5 WAYS TO GUIDE THE DEAL WITH CPQ
Guide the deal, not just the configuration
While most corporate stakeholders acknowledge the importance of Configure, Price and Quote (CPQ) processes, it can still be quite challenging to secure company-wide buy-in on the need for a CPQ transformation. Specifically, the risk of disrupting the business often creates an emotional chorus of concerns that prevents the CPQ initiative from getting off the ground.

But we believe that focusing on guiding the deal (not just the configuration) can significantly improve the customer experience, broaden your stakeholder buy-in, and increase your value case for a CPQ transformation. This approach begins by looking at the entire deal lifecycle and considers all the types of guidance that can be provided to sales reps, partners and customers. In our experience, this value case is very compelling and clearly outweighs the risk of disruption.

Instead of just guiding the solution configuration, CPQ can guide the broader deal across five dimensions: solution, pricing, terms and conditions, supply chain and renewal. As Figure 1 shows, this expanded guidance also expands the business case, delivering added benefits that include operational savings, reduced inventory costs and improved margins.
This expanded business case can in turn motivate more stakeholders to advocate a full transformation. Here are more details:

1. Guide the Solution

The most common form of CPQ guidance focuses on offer selection and hardware/software/services recommendations. By hiding engineering complexity behind a guided experience, CPQ makes the experience about the seller/buyer, not the engineer. Guided configuration enables solution selling and cross-sell/up-sell, and helps your sales team, partners, and customers easily navigate your offerings. Yet while these benefits can gain the buy-in of your primary stakeholders in Sales, they are often not enough to secure the support of the wider array of stakeholders required for CPQ transformation.

**VALUE PROPOSITION:** Faster configuration, increased average deal size, and improved seller experience.

**KEY STAKEHOLDERS:**
Sales, Sales Operations, Channel Sales, Customers, and Partners.

2. Guide the Pricing

Because enhanced pricing often offers the largest financial benefit of a CPQ transformation, it is a great next step in gaining more advocates. Providing up-front guidance on the right price for a specific transaction both improves the experience and reduces the friction between sellers and deal approvers. Using Artificial Intelligence (AI) to deliver dynamic pricing guidance drives margin growth and accelerates quote turnaround time. Applying price optimization to CPQ can transform pricing to be proactive rather than reactive, greatly reducing the operational burden on your deals desk. Equally important, moving the needle on margin just a little bit will pay for any CPQ transformation, while the corresponding pricing controls will get Finance and deal approvers excited about CPQ.

**VALUE PROPOSITION:** Improved margin, reduced quote turnaround time, reduced quote iterations, and improved experience for both Sales and deal approvers.

**KEY STAKEHOLDERS:**
CFO, Finance, Deal Approvers, Sales, Sales Operations, Channel Sales, and Partners.
3. Guide the Terms and Conditions

As the market continues to shift towards subscription and as-a-service business models, providing guidance for terms and conditions is becoming increasingly critical. Companies pivoting to service and subscription models often find their sellers struggling to understand the appropriate terms for a deal. In addition, Legal and Compliance approvers get caught between approving poor T&Cs versus slowing down a deal. Even costlier is having to clean up deals with unmanageable terms after the deal is closed. On the flip side, standardizing T&Cs enables greater automation of downstream processes such as renewals, amendments, and cancellations. CPQ can automatically apply the appropriate standard T&Cs on a deal and ensure that deal terms are vetted before a quote is sent to the customer.

**VALUE PROPOSITION:**
Faster deal approval, reduced legal risk/compliance exposure, and improved operational efficiency.

**KEY STAKEHOLDERS:**
Legal, Compliance, Operations, and Sales.

4. Guide the Supply Chain

Incorporating supply chain data (inventory and supply signals) into your CPQ experience can dramatically improve both your buyer experience and your supply chain efficiency. How often does your customer go through the quoting process, proceed to order, and then find their order is backlogged or has a lengthy fulfillment time? Meanwhile, your supply chain is trying to catch up and wondering why your sales reps won’t sell what they have in inventory. Integrating supply chain data into your CPQ experience can both warn a customer upfront that a product has a long fulfillment lead time and guide your sellers to the available alternatives. Likewise, CPQ data should be integrated into your supply chain planning processes by providing insights into what is being quoted and what combinations of products and services are being sold. Finally, guided CPQ and supply chain planning can improve your customer experience by symbiotically shaping the demand and sending demand signals to the supply chain.

**VALUE PROPOSITION:**
Improved customer experience, greater supply chain efficiency, reduced order fulfillment lead time, reduced inventory costs, and improved operational efficiency.

**KEY STAKEHOLDERS:**
Supply Chain, Sales, Sales Operations, and Customers.
5. Guide the Renewal

Renewals are among the best opportunities to expand your footprint, drive incremental sales, and grow your business. The pivot to as-a-service models also increases the importance of effective renewal selling. Renewal sales are often frustrated through the need for building the renewal quote and for manually identifying the cross-sell/upsell opportunities, which leads to missed or “naked” renewals. As a baseline, guided CPQ can help to automate your renewal processes, and can use AI to analyze similar customers, conduct white space analysis, and increase renewal sales while simultaneously reducing operational costs.

(VALUE PROPOSITION:
Improved renewal rates/sales,
increased average deal size, and
reduction of naked renewal rates.

(KEY STAKEHOLDERS:
Sales, Renewal Sales, Sales
Operations, and Customers.

For all these types of guidance to be effective, they need to stay relevant to changing business conditions and specific customer needs; and using AI and rules-based guidance is the best way to assure that. In addition, CPQ guidance often fails when it is over-engineered, presenting users with too many choices; for this reason, the CPQ design needs to be experience led, based on a vision of the customer experience that incorporates the required guidance at the right time without overwhelming the sales team.
To summarize, guidance that is based on the full deal, rather than just the solution configuration, can improve your customer experience, increase your return on investment, and broaden stakeholder buy-in for a full CPQ transformation. Imagine having the head of your Supply Chain Operations, Legal, Finance, and Sales all advocating for a CPQ transformation. This can and should be the case; but first, you need the right vision: one that incorporates the full spectrum of CPQ guidance.

Accenture has used this proven approach to deliver significant client value as part of multiple CPQ transformations. The keys to success are to focus on the end-to-end customer experience, build the broader vision and value case, and secure broad executive buy-in across Business, IT, and Operations. This approach will enable you to manage the challenges associated with a CPQ implementation, and to maintain the case for change as part of the transformation journey.
Brice Rey-Herme
Managing Director within Accenture’s Communications, Media, & Technology (CMT) Practice, and Leader of the Accenture CMT North America Configure Price Quote (CPQ) Practice. Brice has led multiple large-scale transformations focused on direct and indirect / channel selling, quoting, and incentives. As the CPQ practice lead, he has led multiple Quoting and Strategic Pricing initiatives focusing on CPQ Transformation, Price Optimization, Strategic Pricing, and Channel Quoting to drive sales, revenue, and margin growth. In addition, Brice has led multiple CRM and Channel Data & Incentives process and technology transformations to enable sales visibility and channel contra optimization/savings.

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As Managing Director in Accenture’s Salesforce Group, Anthony manages our Salesforce Emerging Business and Global Quote-to-Cash (QTC) practice. In his 20+ years in the Sales, Pricing and CRM practices at Accenture, Anthony has teamed with clients to drive, architect and implement large, global CRM and QTC transformations. His focus is on building a sustainable and measure capability focused on top and bottom line improvements for his clients. Anthony also owns and drives our vendor partnerships and builds capabilities in the emerging portfolio to ensure Accenture always has capabilities ‘in the new’.

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