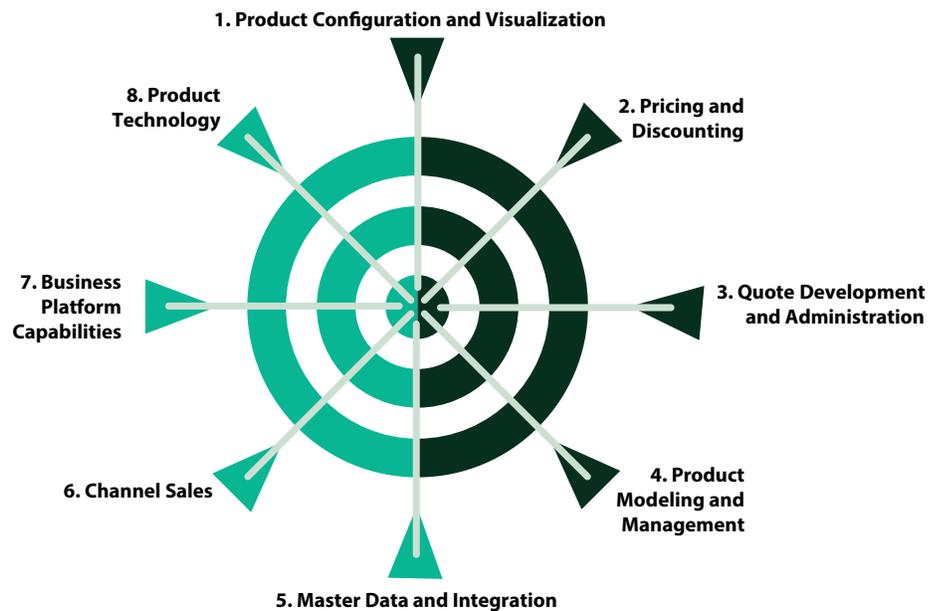
02. CPQ Features List

The most important yet tedious task is creating a detailed CPQ features list.

The CPQ feature list will help companies evaluate different CPQ platforms in the market. As a result, due diligence with all stakeholders must be completed during this process.

This task can take months as it needs domain knowledge of the quote to cash process and needs significant coordination between different departments.

Infosys has created an approach based on eight criteria with detailed features under each of them.



1. Product Configuration and Visualization

The main goal of the product configurator is to support the creation and customization of complex products or services. The front end of the CPQ process supports the generation of complex products with a range of general tool capabilities, value-added features, guided and interactive selling tools, support for underlying product catalogs, and direct visualization and rendering of the end products.

2. Pricing and Discounting

Pricing and associated discounts are determined by several factors, including list prices, order volumes and promotions. Though managed as part of the overall product configuration, pricing and discounting are an additional layer of features provided by product configurators.

3. Quote Development and Administration

Quote generation is the process of creating, administering and delivering quotes (in general, other types of documents, including RFXs). Quotes can be created through company-branded templates, versioned and delivered in multiple formats and multiple delivery mechanisms.

4. Product Modeling and Management

A product model consists of a set of parameters, a set of possible values for the parameters and rules describing the dependencies among these variables. A CPQ solution supports the development, testing and management of these variables.

5. Master Data and Integration

CPQ systems must maintain the data needed for product ordering, manufacturing, and engineering systems that they will support. Therefore, a CPQ system will also need to integrate with systems that commonly manage these functions, including ERP, CRM and PLM.

6. Channel Sales

CPQ solutions are also used as front ends for omnichannel selling. Key selling channels are direct to consumer and business to business (distributors, OEMs channel partners).

7. Business Platform Capabilities

Business platforms provide a layer of services to support an organization's use of a software solution. These platform capabilities include workflow management, document management, reporting and analytics, collaboration and support of multilingual and multinational organizations.

8. Product Technology

This group of criteria defines the technical architecture and the technological environment in which the product can run successfully. Criteria include product and application architecture, software usability and administration, platform and database support, application standards support, communications and protocol support and integration capabilities.

03. Create and Release RFP Document

With the CPQ features list created, the next step is to create and release the RFP document involving two major tasks:

A. Create RFP Documents:

A comparatively easy task involves casting the information created into the corporate format.

To make this task simpler, Infosys has created a standard RFP template, especially for CPQ requirements which companies can readily use.

B. Shortlist CPQ platform Vendors:

With hundreds of CPQ platforms available, shortlisting a few can be challenging. Moreover, marketing promotions can influence shortlisting rather than technical data.

