

10 Questions
to include
in your
CPQ RFP

INTRODUCTION

Configuring, pricing and quoting (CPQ) are important steps in the B2B sales process, but many companies do not have an end-to-end process in place — much less a single solution — to do this efficiently.

Instead, they may have several siloed systems that do not work well together and slow down the process, or rely on spreadsheets and tribal knowledge scattered across their internal teams. As a result, these companies struggle to prepare and deliver timely, accurate quotes to prospects, giving the competition an opening to provide the first quote and secure the business.

With more than 30 years of experience helping businesses from around the world solve their CPQ challenges, FPX has responded to thousands of RFPs and RFIs from businesses looking to streamline sales processes, bridge gaps across front and back offices to drive efficiency, and ultimately, deliver an overall better experience to both direct users and the end customer.

With a comprehensive RFP that clearly covers all your critical CPQ requirements, your business can begin to move through the vendor selection process confidently and begin seeing ROI faster. With an RFP that asks the right questions the first time, your team can reach a decision quickly, possibly saving weeks or even months of valuable time during evaluation, and more importantly, avoiding implementation delays or getting stuck with features you do not actually need.

The following is a series of potential RFP questions that may help with your CPQ project. Each question is accompanied with what to look for in a vendor's response as well as an explanation of why the information is relevant to your RFP.

Here are 10 questions to consider including in
your RFP to help ensure you find the

SOLUTION PROVIDER

that best meets your needs.

Q1

Is your CPQ solution able to integrate with our required existing platforms, such as our CRM system and ERP solution?

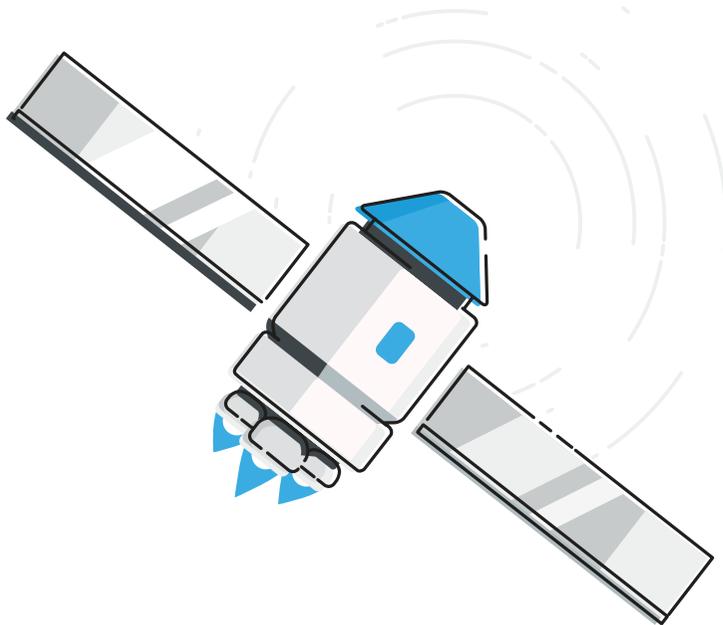
ANSWERS TO LOOK FOR

Look for CPQ solution providers that have systems that are platform agnostic (also commonly referred to as non-native), and are able to easily integrate with most major solutions. Certainly, the CPQ solution you choose should integrate with your current applications, but remember, you may switch from your current applications sometime in the future. Think about what other applications you may add, how you are going to manage changing solutions, and whether your solutions are flexible enough should changes occur during a merger or acquisition.

In short, make sure your CPQ solution is agile and flexible enough to evolve with your business.

WHY THIS IS IMPORTANT

If you choose a CPQ solution that is native to your Salesforce CRM, for example, it may not be compatible with your SAP ERP. Instead of benefiting from a CPQ solution that connects your front and back office to streamline the quoting process, your organization is stuck customizing the application over and over again, draining resources and killing ROI. As key applications change or update, such as CRM or ERP solutions, the CPQ solution should continue to work with the new or updated systems. Future-proof your CPQ solution by selecting a vendor with an open platform.



