

CPQ BASICS & TRENDS

CPQ-Guide



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CPQ BASICS

WHAT YOU NEED TO
KNOW ABOUT CPQ



What is CPQ?

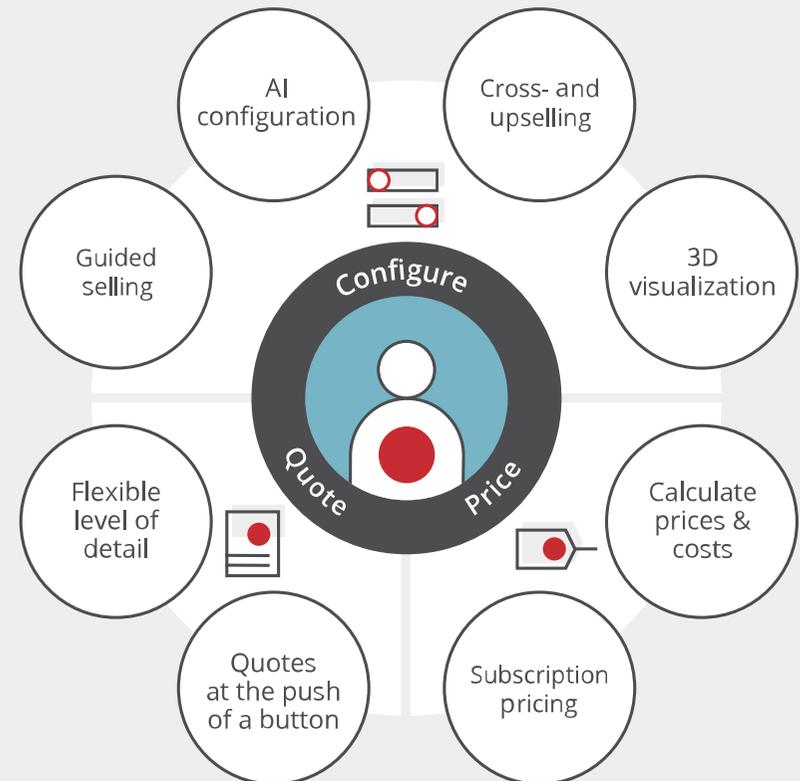


CPQ software digitises and automates the quoting process for technically complex and varied B2B products. It manages information about the product and quote in a central location. The core functions are the product configuration (**Configure**), the price determination (**Price**) and the creation of quote documents (**Quote**). In all of these, the software is consistently orientated towards the customer's needs. It selects the right products for every application and provides support with needs-based design. A set of rules ensures that the configuration is correct, so all subsequent processes can start seamlessly.

[Get to know camos CPQ software](#)

CPQ PUTS CUSTOMERS FIRST AND ENABLES AN EXCELLENT CUSTOMER EXPERIENCE

CPQ features such as guided needs analysis (guided selling) focus on the customer and their individual requirements. Features such as the real-time 3D visualisation of the configured product enable an outstanding customer experience in the sales process and significantly increase the probability of closing.



What companies benefit from CPQ?

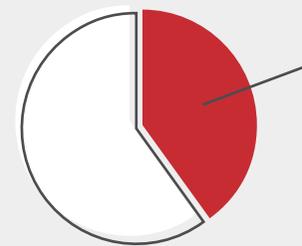
B2B companies with technically complex and customer-specific configurable products, for example from the mechanical engineering, plant construction, energy industry or electronics sectors, benefit from CPQ in particular.

Frequently asked questions from companies that benefit from CPQ software:

- How can we offer our products efficiently and convincingly?
- How can our quoting process become a positive experience for our customers?
- How can we reduce routine tasks in sales?
- How can we ensure knowledge transfer in the sales team?
- How can we avoid mistakes in quotes?
- How can our customers receive their offers faster?
- How can we increase the success rate of our quotes?
- How do we intelligently evaluate sales data?



