



Speed your sales cycle with configure-price-quote technology

Focus on your destination

Every marketing guru talks about “engagement,” and “the customer journey.” But you can’t forget that the journey must end with a sale. While customer engagement can contribute to a successful customer journey, the kind of engagement that matters is the kind that increases the speed and probability of a sale.

Configure-price-quote (CPQ) technology provides an essential fork in the road in the customer journey, an exit ramp, as it were, from engagement to conversion. It’s the point at which you’ve clearly moved the customer from the marketing phase to the sales process. In many cases, CPQ can help turn a prospect into a customer more quickly by offering an immediate, concrete, and compelling view of what the customer wants to buy—and what you want to sell.

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Making the journey shorter

Customers rarely want a long, drawn-out sales cycle, and sales reps never do. It's in everyone's best interest to give customers complete and accurate decision making information as quickly as possible. One reason for the popularity of online shopping is that it gives customers rapid access to key buying information, including price, features, and other customers' opinions, through highly responsive software. The same qualities hold true for B2B and complex B2C sales; but it's more challenging to provide that information in a complex sales environment.

Even though sales that involve quoting and configuration can't close as quickly as an Amazon® purchase, it's possible to accelerate the sales journey and minimize unnecessary obstacles. A well-designed, technology-driven sales process supported by effective configure-price-quote (CPQ) software can turn leads into sales more quickly and more frequently than an ad hoc, manual process. Research shows that this approach yields concrete results such as:

- 10% higher sales
- 30% higher deal sizes
- 25% higher win rates
- 30% more reps making quota¹

By shortening the distance from engagement to conversion, CPQ helps create a more successful and productive sales process.

How CPQ helps

The key to closing complex sales faster is being able to generate prompt, error-free quotes without making the customer feel pressured. It's a dance in which you set the tempo by responding quickly, accurately, and supportively to advance the interests of your prospect or customer.

There are several important ways that CPQ technology improves sales performance:

- **Less friction**—The quoting process requires you to gather information from multiple sources, calculating prices and quantities, with options and parts, and considering multiple details. If you have to handle that process manually, there's no way to avoid delays. But when you have an automated process, quoting requires less work and happens faster.
- **More responsive to buyer motivations**—According to a recent report by Forrester, "Emotion was the number one factor in customer loyalty across 17 of the 18 industries that were studied."² By allowing greater customer involvement in the configuration process with CPQ systems that give quick visual feedback and a wide choice of options, you engender a sense of ownership by the prospect that tends to lead to a faster sale and long-term customer loyalty.
- **Let sales reps focus on what they do best**—People who master the art and science of selling have far more valuable ways to spend their time than doing paperwork to prepare quotes. It can cost between \$75,000 and \$90,000 to replace a telesales employee, and up to \$300,000 to replace people in top sales positions.³ By streamlining the process of pricing and quoting, you free up sales executives to do what they do best and improve your odds of retaining top talent.

The results

A faster quoting process not only increases sales by processing more transactions, it also often leads to a higher sales closing rate, or “batting average,” for a variety of reasons you might not expect.

- **Faster, more accurate RFP responses**—Nobody enjoys the drudgery of preparing RFP responses, but a quick, complete response to an RFP improves your odds of getting the business. With CPQ, you can make RFP responses systematic by drawing on the elements of previous RFP responses that you’ve already saved in your CPQ system.
- **Structured price negotiations**—Product configuration and customization can often be a useful tool for price negotiation, in situations where you can omit some features to reduce a price or add features to justify a higher price. CPQ software not only speeds and simplifies the sales and ordering process, it effectively structures the negotiation so that you maintain suitable profit margins on the sale. You also help sales reps see when it’s time to walk away from a lowball offer.
- **Better use of “tribal knowledge” for competitive advantage**—As time goes on, people in your organization may start to notice that certain options and choices drive more sales or higher prices. When you’ve structured all quotes through your CPQ solution, that information becomes part of the collective knowledge of the organization and becomes easy to repeat and exploit.
- **Fewer “no decision” sales losses**—Some sales objections can be answered by modifying the terms of the offer. Others can’t be answered because the objection isn’t serious. When it’s easy to modify a quote to answer an objection, your sales reps have a way to evaluate whether a prospect is likely to make a purchase, or whether they’re stringing you along.
- **Track buyer behavior**—Marketers have long known the value of automated tracking of the customer journey, but sales reps haven’t had an equally effective way of tracking and evaluating the route a prospect takes on the path to becoming a customer. Advanced CPQ solutions give your sales team a way to follow every inquiry, message, request, change, and objection from every customer, and compare the status of a current prospect with information about those who have purchased before. That gives your sales reps and sales managers critical information about which sales are ready to close soon, and which ones need an extra push across the finish line.

While many view CPQ technology as a tool for improving the quality and accuracy in the manufacturing of complex products, it’s also an exceptionally powerful sales tool. By making CPQ capabilities central to your sales process, you give your sales reps an enormous competitive advantage and a quicker path from engagement to conversion in your customer’s journey.

In summary

Start today

Examine your sales process to see how configure-price-quote technology can improve your success rate and boost customer loyalty.

Learn more at
<http://www.infor.com/solutions/cpq/>



¹ Peter Ostrow, "Configure, Price, Quote: Better, Faster Sales Deals Enabled," Aberdeen Group, September 2014

² Megan Burns, "You Can't Afford to Overlook Your Customers' Emotional Experience," Forrester Research blog, July 22, 2015, http://blogs.forrester.com/megan_burns/15-07-22-you_cant_afford_to_overlook_your_customers_emotional_experience

³ Rachel Clapp Miller, "The High Price of Unwanted Turnover," GrowthPlay, Jun 24, 2015

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