



Securing Buy-in and Budget for Your CPQ Project

By Kevin Geraghty

CPQ solutions bring a plethora of benefits to a growing number of businesses and industries that need to quickly and accurately price combinations of interdependent products and services. Even so, the value that CPQ can bring to a company isn't always immediately clear to everyone in an organization.

If you're a Sales Operations Manager, chances are you know that investing in a top-notch CPQ software solution to streamline and automate your sales process will help increase your quoting efficiency, accuracy and conversion rate.

However, to proceed with your CPQ project you need to get your team onboard and secure agreement from management. When presenting your case, they will hit you with questions and objections. How can you deal proactively with these?

Here is a list of potential questions and objections you may get from management colleagues. For each one, we provide a response you can give to help you secure buy-in and budget.

1. Questions

Aren't our products too complex for automation?

Response: CPQ is a broad description for a number of software applications with varying degrees of sophistication and use. The vendor we're considering operates at the higher end, specializing in businesses that have complexity – just like ours. The system is built upon a powerful rules-and-calculation engine that sits behind a very flexible structure. They are yet to see a situation that is too complex for their CPQ.

Do we have enough resources in-house to test and implement this?

Response: The premise of CPQ is to help us save and create time. Yes, there may be some short-term pain to introduce the system; however, the benefits will easily surpass this.

In addition, the vendor has refined a methodology that enables companies to introduce the system incrementally to ease the impact on an organization while gaining some quick wins.

And if we still feel that we will struggle to find resources, they can conduct all of this work on our behalf.

Didn't we build a system to do this already?

Response: Parts of our business and/or sales process are still using spreadsheets for this type of work. This is because our current CPQ system is not able to produce quotes to the complexity we need.

Will it cost a lot if / when our sales processes change?

Response: Actually, with this particular CPQ system, it's the exact opposite. It's built on a very flexible structure that enables changes to be added easily. In addition to this, the vendor works on the basis that non-developers at our end can make these changes. The vendor will train our team to be as self-sufficient as we want them to be. Training of our in-house administrators is part of the implementation phase of this project. We can adapt our system ourselves after "go live" without the need to involve the vendor.

Our spreadsheets work fine, so why should we change?

Response: Maybe we shouldn't. However, if we dive deeper, do spreadsheets really work fine? On the contrary, there are numerous underlying issues – for example:

- Version control, leading to pricing errors / or invalid options
- They don't talk with the CRM (or any other systems) including the document output - lots of copy and paste.
- They are not intuitive, so mistakes still creep in - even after training.
- There are sometimes multiple spreadsheets - one for each product / service. Collaborating across these is hard, and when revisions are required the task is magnified.

We have all of these issues.



We don't have a CRM system yet. Do we need one, and should we do this first?

Response: We do not need to have a CRM system, as this CPQ solution already has some CRM functionality. If we find that we need to enhance the CRM, we can add any modern CRM and the CPQ part functions the same within it.

Our quoting already runs efficiently, so why buy a CPQ system?

Response: There is always room for improvement. And if the vendor can demonstrate that the outcomes will drive a fast ROI, which they can, then the real question becomes; how much does it cost us each month not to buy?

2. Objections

This seems like a lot of money to spend on another piece of software?

Response: CPQ software is a tool that will not only save us money but also create additional revenue and maximize profit on each order. This is achieved by...

- Eliminating costly errors (pricing, compatibility or selection errors).
- Easing inefficiencies to save time for other activities.
- Giving us a distinct advantage over our competitors in terms of speed to market with a quality proposal.
- There will be a rapid return on investment for us, and remember that there is a cost to us for each month of inaction.

We don't have an IT team / the capacity to help us with a CPQ project

Response: No problem. That is the beauty of a cloud system – there's no need for an IT team. All we need is a PC (or Mac) and a connection to the Internet using any of the main browsers. The system itself does not need IT people to set it up, just people that understand our products/services. If they are competent in MS Excel, then that will be sufficient. The vendor will coach our people through a series of online workshops to be as self-sufficient as we choose. Alternatively, the vendor can do much / most of the 'heavy lifting' if we do not have resources available.

"When it comes to pricing and configuration, companies in all industries will benefit by having more agility and accuracy than their competition."

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Software is always a black hole that no one understands but costs a lot

Response: Yes, it can be. With CPQ the trick is to build a strong but flexible foundation. One that strikes the right balance between being easy to use and easy to administer – this is where the vendor we're considering will help us most. They will proactively identify potential maintenance overhead (potential costs to us) and wherever possible/practical, they will build in ways to reduce or remove these costs.

There is also the question of additional functionality/features to consider. The vendor advocates an incremental approach that provides us with quick wins and ROI to build trust within our organization. Enough trust to take the next step, and so on.

I don't want us to be dependent on a supplier for updates and changes that cost money

Response: This particular vendor's system has been built so that our (non-IT) people can easily maintain it. Coaching our in-house administrators is part of the implementation phase of the project. We can then adapt our system ourselves after "go live", without the need to involve the vendor. But should we need help, they will provide it.

I don't want to set up all the customer and product information again in another system, and I want to see quote history in my CRM system all in one place

This CPQ system will integrate seamlessly into our CRM to automatically use our CRM information in the quoting process.



Conclusion

You have decided that implementing a market-leading CPQ solution will help your company win more deals at better margins. The question now is, how do you get the rest of your organization as excited as you are about adopting CPQ?

Spending some time to draw top management's attention to the value of using a CPQ solution will help secure buy-in and budget for it – ultimately making your company become easier to buy from.





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About the author

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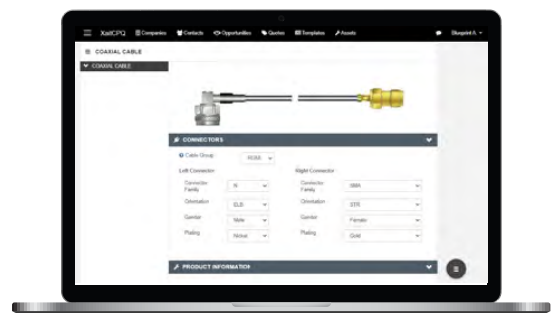
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Kevin's passion is helping companies become easier to buy from. He is a pioneer and thought leader in CPQ (Configure, Price, Quote). Quick to spot how technology (in particular CRM and product configuration software) enhances sales team performance, he was instrumental in the development of cloud based CPQ applications. He co-founded BlueprintCPQ in 1999, and built this to become one of the most powerful and flexible CPQ platforms. BlueprintCPQ was acquired by Xait in December 2020 where Kevin is Head of CPQ practice and Managing Director of Xait Ltd where he continues to apply his innovative thinking and experience to drive sales efficiency.

Become easier to buy from

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Xait helps organizations with complex pricing options maximize revenue and drive cost and risk from their sales process.



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