A current survey by the VDMA reveals that only



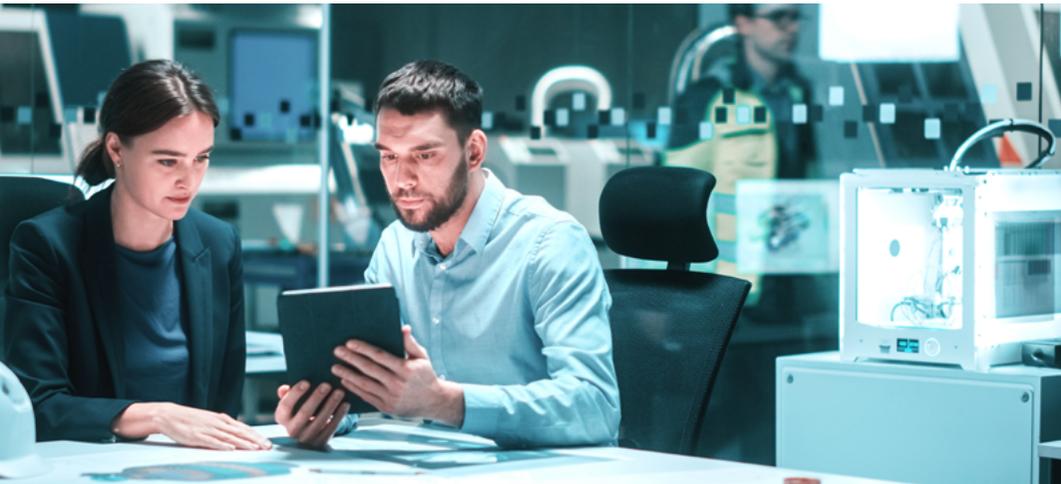
40 %
of machine and
plant manufacturers

already use a CPQ system. The use of CPQ is particularly useful for products with many variants and high technical dependencies.

What departments use CPQ

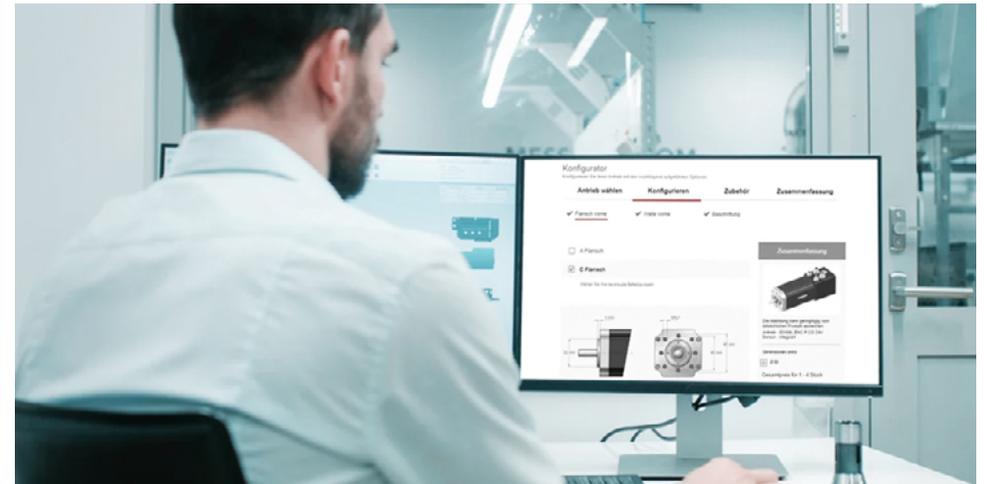
According to a VDMA short study on the subject of variant management and customer relationship management, CPQ is primarily used in sales (77%). However, CPQ systems are also used in adjacent functional areas: Manufacturing is the second strongest functional area at 33%. CPQ solutions are only used relatively rarely in marketing (7%) and service (10%).

How is CPQ used in practice?



Quotation system for sales

Sales employees in the office and in the field use CPQ as a quotation cockpit: You not only create quotes at your own workplace, but also at the customer's site on a tablet.