Q2

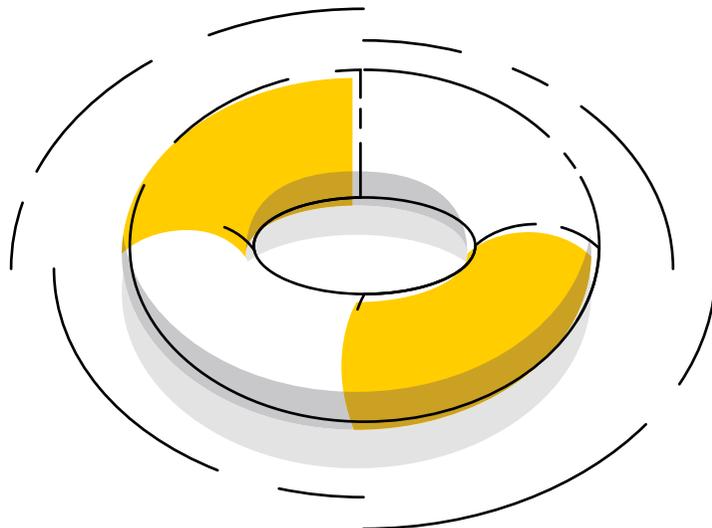
Does your solution have the ability to support and service our complex configuration requirements?

ANSWERS TO LOOK FOR

Most CPQ vendors are obviously going to be prepared to service configuration requirements. However, not all vendors are created equally in this category. Look for vendors that are able to solve complex configuration challenges with a behavior-based model. Again, it is imperative to remember that flexibility is key.

WHY THIS IS IMPORTANT

Many CPQ vendors offer a very specific approach to solving complexity and configuration challenges. Constraint-based configuration, specific scripts and logic methods are often incredibly rigid. Think of your configuration challenges as problems you need to fix — while vendors with a constraint-based configuration model provide you with just a hammer, you would be better equipped to solve any problem with the entire tool chest that a behavior-based model provides.



Q3

Does your CPQ system support the sales process across all channels, including direct, indirect and B2B ecommerce?

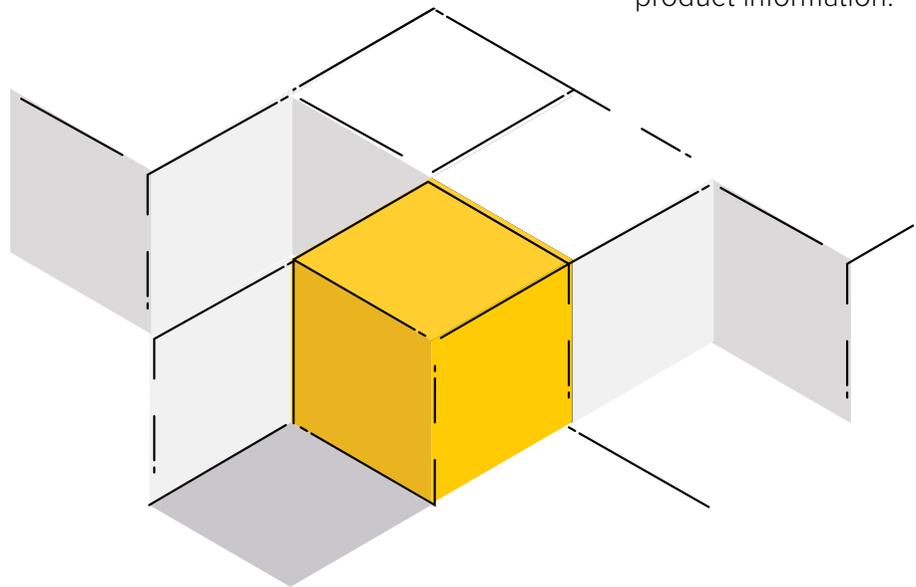
ANSWERS TO LOOK FOR

Look for a CPQ solution provider that can provide a similar experience to your customers in every channel, including: ecommerce, direct sales as well as through partner and vendor channels. Furthermore, the solution should be able to integrate with other systems, such as accounting, ERP and CRM, as well as your pricing data and product information.

