



# Benefits of Configure Price Quote (CPQ) for managed service providers



Our world is exponentially changing in many ways. New technology is not just enabling business, it is transforming. Blockchain, as an example, is creating new economies and helping solve big problems (see <https://www.plasticbank.org/>). This rapid growth in innovation coupled with younger generations who are substantially more technologically advanced, is changing how people buy and is increasing expectations.

As we have seen in the retail sector such innovation is critical to business success and even survival. We must be prepared to question ourselves, keep current with new technology and evolving expectations. We need to understand challenges that impact ability to provide a quality client experience.

**Great client service is not just about operational service and focus must be given to our clients' buying experience.**

Service providers should account for this in their business strategy, while also considering how orders transition through service delivery into business operation, in an efficient and effective manner.

In this article we will explore challenges facing technology service providers and related benefits CPQ can bring.

## Challenges

### Growing revenue while scaling efficiently with an engaged workforce

Most business leaders strive for their businesses to have high productivity with a happy workforce delivering great service and higher revenues, but at a non-linear rate with costs.

Most people care deeply about what they do and the difference they make, so the key is to enable them to better perform. The challenge is to think smartly and create an environment for people to do amazing things.

Most will endeavour to help make change happen providing they see the long-term benefit of creating an environment in which they can excel at what they do.

#### *“Attracting and retaining top talent is in top 3 of CEO concerns”*

	Global	U.S.	Asia	Europe	Latin America
Failure to attract/retain top talent	1	1	1	2	1
Creating new business models because of disruptive technologies	2	2	2	3	2
Volatility in cash flow	3	4	3	7	3
New competitors globally	4	7	5	1	4
Developing "Next Gen" leaders	5	3	9	6	5



Source: <https://www.bloomberg.com/news/articles/2018-01-18/global-ceos-recession-concerns-fade-as-talent-shortage-bites>  
 Personal note, UK focused research tends to show CEO's have security threats as very high on their list of concerns

*“69% of CEO’s agree that emerging technologies will disrupt their business over next five years”*

*“70% of UK CEOs also believe that changes to customer behaviours will be disruptive to their businesses over the next five years”*

*“In summary, CEOs know disruption from technology is inevitable. To stay one step ahead, business need to look beyond the obvious and disrupt themselves before they are disrupted. Those that can balance business understanding with technological innovation and the right human skills and insight, will be the ones to thrive in the digital revolution”*

Source <https://www.pwc.co.uk/ceo-survey.html>

## Delivering high value client engagements

It is a given that great operational service is essential. However with today's world of increased innovation, change and options, clients more than ever need engagements by experts that add value. Requests for commodity need to be dealt with consistently and swiftly, creating time, trust and confidence for a more advisory relationship that informs and helps innovate.

The path to achieve this requires building of relations, intimate understanding of clients' business, your own portfolio and insight into latest innovation. This takes time and resources, resulting in a juggling act with all other required activities. High value resources need to be unburdened to better engage. Getting this right can deliver tremendous results for all, building trusted long-lasting relationships and maximising chances of lower cost, non-competitive renewals.

## Keeping current and equipping your sales teams

Your sales and account teams need a current up-to-date portfolio, enabling them to swiftly address most clients' needs without undue delay. As a result, there are a set of challenges to overcome in equipping sales to better perform

- Increase the speed and rate at which product and services are launched to sale in a way that can be effectively sold and efficiently delivered.
- Achieve high return on investment from your product management capability.
- Improved standardisation, centralisation and governance of your portfolios
- Ability to deliver beyond standard in a quality effective fashion while maintaining great client service and staff satisfaction.
- Accurate and effective selling of consulting, professional services, dev-ops and other service management capabilities.
- Providing a mix of perpetual per order and subscription usage-based offerings.
- Simplifying the configuration and accurate quoting of complex services including an array of cloud services.
- Ensuring good levels of portfolio education within sales, pre-sales and account teams.



