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9 CPQ
misconceptions dispelled

Do you really know what CPQ is all about?
A quick guide for CPQ buyers

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Introduction

There are legitimate reasons to justify why your organization doesn't need a Configure Price Quote (CPQ) sales quoting solution - the following are not among them.

Here are the Top 9 Misconceptions organizations have about CPQ - and why you need to disregard them.

1 Regardless of its value, my sales reps will never adopt it...

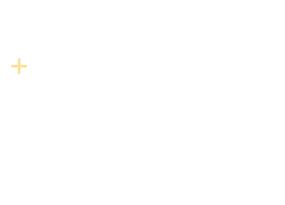## *You would think this to be true because...*

Adoption is the most important thing to consider when implementing a new sales solution. If your sales reps won't use it, there's no chance you'll gain any benefit from it.
There are lots of reasons sales reps might not adopt a new solution:

· They're tired of new tools being thrown at them.

· They believe that these tools are designed to help management first and foremost.

· They know that new tools often mean more work for them, and they've already got enough work keeping them tied to their desks rather than on sales calls

Why this misconception is bunk...

It turns out that if you implement the right CPQ solution for your organization, your sales reps will not only adopt the new approach but become its advocates. CPQ solutions reduce the amount of time sales reps spend creating quotes and can automatically input data into your CRM. Sales reps actually have less office work and are better positioned to go out and sell. When was the last time that was true of your sales reps?

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2 CPQ just isn't a solution well-suited for our organization.

You would think this to be true because...

Without having previous CPQ experience, it's very easy to say that CPQ solutions don't provide any value. Of course, whether or not you actually believe in the benefits of CPQ depends on the role you hold within the organization.

Why this misconception is bunk...

CPQ solutions offer value across different organizational roles in different ways. If you've been quick to dismiss CPQ, make sure you understand the technology's potential value to your own organizational position:

Sales Reps: Automatically generating quotes and updating CRM product entries invariably lightens work loads and accelerates the speed of deal-making, freeing up time so that you can do what you're paid to do – sell.

Sales Operations: Your role is to find new and better tools that make sales teams more effective. Of all of the roles listed here, you should be the most understanding of the benefits of CPQ. In case it's still unclear, have a look at the what your colleagues stand to gain. After all, their benefits are yours as well.

Channel Partners: For many organizations, Partners are your largest sales channel. In some cases, Partners are expected to do as much as internal sales teams, but without access to assistance or the latest sales and configuration tools. CPQ can remedy this discrepancy immediately and without hassle.

Order Entry: If there's something you would rather do without, it's arguing with sales reps and managers over an order you've rejected due to an incorrect configuration or unapproved discount. CPQ solutions dramatically reduce rejected orders by eliminating quote errors and ensuring quotes only go out to customers after receiving the necessary pricing approvals.

3 It will just add more work for my sales reps

You would think this to be true because...

Who can blame a sales rep for thinking a new sales tool like a CPQ will add more work? And who can blame a sales manager - knowing what his reps are thinking - for embracing the notion?

Why this misconception is bunk...

There's a very good chance your sales reps are already working hard to configure solutions and generate professional-looking sales quotes. They have some sort of tool for configuring the right products, (or they're doing it manually) and another tool, like Word, to write up their proposals. After they've put everything together, they'll still need to key everything into their CRM.

With a good CPQ, proposal creation is fully automated – that means quotes get generated for your sales reps automatically. And the information they enter for their quotes is automatically updated in the CRM. Approval processes can also be automated so reps don't have to write emails to get technical or management approvals.

With solutions like DealHub's Sales Engagement platform, you can also capture opportunity qualification data that your reps may not have added to the opportunity. And all the configuration and pricing information from the rep's quote is automatically recorded directly into your CRM, or first sent through an approval process.

CPQ also saves sales reps time in other areas. With builtin technical approvals, CPQ solutions ensure quotes can only be sent to customers after receiving the appropriate pricing and/or technical approvals. This dramatically reduces, or even eliminates, order entry errors, which can be very time consuming for sales reps.

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4 We don't need a CPQ – our quotes and configurations are simple.

You would think this to be true because...

There are many solutions that make it easy for sales reps to create sales quotes – including Microsoft Word and Excel. Why waste money on a quoting solution when our organization doesn't require that level of operational sophistication?
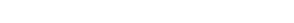
Why this misconception is bunk...