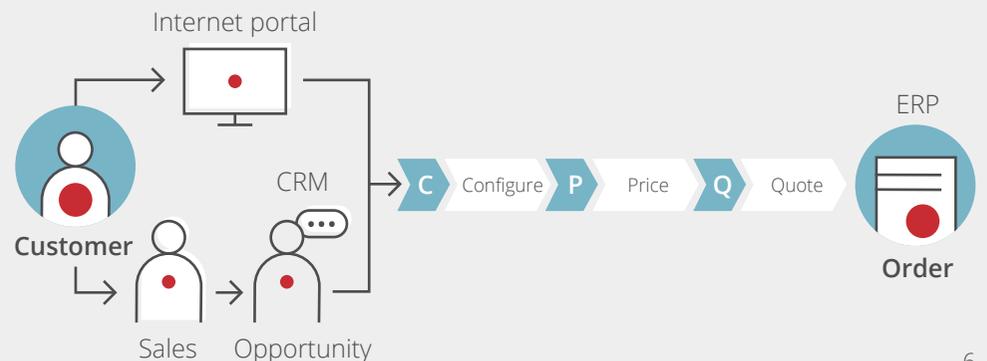


Online configuration as self-service

CPQ is also used by the customer as a self-service solution when preparing quotes. For this purpose, the software is embedded in websites or portal solutions or integrated into the online shop with a check-out option.

Where does CPQ fit in the overall process?

The CPQ system is the link between the opportunity in the CRM system and the order in the ERP system. For convincing quotes, it draws on information from other sources, such as PLM, PIM or CAD systems.



Overview of core functions: Configure, Price & Quote

Configure

(product configuration)

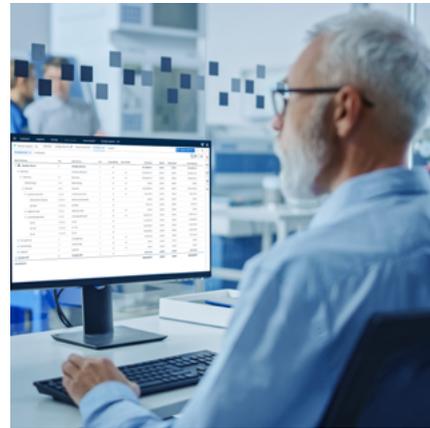


With the product configurator, technically complex and varied products are configured in such a way that they optimally match the needs of the customer. On the basis information on the product and relationship, it determines which products are suitable and which options can be selected.

Configuration with CPQ 365

Price

(price determination)



CPQ determines prices simultaneously with the configuration of the products. Costs and prices can be managed in the material and price lists can be stored and maintained. Price validity, country or customer-specific price lists are just as easy as feature-based pricing.

Pricing with CPQ 365

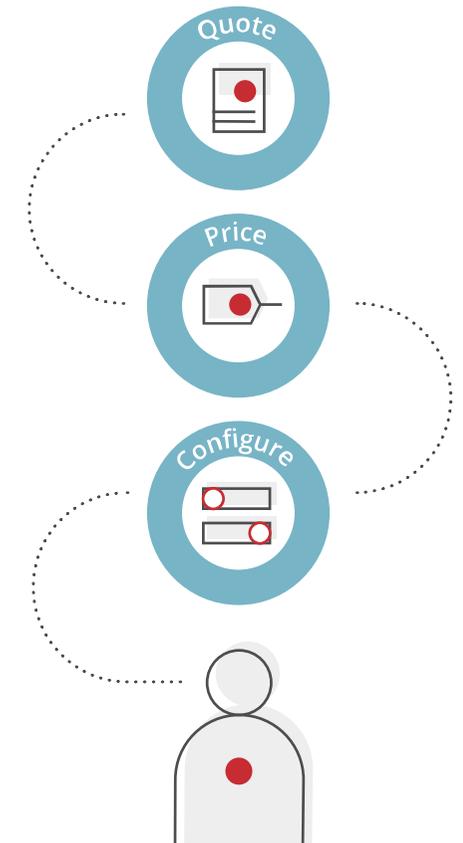
Quote

(creating a quote)



Convincing quotes can be created with CPQ at the push of a button – quickly, error-free and with an attractive design. In addition to the binding quote, any other documents can be defined and issued, such as technical specifications, price overviews or short quotes (budget quotes).