WHY THIS IS IMPORTANT

By selecting one CPQ solution provider that can support all sales channels, instead of separate providers for each channel, your system will be more streamlined and easier to maintain and upgrade.

Using separate providers for the solutions for each sales channel is time consuming to manage, and it results in different shopping, buying and selling experiences across channels, which can confuse your customers and reduce conversion rates.



Q4

Does your CPQ solution enable B2B ecommerce with a user-friendly interface similar to B2C solutions? Does your ecommerce solution support my dealers and channel partners as well as my direct sales team?

ANSWERS TO LOOK FOR

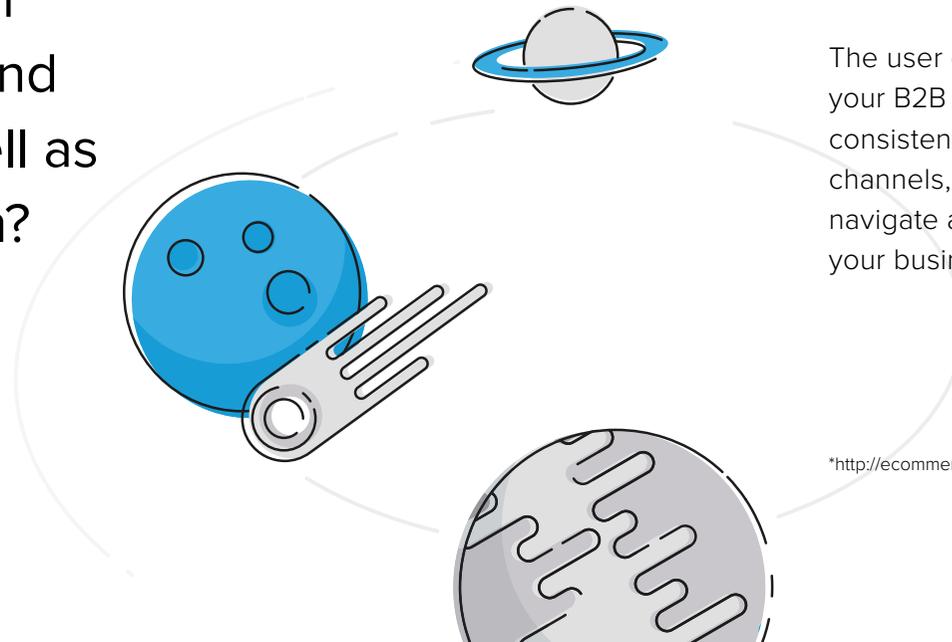
Modern CPQ providers should be able to support B2B ecommerce efforts with a platform-agnostic solution that integrates with your existing systems. Your B2B ecommerce system should be available for dealers and channel partners to easily use with their pricing and product information.

WHY THIS IS IMPORTANT

Today's B2B customers expect a B2C-like purchasing experience, with options when it comes to sales channels. This is not just about preference, there are actual numbers to support the demand from buyers: Frost & Sullivan projects that B2B ecommerce will hit \$12 trillion in sales worldwide by 2020, up from \$5.5 trillion in 2012.*

The user experience for purchasing on your B2B ecommerce channel should be consistent with the experience on other channels, so your customers can intuitively navigate across all stages of working with your business.

*<http://ecommerceandb2b.com/b2b-e-commerce-trends-statistics>



Q5

Does your CPQ solution have guided buying and selling processes?



ANSWERS TO LOOK FOR

Verify that the provider offers functionality for guided buying and selling processes. It should allow buyers to identify which products best fit their needs, and configure the products to meet their specifications.