## Cost, price & commercial governance

Businesses that perform well generally have good financial governance and for that to happen cost and pricing must be well managed. Here we will focus on commercial aspects of products management.

- Well packaged product with inbuilt logic minimises errors, margin erosion and revenue leakage.
- Identifying and managing the cost of the underlying supply chain of your products and services.
- Resale of partner offerings requires reliable governance preventing nasty surprises.
- All in all, cost and pricing management is no easy challenge and can be riddled with hidden challenges, delays and risk of error further costing and causing negative disruption and frustration. Many will attest to the amount of sales time that can be spent on prospects to find out pricing is incorrect, and, even worse, with no clear explanation risking the loss of deals.

## Benefits of CPQ

There are many Configure Price Quote software vendors on the market. Some are generalists, others are differentiated by being focused to a particular industry i.e. <https://www.kbmax.com/> CPQ for engineering and rendering of 2D or 3D images. Whilst referencing general benefits we will also focus on the benefits of [www.servicepath.co](http://www.servicepath.co), a CPQ platform specifically built for technology service providers by people from the industry.

### Product Management

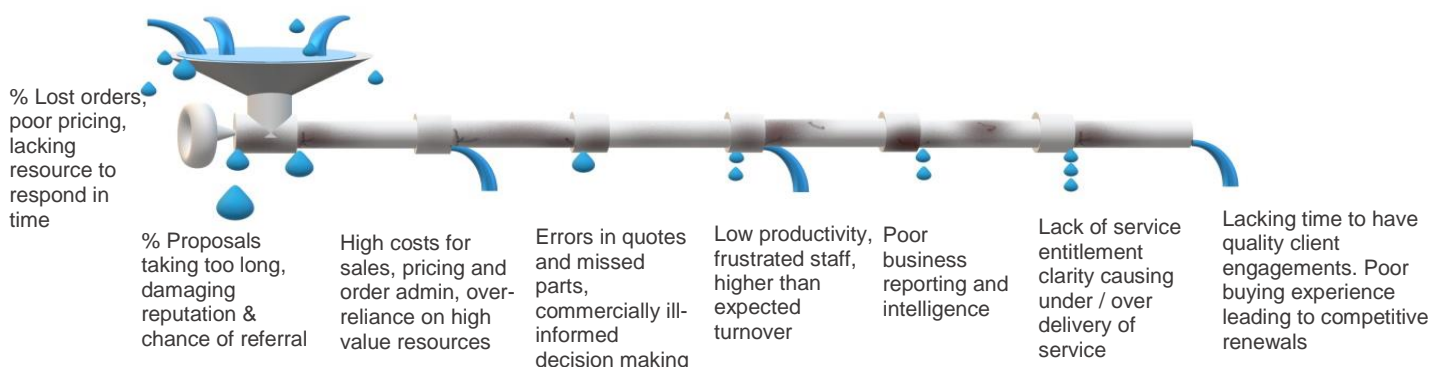
- Enable product managers to be more productive, achieve higher value and returns on investment
  - Product business modelling, ability to mock up offerings with costing and pricing, testing viability through sales modelling and generating business case reports.
  - Ability to quickly produce simple cost models enabling effective cost management.
  - Ability to get sales to self-serve complex product and service offerings, allowing product managers to focus on building out new and lifecycle of existing offerings.
  - Improve speed and quality of product launches, enabling sales to be more effective at selling including upsell options.
- Improved product revenue reporting and general product intelligence, who is buying what service options at what price, what is quoted but never sold, what is optimal sale price of x service.

### Pre-sales technical and solution architects

- Improved visibility and access to portfolios, ability to quickly and accurately configure complex products and services.
- Ability for lesser skilled resources to do more, allowing higher skilled resources to focus on higher value activity.
- Improved client knowledge, audit trails, quote comparisons, change tracking.
- Realtime commercially informed design decisions, helping get to right outcome quicker and more effectively.
- Unburdened of various administration activities to focus on improved client engagements.
- Output automation saving significant time in producing statement of works and technical specifications for client and delivery teams.
- Improved governance in selling of non-standard products and services.
- Ability to create solution templates, be it public, client specific or personal.
- Ability to quickly perform what if designs, i.e. what is the overall commercial impact of replacing x with y.
- Improved commercial insight of existing client solutions, allowing for more meaningful client engagements.