Quoting with CPQ 365



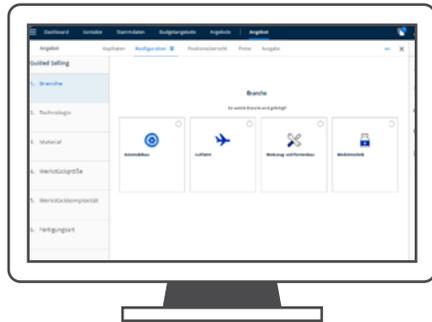
CPQ TRENDS

FOR AN
OUTSTANDING
CUSTOMER
EXPERIENCE



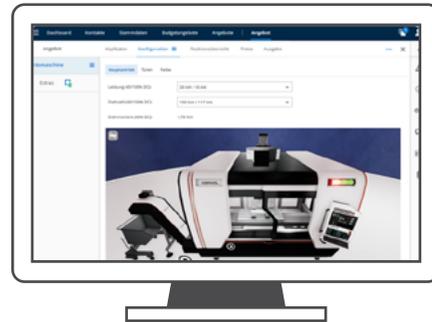
Guided Selling: Find the right product variant without expert knowledge

1. Guided needs analysis



Prospective customers without knowledge of the product are navigated step by step through the quote process with questions that are consistently oriented to needs and use cases.

2. Easy product suggestion



Based on the answers, the product variant that best suits the prospective customer's requirements is suggested.

3. Budget quote



A first budget quote with the central product information and an initial price indication provides a compact overview early in the customer journey.



Example 1: For a manufacturer of machine tools, the first question is which workpiece is to be produced with the machine.

Example 2: For a manufacturer of elevators, the focus is on questions about travel height, number of floors and the number of people in the building.

Guided Selling with camos CPQ 365



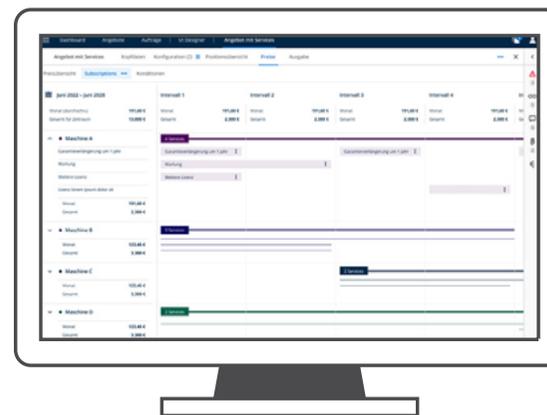
3D visualisation: Sell through emotions about technology

CPQ software addresses customers on an emotional level and inspires them as early as the quote process through 3D visualisation of the configured products

Advantages of 3D visualisation:

- Sell with emotions and increase sales.
- Even product laypeople can understand complex products and connections.
- Unique selling points are perfectly staged.
- Incorrect selection is obvious and can be corrected.
- Presentation & sale of products that are still in the making.

3D product visualisation with camos CPQ 365



Subscription pricing: Quotes based on usage or for defined periods of time

The trend towards the service business and the fact that customers increasingly only want to pay for the actual use of the machine, its performance or its output instead of buying it, requires subscription models (“pay per use”, “pay per month”, “pay per unit”, etc.).

With subscription pricing you can:

- Offer products and services based on use or for a defined period.
- Combine different pricing models for optimal pricing: one-off payment, subscription costs or consumption-based.
- Clearly present payment plans and total order value.
- Set up flexible payment intervals: monthly, quarterly, annually or individually.

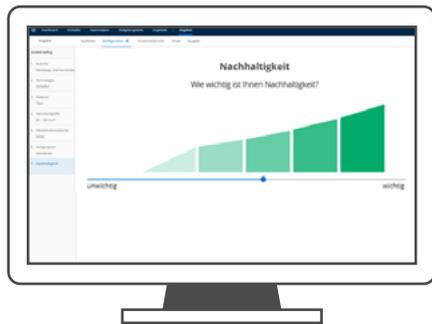
Subscription Pricing with camos CPQ 365

Sustainability: Sustainable product configuration as a competitive advantage

Sustainability is also becoming a central purchasing criterion for complex and varied products. Legal regulations, such as the introduction of CO2 limits in the automotive industry, will follow for more and more industries.