At Infosys, we have shortlisted CPQ platform vendors based on their expertise in a particular industry, and it can act as a good starting point.

Now, a thoroughly researched and well-prepared RFP document is ready to be released to CPQ platform vendors.

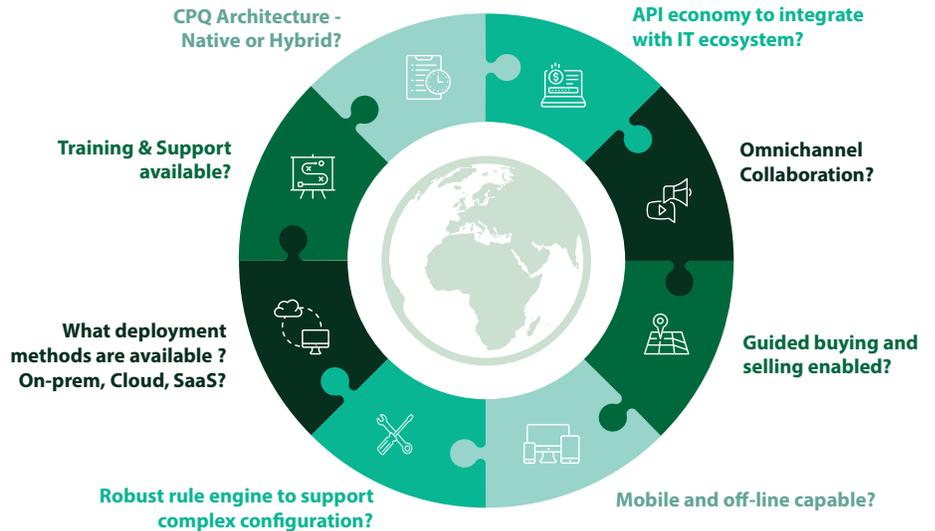


04. Arrange Demos

The next step is to understand the CPQ platforms through demos.

It is important to include the technical team during the demos to evaluate the platform comprehensively.

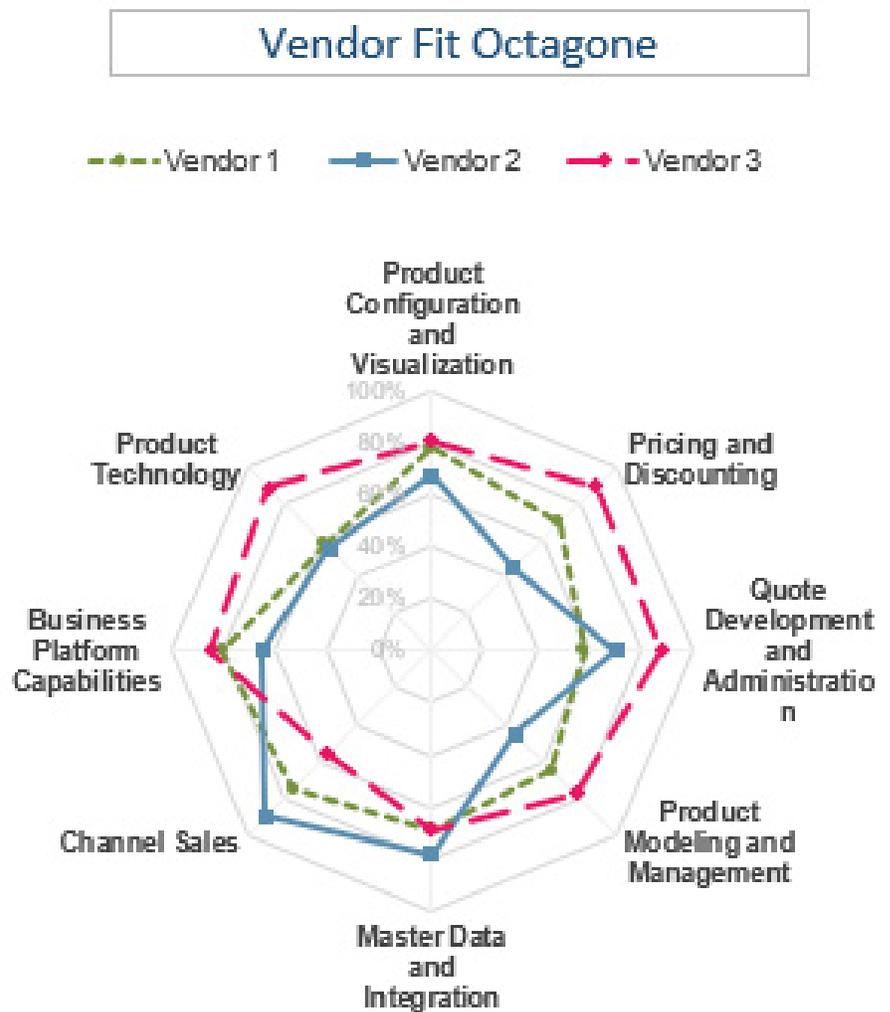
Eight questions you should ask during the demos are:



05. Select CPQ Platform

Having clarity on the evaluation criteria is critical for companies to select a CPQ platform accurately.