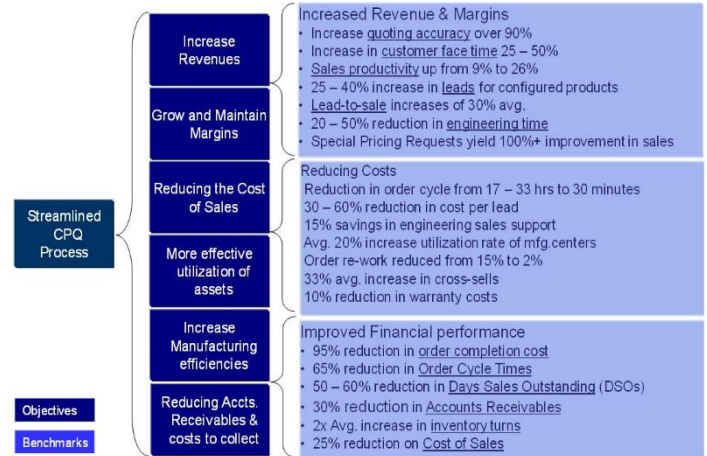
### Revenue leakage and margin erosion

Most providers would be shocked if they had a hard look at the hidden costs and revenue leakages within the business. Addressing this erosion can be quite a challenge. The message is if you don't have a fit for purpose operating model, processes, portfolio content and systems, your business could be suffering erosion and leakage.



## Sales and Account teams

- Significantly reduce the time to quote accurately and consistently, improving client service while creating more time for higher value engagements.
- Sales process workflow automation, assisting busy sales teams via online approvals.
- Unburden sales teams from manual low value activity.
- Automation of sales administration and pipeline reporting.
- Automated client rate card pricing.
- Financial dashboards and quote breakdowns for improved decision making.
- Single online secure and controlled remote access to portfolios, clients, opportunity and quotes – no more waiting for large sheets to open or excel crashing.
- Ability to commercially understand what makes up a client solution in the context of the client's business platforms, locations, business units and environments.
- Ability to lifecycle manage client solutions see <https://www.vendira.co.uk/blog/importance-of-client-solution-life-cycle-management>
- Improved portfolio awareness for sales teams, single click access to supporting product and service collateral, included guided selling.
- Ability for new hires to be up-to-speed and providing value quicker.
- Reduce reliance on knowledge held in a selected few people's heads.



Forbes article, "Five Ways Cloud-Based CPQ Increases Sales Effectiveness and Drives up CRM Adoption", Apr 17, 2016, by Louis Columbus

## Service Delivery & Operations

- Consistent quality outputs for technical service delivery.
- Structured data source, API integration and script output creating opportunity for automation of solution delivery and setup of service management systems.
- A view of contractual service entitlement in the context of client's business and actual estate, which assets are entitled to which services and options.

## Finance and invoicing


- Standardised consistent feeds into finance systems for revenue reporting and invoicing.
- Create opportunity to systems integrate reducing manual activity and errors.
- Reduction in costly unplanned surprises due to quoting errors and omissions

## Procurement

- Reduction in workload, improved governance and ability to better serve sales
  - Ability for sales and product teams to self-serve without reliance on procurement or having to spend time self-sourcing pricing.
  - Ability for procurement to focus on higher value activities providing better results for the business.

**Vendira help with these challenges, supporting you with expertise to advise, define, realise, maintain and evolve a new higher performing future**

*Helping service providers redefine process, operating model, content and systems*

**Contact Vendira**  
UK Sales +44 (0)203 475 9870  
 [linkedin.com/company/vendira/](https://www.linkedin.com/company/vendira/)