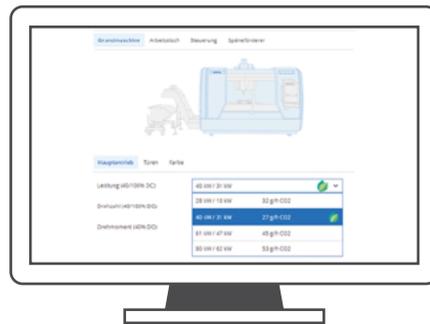
Best Practice – sustainable product configuration with camos CPQ:

1 Get suggestions about the most sustainable product



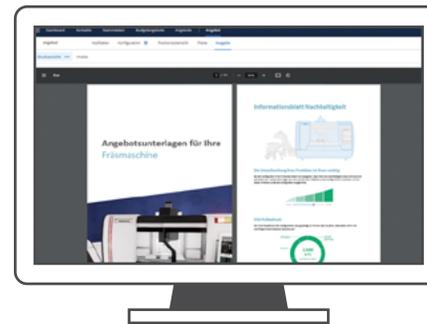
Using guided selling, the software recommends the right product based on questions about customer needs and the relevance of sustainability (e.g. water consumption).

2 Make sustainable configuration decisions



In the detailed configuration, users see the resulting CO2 emissions for each option and can recognise the most environmentally friendly alternatives through visual highlighting.

3 Present a positive environmental impact as a sales argument



The software summarises the positive effect of the configured product on the environment in clear diagrams in the quote document.



These opportunities to promote sustainable configuration decisions at the time of product configuration and preparation of the quote and to communicate their positive environmental effects transparently will become a decisive competitive advantage in future.

Deepen knowledge of sustainable product configuration

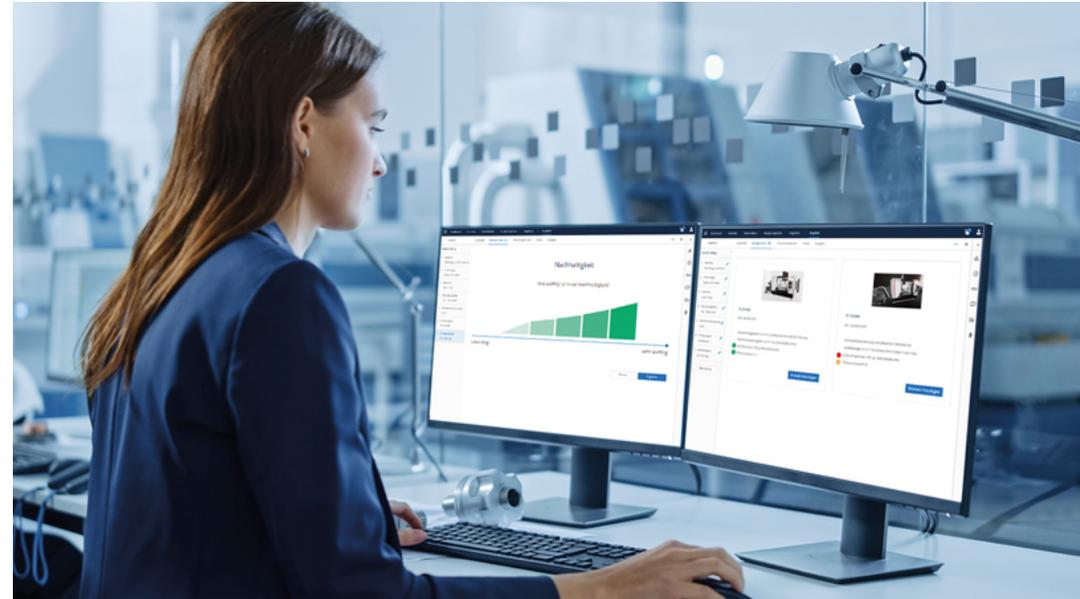


CPQ BENEFITS

UNDERSTAND THE
BENEFITS OF THE
SOFTWARE

Consistent user experience: Consistent experience across all channels

In an environment with increasingly comparable products, the user experience strengthens brand differentiation and has a beneficial effect on the purchasing decision. For the customer, a consistent experience must also be ensured across all channels: For example, customer discussions must always be based on the information previously collected digitally and must not be queried more than once. CPQ is the basis for an optimal and consistent user experience throughout the entire Customer Journey. The software ensures uniform product models, saves all sales-relevant information centrally and thus provides a uniform information basis in all sales channels: Direct sales have the same information as a dealer or a web shop. In addition, the customer's experience is improved because CPQ allows the customer's central touch points, such as user interfaces or offer templates, to be adapted to their expectations – intuitively and entirely without any programming knowledge.