It is important to identify the critical and high-priority features required. Infosys has created a standard vendor evaluation template that dissects vendor response and provides data-driven insights to help companies make informed decisions.



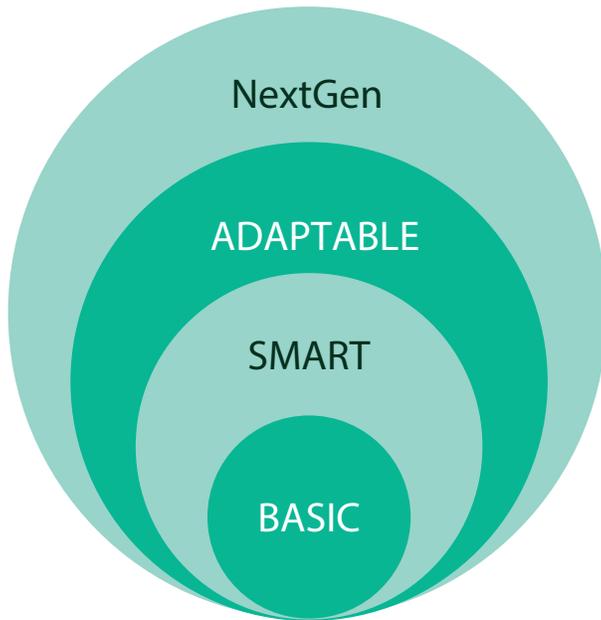
06. Create Implementation Plan

Your team needs to work with internal stakeholders, the CPQ platform vendor's team and the technical team from system integrators like Infosys.

For a large organization with a diversified products portfolio and disconnected

systems, we recommend taking small steps towards achieving the larger goal of having a NextGen CPQ solution. This approach provides value at each stage of the implementation instead of a big bang approach.

Infosys has created a standard CPQ implementation lifecycle. The maturity phases are only for guidance and can be modified during based on customer priorities.



NextGen

Channel Management, Value Pricing & Modeling, Benefit Estimators, Sales Playbooks, CAD, CAM & PLM Integration, eSignatures

ADAPTABLE

Product Design, Modeling & Catalogs; 3D Visualization Tools, ROI/TOC Calculators, Quote-to-Cash
Functionality, eSignature Compatibility, Guided Selling, Sales Analytics; CRM, SAP and/or ERP Integration

SMART

Contract & Order Management, Proposal Management, Workflow Approvals & Authorization

BASIC

Product Configurator, Pricing Engine, Quoting System, Business Rules & Constraints, Cloud-based (SaaS) Application



Conclusion

Today's world of B2B or B2C selling is complex. Sales technologies like CPQ software can change the game for organizations but only if implemented correctly.

Unfortunately, selecting the right CPQ platform is not simple. Not all CPQ options are the same. Selecting any old system could mean ending up with the wrong one for your business. The purpose of this six-step CPQ vendor selection approach is to help companies start the CPQ journey with proper guidance to achieve their goals quickly and accurately.

Infosys CPQ consultants conceptualized this approach based on experience and research performed over the years.

Selecting the right CPQ platform is the first step towards accelerating sales transformation, so it should be done based on data and the right processes.

Infosys, with its standards processes, tools and expert consultants, can collaborate with your industry experts to move towards the common goal of accelerating your sales journey.



About the Authors



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Unmesh Jadhav is a Principal Consultant working with the IoT group of Infosys Engineering Services. He has over 20 years of experience focusing on configure-price-quote solutions, mechanical product design and application development projects. In addition, he is a cloud enthusiast and is continuously exploring new trends in cloud computing.

Unmesh works on CPQ consulting engagements for Infosys, where he helps clients solve their business problems and create roadmaps for the future.



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Lakshminarayanan is an Industry Principal working with the IoT group of Infosys Engineering Services. He has over 24 years of IT experience specializing in Lead to Cash solutions, Configurators, Visualization, AR/VR/XR and Knowledge-based engineering.

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