WHY THIS IS IMPORTANT

High value deals require personal involvement of sales teams to close the deal. Lower value deals should be more automated, so the customer can guide themselves through the process of selecting a product, configuring it and making the purchase. By automating smaller deals, it gives your team more time to focus on high value and high consideration deals.

Q06

Is your CPQ solution mobile and off-line capable?

ANSWERS TO LOOK FOR

It is important to select a provider that has a solution that works online, off-line and with all types of mobile devices. One provider should be able to provide these solutions for all of your sales channels.

WHY THIS IS IMPORTANT

Salesteams often work remotely or directly with customers in the field. They need to be able to access your CPQ solution anywhere, any time and on any type of device, even if they are off-line. This enables your sales team to quickly create quotes to send to customers. The first vendor to provide a quote often wins the deal. By having one provider for all of your solutions, your sales team will only have to learn how to use one system for the CPQ process. This reduces the time for training and improves the productivity of your team.



Q7

What deployment methods are available – on premises, hosted (managed services) and on-demand (SaaS)?
Is it easy to migrate between these methods?

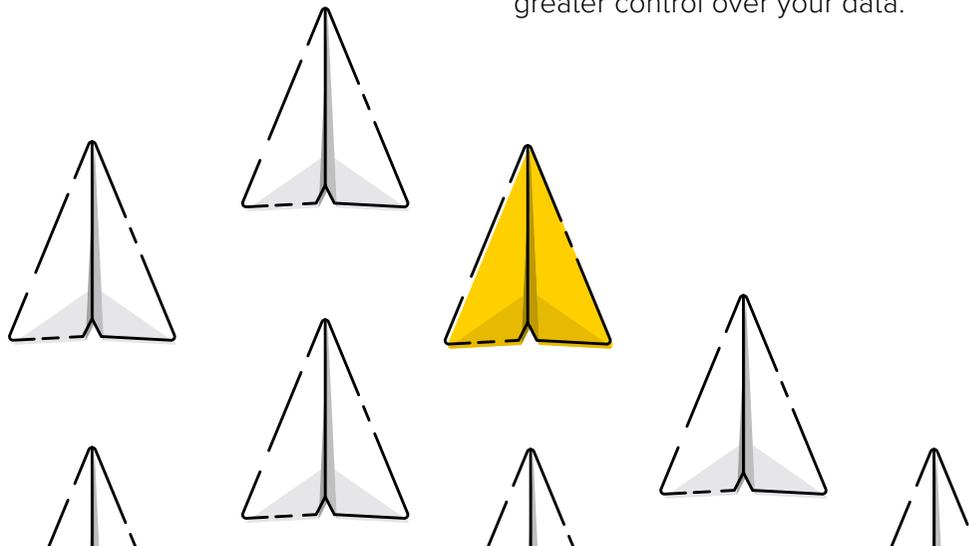
ANSWERS TO LOOK FOR

For today's CPQ vendors, the focus is on cloud-based hosting. Many B2B organizations are looking for the flexibility that a cloud-based solution provides. However, it is important to consider your business's immediate requirements, capabilities and long-term goals. Do you require a quick, easy and less expensive solution? Or, perhaps you prefer a solution that is more customizable and provides greater control over your data.

WHY THIS IS IMPORTANT

There are four key considerations when it comes to deployment: cost, security, customization and implementation.

For many businesses, particularly those in heavily regulated industries, security is a major factor. For others with complex requirements, customization is a top consideration. Consider vendors that can provide the flexibility of a multi-tenant, cloud-based solution, as well as the security and customization that you would expect from an on-premise solution.