Time advantage: One step ahead of the competition

The preparation of quotes is largely handled automatically with a CPQ system. Using integrated checks for plausibility and completeness, the software ensures that only technically feasible product variants can be configured. Products that cannot be built are precluded and time-consuming coordination processes between the sales, design, product management and production departments are dispensed with. With a CPQ solution, sales can promptly react to customer requirements independently and thus create complete and technically accurate quotes.

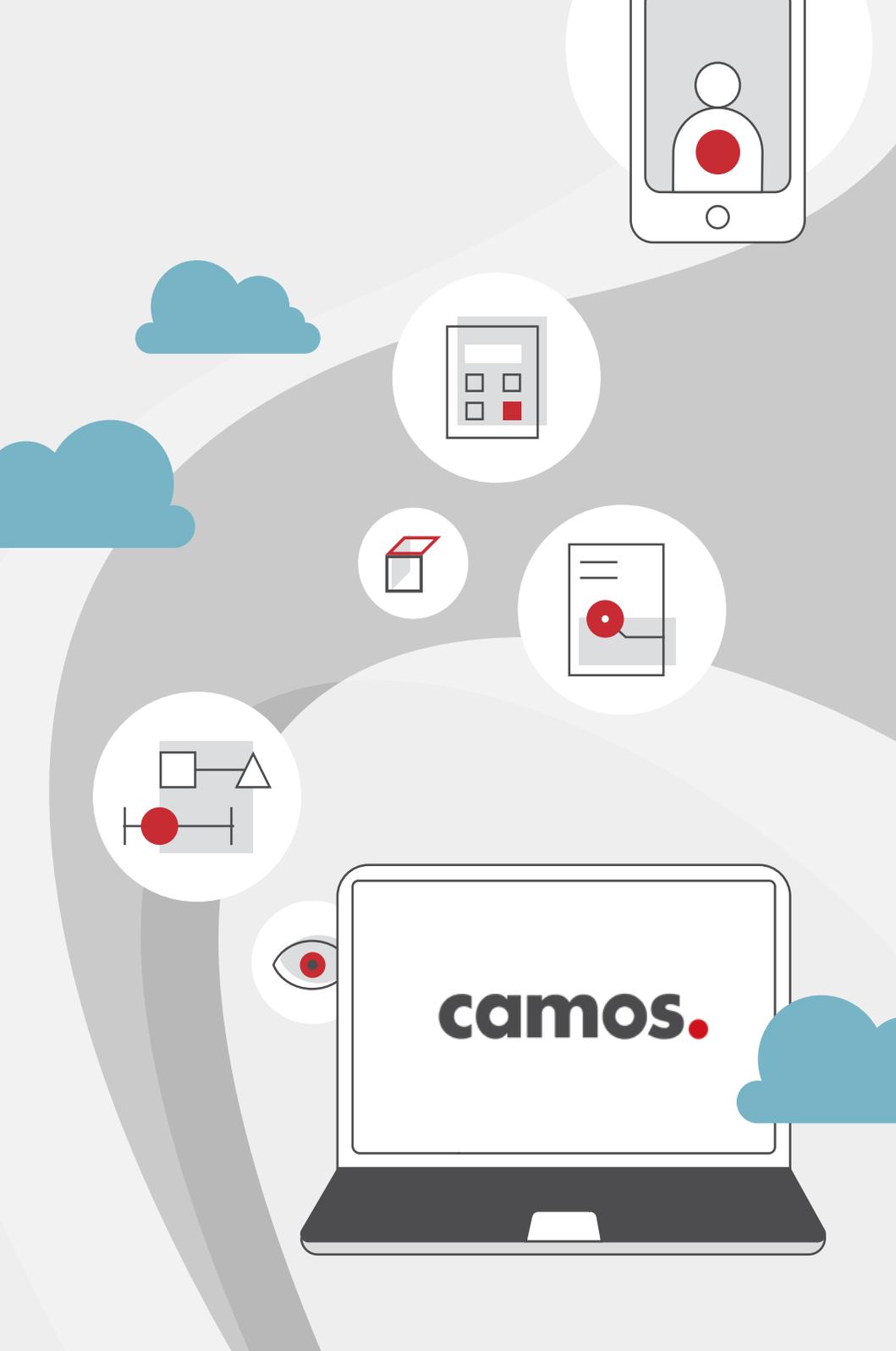
Customer journey: The right information at the right time

