Top 10
CPQ
Functions For
Manufacturers

What is
CPQ Software?

In the manufacturing industry, sales can be especially difficult because of the different configurations of products. It can be hard for sales associates to give an accurate price quote when there is different pricing based on materials, features, quantity, and many other factors.

This is where Configure, Price, Quote (CPQ) software comes in. CPQ Software is made to help manufacturers create pricing quotes which are accurate and available in real-time. With this software, a sales associate will have all of the required in formation to provide this quote.

Benefits of CPQ Software

In the past, processing orders has been a labor-intensive job. Now, with CPQ software, the process is much more streamlined. This means added benefits to your business.

▶ Faster Turnaround

The sales process becomes much faster because your customer does not have to wait for a quote to be priced. CPQ software automates the rules for configuring the product, so a quote can be provided to customers in just a few minutes.

By speeding up this process, orders can be completed faster and your sales force can put its attention on expanding the customer base and providing better customer service.

▶ Fewer Errors

CPQ software also leads to a massive reduction in quoting errors. By automating the product configuration process, customers can see exactly what options are available to them and they can't select incompatible options.

There is no problem with customers ordering products which cannot be made to their specifications. As such, there are fewer production problems and errors, resulting in significant savings the company in the long-run.

More Selling
Opportunities

In addition to giving you the opportunity to speed up the sales process, you can also increase the size of sales as they come in.

For example, if you were dealing with a contractor who wanted to purchase doors for their housing development, you could give them an immediate quote for the specified product. But CPQ software can also help you to upsell the customer on other features by giving them real-time quotes on those upgrades.

Faster Training

New sales associates no longer need to be trained in every aspect of the manufacturing process. For a client who sells tempered glass doors, you previously would have had to train the associate on all of the rules for glass-cutting and measurements.

This could take weeks or months before an associate was ready to take orders on their own. CPQ software automates this process. Now, the associate just makes their selections and the software does the rest. This could take weeks or months before an associate was ready to take orders on their own. CPQ software automates this process. Now, the associate just makes their selections and the software does the rest.

Finding the Best CPQ Software

As with any product, not all CPQ software packages are created equally. Configure One has been a leader in the development of CPQ software solutions for manufacturers for the past twenty years. We've worked with hundreds of manufacturers and identified what's needed to make their business run smoothly with our CPQ software.

The following list compiles ten of the most important CPQ functions sought by manufacturers. It represents the truly essential points to look for when finding a CPQ software company to meet the needs of your business.

1. Generate Multi-level BOM

Let's face it: a good product comes from a variety of other, smaller products all working together in unison. Good CPQ software will create a dynamic bill of materials (BOM), the list of materials used in a product, with ease. This will have multiple levels including what are known as "parent-child relationships."

For instance, a seemingly simple product like a leather jacket can have multiple parts under the heading of "jacket." It includes a certain amount of leather, insulating material, zippers, pocket material, stitching thread, and buttons. Even the tags sewn into it can be a part of the BOM. If an item used in the creation of a product also has subcategories, these can also be included on the BOM.

CPQ software takes the features or options your customer selects and places them into an interface to create a BOM. From there, the customer (or maybe just your sales associate) can see exactly what parts will go into making each configured product. This helps create an accurately priced quote, as everyone knows exactly what will go into the creation of the order.

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2. Engineering Calculations

One of the biggest concerns engineers run into with customer requests is when the customer chooses options that are difficult or impossible to manufacture. This creates an uncomfortable situation where the sales associate has to go back to the customer and select new options, just to complete the quoting process.

For this reason, CPQ software should be able to perform engineering calculations. When a sales associate enters the customer's request into the software, the software should have safeguards to block an order from being generated if it is outside the specifications of the engineering requirements.

Many times, the calculations involved in these requests are quite complex. The CPQ software prevents mistakes from being made which reduces overall errors, inaccurate quotes, and unhappy customers.

3. Specia Requests

Sometimes, a customer has a special request that can be manufactured but may be outside the normal parameters of an order. With CPQ software, if a customer insists on a non-standard option, it can trigger a workflow which will be sent to the engineering department. This allows the engineering team to put together specifically priced quote based on these special requests.

Customization is often the key to running a successful business these days. If your engineers can create custom products to better meet your customer's needs, then you're looking at getting more repeat business in the future.

4. Nested Configuration

In today's complex manufacturing world, it can be desirable for configurations to consist of multiple, independently-configured products. With this in mind, your CPQ software needs to be able to handle nested configurations of otherwise independently configurable products.

With nested configurations, changes to the top-level configuration cascade down to the sub-configurations accordingly. For example, when configuring a custom kitchen design, changing the cabinet material from maple wood to cherry would automatically update the materials for each cabinet, alleviating the need to manually adjust each subordinate configuration.

This means your price quotes stay accurate, even when the customer decides to change things up late in the process. A great CPQ application will ensure that any adjustments to the sub-products will be compatible with the other components and the top-level product.

5. Filters

When your product has dozens, hundreds, or thousands of potential components, filtering them becomes a critical feature in CPQ software. Sales agents can get the customer's preferences for certain items and smart filters will show them which options meet their criteria.

This is incredibly useful for your sales staff because it makes your catalog of products dynamic. It's especially useful for identifying add-on features to upsell customers. It makes the whole process easier, so you don't have to sort through thousands of potential options just to find the few you are looking for.