Q8

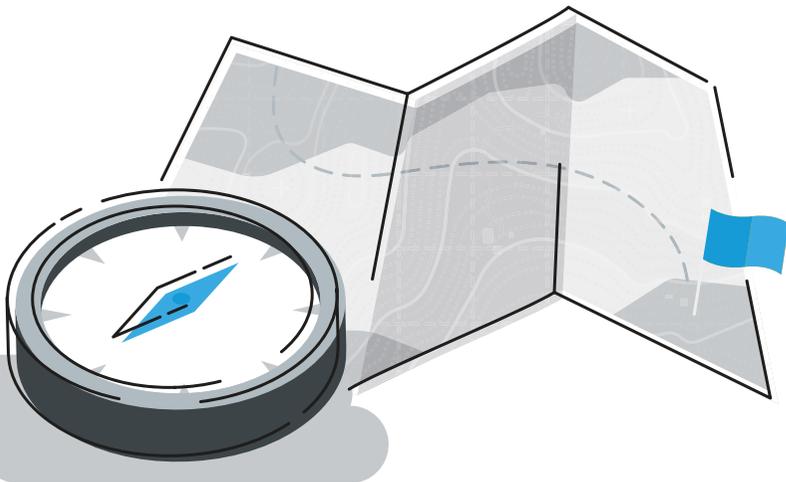
Is the CPQ solution global-ready, or is it designed for a specific market/region and internationalized at a later point in time?

ANSWERS TO LOOK FOR

For B2B manufacturers and others spanning numerous industries, business may be global. With an emphasis on internationalization, companies need to think about how their CPQ solution and other tech applications manage foreign currencies, languages and localized product and service catalogs. Although many vendors can be “creative” in answering these types of questions in an RFP, a good way to get to the truth is to ask, “What are the multi-regional capabilities of the latest version of your CPQ solution?”

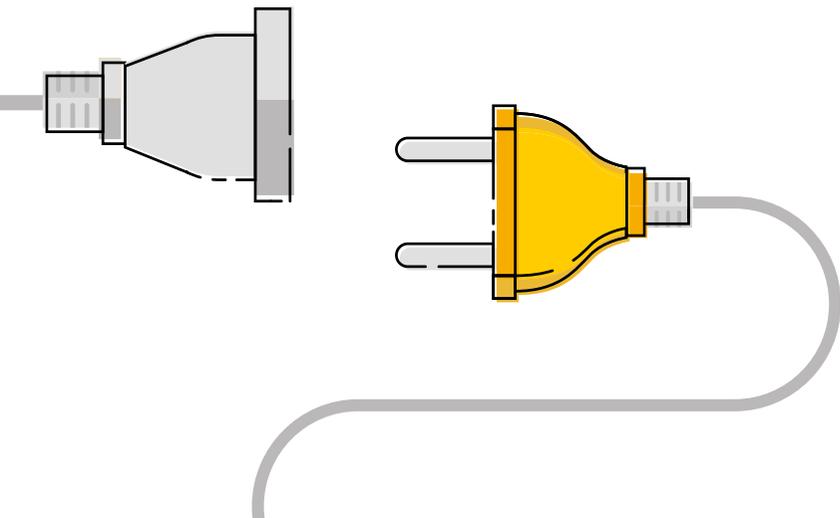
WHY THIS IS IMPORTANT

When it comes to enterprise-grade CPQ, it is imperative that the vendor provide localization capabilities out of the box. For smaller, SMB-centric CPQ vendors, accommodating a business’s internationalization strategy may require expensive and time-consuming upgrades. Furthermore, solutions that are retrofitted to accommodate multiple regions may compromise the user experience both from the perspective of your company’s internal users, and from the perspective of the customer who may be engaging with your solution through a dealer portal or ecommerce platform.





Do you provide professional services for the implementation and integration process directly or through partners?



ANSWERS TO LOOK FOR

The strongest vendor for your CPQ solution should provide multiple implementation options with a variety of pricing options, as well as industry vertical and regional expertise.

Vendor Services Implementation: Some vendors may have an in-house professional services team for getting the solution up and running, and integrating it with your other applications. These services are often utilized when complex requirements necessitate significant customization or when companies have homegrown solutions that require their internal teams to work with the vendor’s professional services.

Third-Party Implementation: Many vendors rely on networks of third-party implementation partners to help customers get their solutions up and running.

These solution implementation (SI) partners can be incredibly valuable when working within a specific industry where they have deep domain expertise, as well as when working with local teams outside the vendor’s primary region.

WHY THIS IS IMPORTANT

System integration projects can temporarily place high demands on your IT team. Once the project is completed, you will not need as many experts on hand. Each system integration project has its own unique complexities, which your internal teams may not be prepared to handle. By bringing in experts who are knowledgeable about integrating your new CPQ solution with a wide range of applications, the process will go faster and smoother. This allows your IT team to focus on core IT matters.

Q10

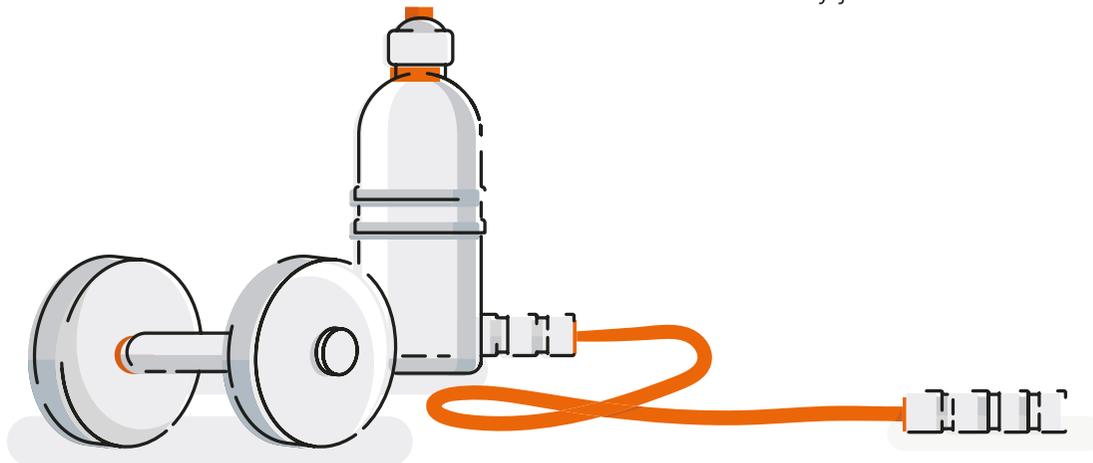
Do you offer training courses regarding solution maintenance? Are the training courses available online, in a classroom or a hybrid? How much will the training cost?

ANSWERS TO LOOK FOR

Verify that your new CPQ solution provider offers training in a variety of formats for your team. Ideally, training should be available online, in-person and in a hybrid model. Training should be available for your IT team to transfer knowledge about how to maintain, configure and upgrade your CPQ solution. Business users from sales, marketing, accounting and operations should also be instructed on how to use the solution in their daily jobs.

WHY THIS IS IMPORTANT

Using professional services experts or a third-party implementation team recommended by your CPQ solution provider makes sense during the implementation phase of the project. But once your system is up and running, it is potentially more cost effective for your team to take the ball. To make the transition to your team smoother (and potentially the independent ownership of the solution), training from your CPQ solution provider should be clear, comprehensive and have an end-goal in sight. In the future, as you add new people to your team, your newly trained in-house experts will be able to bring them up to speed quickly and cost effectively.



BENEFITS OF A MODERN CPQ SYSTEM

Making your CPQ system available to your channel partners will help them produce accurate quotes faster, with their prices and product selection.

The seller who delivers the first quote to a customer often wins the deal. A modern CPQ solution that is platform agnostic and can work with your existing systems will help ensure that you are the first to provide your customers with an accurate, properly configured, professionally prepared quote.

By having your price book integrated with your system and controlling what prices can be offered, you will be able to reduce excessive price discounting by your sales staff. Properly configuring orders will safeguard that your customers receive

exactly what they ordered. Implementing B2B ecommerce will gain orders from customers who have come to expect omnichannel purchasing methods from their vendors. Making your CPQ system available to your channel partners will help them produce accurate quotes faster.

Improving your CPQ system can result in big dividends. Asking the right questions in the RFP you send to potential CPQ vendors will verify that your improved system meets your needs today and tomorrow.

STEPS TO DISCOVER THE POTENTIAL OF CPQ

HERE are some basic steps to take to discover the upside potential of an improved CPQ process in your organization, and find a provider to help you realize those gains.



REVIEW YOUR EXISTING PROCESS

Examine the steps you take now to configure, price and quote, and the systems you use to do this. Identify areas of improvement.



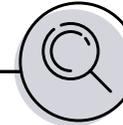
CONDUCT A COST / BENEFIT ANALYSIS

How many quotes do you do in a year, and how much time could you save with a better system? How many more deals would you win if you are the first vendor to provide customers with an accurate, professional quote?



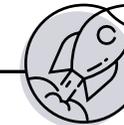
BUILD A BUSINESS CASE

Share information about your current system gaps and the upside potential of a better system with your senior management.



RESEARCH SOLUTION PROVIDERS

Determine your needs and research the best providers to fulfill them.



SEND RFPS TO PROVIDERS

Develop a set of questions to include in an RFP to accelerate finding the best provider for your needs.

THINGS TO CONSIDER

The 10 Most Common CPQ Application RFP Considerations

- 1 Do not give vendors the opportunity to “spin” their answers**

When it comes to RFPs, be as specific as possible with your initial questions. When drafting questions, anticipate the vendor’s response and prepare to engage in a follow-up dialogue to achieve more comprehensive answers.
- 2 Make sure your new CPQ solution works for you now and in the future**

Most businesses are conducting an RFP process to solve an immediate problem. However, do not get caught looking at the ground right in front of you. It is important to consider how your CPQ application fits into your long-term business strategy – whether that is three, four or more years into the future.
- 3 Be direct with vendors during the evaluation**

The RFP process is important to your business, so do not forget to ask the difficult questions and press when the vendor fails to give you a straight answer. Set the expectation up-front that you plan to be clear, direct and expect the same from the vendor.
- 4 Do not let procurement handle the entire RFP process**

Acquiring a CPQ solution, or any highly impactful application, should not be left to one department. The effects of your solution will be felt across the company, so use this as an opportunity to have a dialogue across departments, bring in experts, and build consensus to help ensure you get the solution that works for your business, not just one department.

5 **Failing to build a budget before sending out an RFP**

Building a budget for your project is an important initial step. If you do not know what you should be budgeting for your CPQ project, speak to an analyst or conduct some additional research through a high-level RFI process.

6 **This is not limited to your sales team**

Sales has much to gain from a CPQ solution, but so do other departments. As mentioned before, make sure other departments are involved in the RFP process. When engaging with vendors, build a team of stakeholders from across your company, including IT, operations, marketing, channel management and others.

7 **Ask questions that allow for comparisons across vendors**

Keep your questions specific and consistent. Do not draft questions for each specific vendor. If you do, how can you

compare their answers and determine which vendor is able to provide you with what you need? Consider offering multiple choice answers to questions so you can rate vendors easily and come up with a scoring system for making your decision.

8 **Complete due diligence**

Sure, going directly to the vendors is one way to go about it. But what about doing your homework? Schedule briefings with industry analysts to get their perspective. They may help you identify your core requirements and get you started on drafting your RFP.

9 **Limit the number of vendors you evaluate**

Do not overcrowd your selection process. Evaluation should not take forever, and by adding too many vendors, you are only going to slow things down. Select two or three vendors that you think are best suited to your requirements and engage with them.

10 **People drive the process**

Not only are a lot of people involved with the RFP process on your team, the vendors also have salespeople, engineers, implementation teams and others that will be engaged. Take note of how you think your team will work with the vendor's people. Consider if the vendor's portfolio of clients gives them experience in your type of business. More than just a solution-fit, consider the culture-fit when engaging with vendors. You want your CPQ project to be a big win, and finding the right vendor, both in terms of technology and culture, will play a big role in your long-term success.



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