



Creating Optimized End-to-End Operations with CPQ Integrations



Manufacturers are looking to transform information silos into seamless experiences

Manufacturing is quickly changing for both customer and manufacturer. Companies are looking for ways to create agile business models with a seamless connection of workflows and enterprise systems. This doesn't even consider the challenges of new buyer behaviors that are changing how companies sell capital equipment.

Most customers want to move from the typical back and forth buying journey to a streamlined process. The importance of moving to an online buying journey is highlighted by Accenture:

"Online sales currently make up 21% of total B2B sales, growing faster than previously estimated. We anticipate they will continue to race ahead, representing 29% by 2025."



29% of B2B sales will be online by 2025

accenture

With 90% of industrial customers seeing clear benefits in digitalizing B2B sales processes ([Accenture](#)) it's time for manufacturers to digitalize. That is why many manufacturers are turning to Configure, Price, Quote (CPQ) tools to help digitalize their business.

When deploying CPQ software it is critical for business champions and IT stakeholders to carefully consider the integration capabilities of CPQ vendors.

Let's look at some of the challenges manufacturers face when integrating CPQ into their existing digital infrastructure. After that we can look at some common integration issues for new product development and the order fulfillment process.

Challenge 1: Information silos

Information is spread across the organizations' enterprise systems, Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Product Lifecycle Management (PLM), and more. Your team struggles to get this information in a holistic view. This can lead to offering products too late, losing time and money, or misquoting and not matching the customers' needs.

Information and data silos also lead to slow ramp up times for new sales reps and leaving senior management trying multiple ways to empower sales reps to become self-reliant.

Without synchronizing product and pricing data across your enterprise systems (including CPQ), your sales, R&D and order fulfillment teams will not have the right data at the right time in the right system for the task at hand. This will create both internal frustration as well as hurting the customer experience.

Let's look at some common challenges without clearly defined CPQ integration goals:

Unplanned CPQ Integrations

- Product info is spread in different IT systems, excel sheets and the heads of your most experienced team member
- Every function has a puzzle piece, that might be out of date, and not in sync with the rest of the organization
- New team members are slow to ramp up and are reliant on back-and-forth alignment rounds

Planned CPQ Integrations

- A shared view of product offerings breaks down silos, all functions are working on the same assumptions
- Automated order handling and up-to-date, accurate product data translates into profitable and buildable quotes created in a fraction of the time
- All aspects of product structure, market, price, manufacturability and serviceability are available to even the newest sales member

Challenge 2: Lack of data governance

Manufacturers who win deals often release the power of the entire organization by connecting customer, sales, engineering order fulfilment, and supply chain. But this is nearly impossible with inaccurate product data. This data can include parts, assembly, pricing, compliance, tech specs, PIM-data, supply chain data, and shipping data.

With so much information spread across the business it's nearly impossible to forecast and create realistic goals for selling without clear directives on data governance.

Data governance involves a plan around the type of data to be integrated, maintenance of the data and defining a team to ensure the right type of data is being integrated with the CPQ system.

Data governance is something that manufacturers should prioritize when planning their digital strategy and is a critical component in successful transformation. Understanding how vendors can help guide your data governance is a step towards success.

Gartner noted the true cost of bad data for organizations,

“Gartner research has found that organizations believe poor data quality to be responsible for an average of \$15 million per year in losses”.



Without data governance

- Poor data quality and context
- Siloed data
- Compliance challenges

With data governance

- Clear data architecture
- Quality data enables faster and more informed decision making
- Easier data management

Challenge 3: Setting organizational expectations

Any digital transformation journey requires careful planning to create a cohesive and connected process. Once a CPQ project has started, integrations will be a critical factor for success. A project that is poorly managed will not have full buy in from key stakeholders and SMEs (subject matter experts) in different functional groups that own the various digital tools within an organization.

Transformation initiatives by their nature are very complex due to the number of systems that exist within an organization. Successful integration of these systems to a CPQ tool warrants an experienced project management professional (preferably someone internal) to manage the multi-vendor relationships, internal SMEs and the business stakeholders.

Setting your teams up for success by defining goals before the project starts is an essential way to clearly state where the project should head and even timelines. All integration projects need to start with planning and definition.

The objective is to reach a joint agreement about the project. It consists of one or more workshops to determine the functional needs of the solution, and defines who owns each part of the process. Outlining the project will help every one involved better understand the specific needs of individuals in the organization.

For CPQ integrations, there's no one size fits all solution for manufacturers. Projects are unique based on several different factors. That's why it's critical to start the project with realistic expectations. Defining pain points, targets and business benefits are some normal expectations.

Discover how CPQ integrations transform information silos into seamless experiences

Releasing the power of an entire organization sounds like a pipe dream. But manufacturers who carefully plan out their CPQ integration strategy are creating new, fast and flawless customer experiences and revolutionizing how they work internally. Let's look at how integrations work.

Your CPQ system is a good place to start to build a shared product view for users. That includes creating configuration logic that is capable of separating invalid product customizations from the valid and profitable ones you would like to offer to your customers.

Here you connect the product to customer needs, market and compliance rules that will drive and constrain the product configuration. And here you define how CPQ should generate the sales bill-of-material and quote documents as well as how to execute your price waterfalls across all of your sales channels.

For the CPQ to create accurate, relevant and valid quotes and orders, it must continually be fed with the right master data from your other enterprise systems.

The illustration below shows some of the data types customers typically bring into CPQ when preparing a product line. These integrations then continually provide fresh data ensuring the CPQ output is correct – during the whole lifecycle of your product. Read more on [introducing CPQ to your New Product Development Process](#)



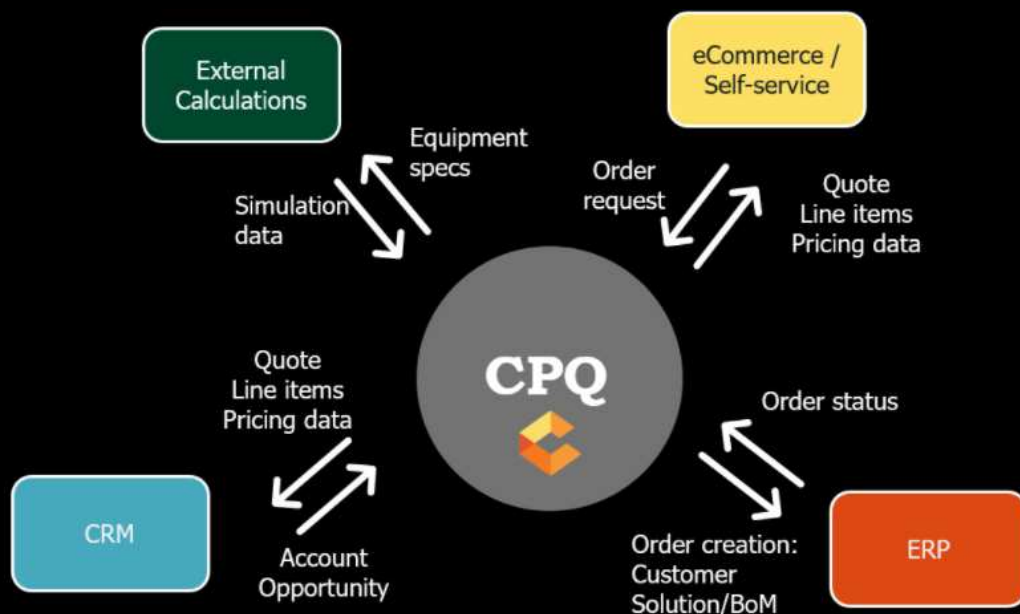
How will integrations help the sales & order fulfillment process?

The sales & order fulfillment process is one of the most important business processes of any successful company, where prospects are found, converted to customers and then delivered products or services.

The journey of the customer typically includes handovers between marketing, sales and order fulfillment organization (factory, supply chain, installation). For complex industrial equipment, this journey can be long and difficult – both for the customer and the vendor - including pushbacks, hundreds of decision points and questions, repricing, rescheduling deliveries, rescoping, order errors, reworks and misunderstandings.

In the sales and order fulfillment process, CPQ feeds your CRM Opportunities with line items, pricing and quote documents. After the configuration and pricing is done, CPQ sends accurate order material to the order fulfillment process in ERP. Other integrations could also include external technical calculations during the configuration as well as exposing your CPQ capabilities to self-service channels in an eCommerce system. Below is an image of the multiple systems manufacturers can be integrated directly with CPQ.

Read more: Blog: [Tacton CPQ Integrations in the Sales and Order Fulfillment process](#)



In closing

Creating seamless end-to-end manufacturing processes is critical for the future success of manufacturers. With so much pressure from customers to deliver a first-time-right buying experience every time, companies must recognize the need to change how they operate internally.

Disruption has become the status quo for manufacturing, but it's possible to create seamless internal processes that are always producing accurate and up-to-date quotes that can handle a changing market place.

Carefully planned CPQ integrations are enabling manufacturers to manage complexity and enhance collaboration with a robust configurator that shares and integrates directly with your products, supply chain and sales data. This will lead to an increased customer satisfaction by creating a fast and flawless buying experience.

Learn how our customers are managing complexity, dealing with supply chain issues, and increasing customer satisfaction all with CPQ by scheduling your [demo](#) today.