6. Live 2D & 3D Visualization

One of the biggest selling points you can have is allowing customers to actually see exactly what their configured product looks like. The best CPQ software supports live visualization, where customers can see how different materials or options will look on the product.

This means your potential customer can get either a dynamic 2D or 3D visual representation of the product they're purchasing. Now, they can see exactly what they are planning to buy and will not be disappointed with the finished product because "it doesn't look like I thought it would." This leads to repeat business from returning customers, positive word-of-mouth marketing, and improves online ratings.

7. CAD Automation

An essential function in your CPQ software is the ability to automate CAD drawings and models.. With CAD automation, the CPQ software sends the specifications to 3D solid modeling tools and gets back a to-scale model of the product.

Sales associates can use the configured model and share it with the customer to get their approval and your operations department can use them for reference when they are fulfilling the order. All of this leads to, once again, decreased errors and improved customer satisfaction.

8. Dealer/Distributor Support

PQ software should always make the ordering process more convenient, efficient, and easy-to-use. To this end, functionality for dealers/distributors can be essential.

Sometimes a customer is ordering a custom product from a dealer. Other times, the product will be sold directly from the manufacturer. Each sales type may use different pricing structures, so everything, including the price sheets and quote documents, have to be specific for the type of sale being made.

The more avenues you can open up to selling your product, the more likely you will be able to increase your customer base. The best CPQ software lets your entire sales force, including your extended sales force, use the same system to take and process orders, so nothing gets lost in translation.

9. Internal API

In software, an internal API allows you develop custom functionality that fits perfectly for your organization. It helps simplify the process of implementing and maintaining the software. A good CPQ program is one with an extensive API that provides a diverse toolset for building custom solutions.

This means you can expand and customize the software to fit your needs. More importantly,. you should be able to do this without having to keep the software developer on site to assist you. CPQ software is not useful if it takes a huge IT department just to help run and maintain it. Instead, the software should be as simple to implement and update as possible to cut down on your headaches later on.
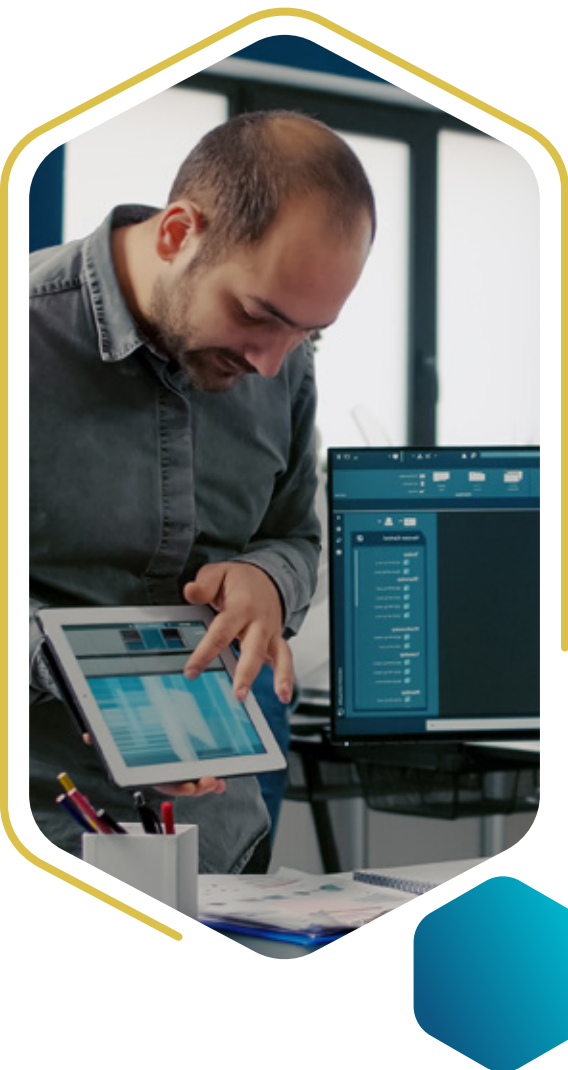
10. Easy Admin

Related to the IT department concerns, CPQ software should be web-based and have a point-and-click administrative environment for easy use. Manufacturers are experts at making their products and running a business to supply products to their customers. They shouldn't have to be a computer-wiz to implement or maintain their CPQ software. Ease-of-use is a critical component of CPQ software.

If a CPQ platform is able to hit all ten of these functions, it should handle all your needs in the manufacturing industry. But there's one more function which will also help define the software you need.

Bonus: Integration

You want your new software platform to integrate well with the other platforms you are already using. Whether it's your ERP or CRM, the right CPQ software needs to fit together with your existing business systems. This integration needs to be resilient, so you can go on to be selfsufficient, without the need for extra assistance whenever you make a change to your product offering

Take Your Business to New Heights

A good CPQ software platform can be essential in order to grow the business, especially for manufacturers. With so many businesses seeking any possible advantage over the competition, it makes sense to equip yourself with the best software.

CPQ software allows you to customize products easier, prevent errors, increase customer satisfaction, and expedite the sales process. Take your business to the next level with more happy customers while making the entire procedure easier to manage.

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About
Revalize

The Revalize Cloud for Manufacturing offers industry-leading CPQ, product, and design solutions that help organizations accelerate their time-to-cash. Unlike other revenue management platforms, Revalize is built for the unique needs of specialty industries and offers comprehensive design-to-cash solutions that help 15,000+ customers globally to design, customize, quote, and sell more than $8B in products each month.

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