So you may not need the "C" (Configure) in CPQ and maybe you don't need the "P" (Price) either, but what about the Q? Does putting out a consistent, professional Quote not hold value for your organization?

When sales reps create quotes, who's reviewing them? Do they adhere to your corporate branding guidelines? Do they project the professionalism your organization is trying to convey? Have they received the necessary approvals before being sent to the customers – technical and/or commercial?

Even if configuring your solutions is simple, you still need to price them correctly. You could have a proposal priced and generated automatically, or you can spend some time in Word, manually constructing your quote. Really, it's an easy choice. Not only does automation reduce time costs, it also ensures that your team is sending out consistent, professional-looking proposals only after passing through your approval process.

5 We have a CRM – we don't need another quoting tool

You would think this to be true because...

Many CRMs offer a Quoting Module and many organizations make due with them. The default quoting modules built into CRMs can even print out pricing tables.

Why this misconception is bunk...

The built-in quoting functionality in CRMs is very basic and consists of filtered product searches – allowing you to look up and add SKUs to your quote. There's a reason they call them Quoting Modules and not CPQ Modules – they can't help you configure solutions.

They also have limited or no ability to calculate prices - such as support costs as a percentage of specific product types. Finally, their ability to produce professional-looking quotes is extremely limited.

If you only have a few SKUs to quote, a Quoting Module may in fact serve your need – at least to a certain extent. But if any of the following strike a note with you, you should consider implementing a CPQ solution:

· You have 10 or more SKUs/options that sales reps have to consider to create a quote.

· Your sales reps are creating and sending out quotes in whatever format they like, with whatever text they choose, and without going through an approval process.

· Your sales reps are spending too much of their time configuring quotes, rather than making sales calls.

· New hires are taking a long time to get ramped up because they have to learn a long list of products and/or complex pricing and configurations.

· Your products have pricing and configuration dependencies that must be taken into account when generating a quote.

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6 Our solutions are too complex for a CPQ

You would think this to be true because...

Many organizations do have very complex pricing and configuration models. They may involve tiered pricing, multiple level discounting, numerous pricing factors, as well as intricate product and quantity dependencies that must be calculated. It's easy to understand why someone would think a CPQ could not model these configurations.

Why this misconception is bunk...

Yes, there are a lot of complex configurations out there. Having said that, many organizations believe their configurations are more complex than they really are. Just because a solution requires many of the intricacies we just mentioned does not outright make them too complex to automate.

Regardless of how complex your configurations are, there's a reason why CPQ starts with a "C." Configuring is what the technology is designed to do – whether it's simple or complex. Ultimately, the answer to the question of whether CPQ is right for you, or if a specific CPQ vendor is the right one for you, comes down to the specific solution's ability to model your products and pricing.

There are some CPQ solutions, like DealHub, that can provide you a proof of concept in a just a day or two, so you can eliminate the uncertainties and risks and see clearly whether a CPQ solution would work for you. Don't discount CPQ until you've had a look for yourself.

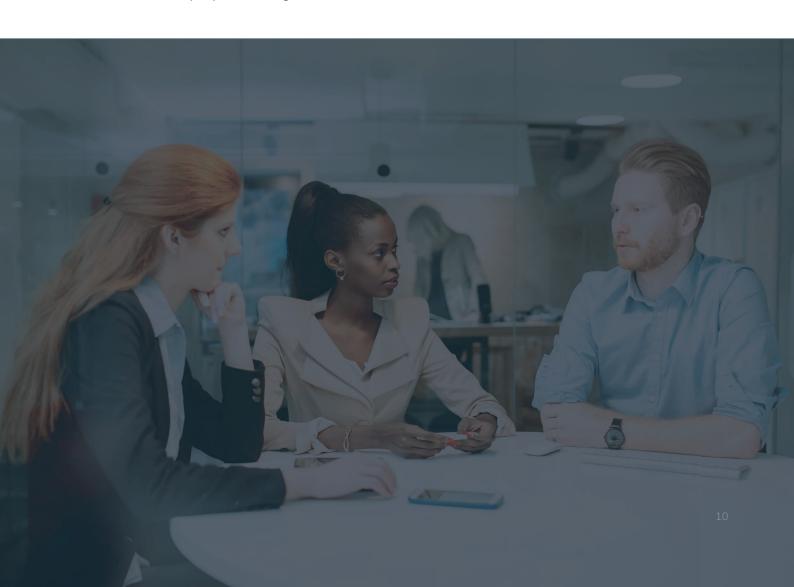# 7 CPQ is great, but its price is just too expensive to Justify

You would think this to be true because...

Last time you checked – a couple of years ago – it was the case. Until recently, there were only a few CPQ vendors and little competition, meaning high licensing costs. Add to that long, complex, and costly implementation procedures and it's little wonder that this misconception is so prevalent.

Why this misconception is bunk...

Today things are very different. There are a host of CPQ vendors to choose from, some requiring only days or weeks to implement their solutions. The days of long, costly CPQ setup projects, which can easily make up the bulk of a CPQ's costs, are also over.

Furthermore, for less than a dollar a day – about the cost of one Venti Starbucks Latte per week – your sales reps can become more efficient. That means responding to more customers more rapidly and closing more deals!

8 CPQ is great, but it's too resource intensive for us to implement and manage
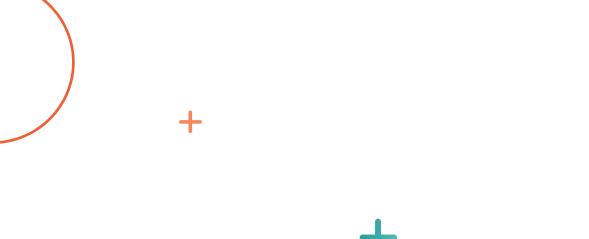
You would think this to be true because...

CPQs have traditionally required a lot of resources to implement and manage. In fact, it was not uncommon – especially for very large organizations – to have a devoted team of CPQ administrators. There are still many of these legacy CPQ solutions around that require a team to maintain.

Why this misconception is bunk...

A lot has changed since the early days of CPQ technology. Today, many CPQs provide very advanced functionality right "out-of-thebox".

These solutions are cloud-based enterprise apps that you need only log into and configure (no hard coding required) according to your business logic, products and pricing. Perhaps even more convenient – such agile CPQs can integrate with and operate as a module within your existing CRM platform in just minutes, eliminating the need for any technical know-how to setup and manage.

CPQ solutions, like DealHub's, have been designed for easy maintenance by Sales Operations rather than the techies from IT. They utilize simplified user interfaces with basic rule structures and tables that enable business users to instantly make changes. In short, the days of dedicated CPQ teams are numbered.

9 We sell via sales channels and CPQ can't help

You would think this to be true because...

CPQ solutions have traditionally been an extension of the enterprise CRM. Since most companies do not provide partners with access to their CRMs, there was no way to access the CPQ functionality. For those enterprises that offer CRM access to their partners via a portal, additional training and ongoing support has not always been practical.

Why this misconception is bunk...

Organizations that sell via channels fall into two categories: Those whose channel partners create their own quotes and those that create quotes for their channel partners.

For partners that create their own quotes, CPQs can be an enormous assistance. Unlike your own sales team, which is very familiar with your products and pricing, channels may or may not be well acquainted with your products. The more assistance that they receive, the more effective they will be at selling your products.

For partners that don't create quotes on their own, CPQ enables you to continue creating quotes for them, only you can do it faster and with built-in partner programs automatically priced in.

Conclusion

In a competitive business environment, the winning proposal is not always the best proposal. As the pace of business continues to increase, being first to respond to customer needs takes on greater importance and is often the deciding factor.

To provide sales teams the edge they need, organizations invest vast amounts in sales automation tools. One of these tools is CPQ. Long out of reach to many organizations because of their high cost and complex implementations, a newer generation of pricing and configuration solutions have made CPQ available for all.

This guide dispels many of the misconceptions and objections that organizations have about adopting CPQ into their sales environments. If you'd like to learn more about how CPQ can increase your sales agility and velocity, contact us for a free demo of DealHub's Sales Engagement Solution.

About DealHub.io

DealHub is a digital work hub for Sales: a unified platform for all sales engagements throughout the sales process. DealHub is empowering sales people to easily generate and share the most relevant and personalized sales content throughout the entire buying journey, while tracking and measuring their buyers' interest and level of engagement.

The DealHub unique guided selling engine and real-time analytics help increase revenues, shorten sales cycles and optimize sales processes. DealHub takes only 48-hours to set up and can be managed entirely by business stakeholders, without the need for IT support or coding.

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