In the past, sales employees determined the flow of purchase-relevant information and ensured its availability in a suitable context. In modern, digital distribution, the prospective customer decides independently when he wants to have which information. With the right preparation, the right timing and agile provision of the quote information, companies can distinguish themselves from the competition – above all because the products themselves are becoming increasingly comparable.

For that reason, the focus is increasingly on the Customer Journey as a model for the continuous control of the offered information. Modern CPQ systems take over the entire digital sales process within this model. The CPQ software suggests suitable product variants to the prospective customer using a guided needs analysis ('guided selling'). This way, the customer is already included in the digital sales process at a time when his needs and initial solution ideas are already formed, but no preliminary decisions have been made yet.

As the Customer Journey proceeds, the software successively offers more detailed product and offer information: starting with the initial information provided ad hoc and the price indication, it unerringly leads to the binding offer.

[Learn more](#)



CPQ CHECKLIST

THIS MUST BE TAKEN
INTO ACCOUNT
WHEN SELECTING
A CPQ SYSTEM





A CPQ system should be evaluated according to the following aspects:

- Can the CPQ system handle the required configuration tasks?
- Is it easy and intuitive to use?
- Is guided needs analysis possible (guided selling)?
- Are the reasons for configurations that are not allowed shown?
- Are the configured products visualised in an appealing way?
- Can the basis for the calculation be selected freely?
(Price lists, manufacturing costs, ...)?
- Can cross-plant quotes be created with intercompany pricing?
- Can quote documents be easily adapted to the corporate design?
- Can quotes be versioned easily?
- Is it possible to print a quote in any language and currency?
- Are country-specific print formats possible?
- Is it possible to compare quotes in a table view?
- Is web shop and website integration possible?
- Are standardised interfaces to ERP, CRM, CAD systems included?
- Can the CPQ system be operated as a cloud solution?
- Is mobile use on tablets possible?
- Is offline configuration possible?
- Is modelling possible without programming knowledge?



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Why is camos the right CPQ provider?



Strategic partner

camos is more than a pure software provider. We offer a complete service portfolio for the introduction and customisation of CPQ solutions. In projects for the digitalisation of sales, we support our customers as a strategic partner and bring in the experience from numerous digitalisation projects.



Focus on multi-variant products

From the beginning, camos has focused on solutions for complex and multi-variant products in the B2B environment. The software was developed with the aim of achieving a high level of efficiency even when other CPQ solutions reach their limits due to the large number of rules, dependencies or positions in the offer.



Omnichannel sales & customer journey

camos CPQ 365 supports sales staff in hybrid sales – on site or remotely.

Via an e-commerce channel, the software enables online product configuration using guided selling up to the check-out in the online shop. The level of detail of quotation information is increased step by step along the customer journey until a binding quotation is made and adapted to the requirements of the respective channel.



AI-based configuration

With our AI-based configuration approach, not all variants have to be

stored in advance. The technically feasible product is created step by step in the configuration process, taking rules into account. The configuration model contains the information about possible products, components, characteristics and the configuration rules. The rules decide which combinations are possible in each case.



Leading CPQ provider

Already since the mid-2000s, standard software from camos for quotation configuration – later CPQ – is in productive use. In the meantime, camos has become one of the leading CPQ providers with over 250 successful projects in more than 110 countries.



End-to-end process automation

Via standard APIs, the software communicates with surrounding systems, such as ERP, CRM, CAD, PLM or BI systems. This automates the entire sales process from the initial creation of an offer to the entry of the order in the ERP system.

Customers who trust us:

