

CPQ Deployment Tips and Tricks (What You Need to Know)



Having been a CPQ vendor for over 20 years, we've learned a few things along the way.

Whether you are new to CPQ or just want a quick refresher on what to consider when doing a CPQ deployment, here are some tips:

IT'S A REAL PROJECT

For many organizations, the human resources required can be critical. For instance, individuals who know how to configure and price products are easily pulled away to work on active quotes instead of working on your CPQ deployment. So the first thing a manufacturer needs to consider is that a CPQ deployment is a real project, and it needs to be well-thought-out.

A CPQ deployment does not have to be terribly difficult (in fact, it should be far more straightforward than an ERP implementation). Nonetheless, setting up a CPQ system does take work, and you need to make sure to position this as a real project to be resourced for success. Some of the steps you will need to take include:

- Selecting a CPQ vendor
- Capturing and loading your product information
 - Rules for configuration
 - Rules for pricing
 - Other information for selection or proposal generation
- Setting up work flow
- Providing training and a strategy for user adoption



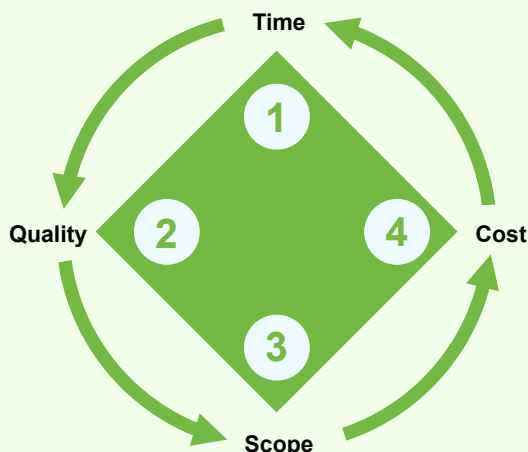
START WITH THE RIGHT TEAM

Your CPQ deployment will require a project manager. This is not a pro-forma step where you designate a PM and then move to the next step. Selecting highly qualified and energetic project managers to lead deployments is the most important decision you will make on the project. Choose wisely and then provide them with the time and authority to be successful.

Your PM will probably need assistance from 1 or 2 other people. Typically these individuals will be from product marketing, sales operations or engineering. They will know how the products, quotes and operations work. This team will help you capture the product and process information to turn the system on.

The Project Diamond

These are our project priorities



PLAN A REAL BUDGET FOR A PROJECT

Your new CPQ system will take resources and money to deploy. How can you create a budget for both for the deployment?

The first thing to consider is trying to get a handle on the overall scope of the deployment. In other words, how much functionality will you have in the system?

More functionality means the system will cost more and take longer to deploy. In general it's good to try to focus. Generally, the most successful systems are deployed in phases and over a period of time. This helps in two ways: manufacturers quickly get a first phase deployed and earn payback for the investment, and it's almost always easier to add on functionality to an existing functioning system than it is to try to define and deploy everything at one time.

Here are some examples of functionality that might be phased and why:

USERS

Often times CPQ systems are used by sales personnel, distribution and end customers. Generally, the exact same system is used but there are slight variations in the user interface (sales people know the product and use the system every day. Customer may not know the product and may only use it once a year). **Can you start with one or two of these target user groups?**

PRODUCTS

Many manufacturers have an 80/20 rule about which products sell and their value. **Can you start with the 80% that are easiest to load and automate?**

INTEGRATION

Most CPQ systems are integrated with ERP, CRM and CAD systems. **Can you defer any of these integrations to after the system is up and running?** (It's much easier to integrate a system that is up and running.)



But how do you estimate the amount of time and budget to deploy the system? Once you've considered your functionality, call several CPQ vendors and discuss it with them. Presuming the CPQ vendors have reasonable experience, they should be able to provide you with high-level estimates after a few hours of discussions (real requirements and refined budgets take more effort and come later in the process).

Generally speaking, the high-level estimates can be surprisingly on target. You should expect to see a variance in the estimates by as much as 20 or 30% but take it with a grain of salt. Keep in mind that many vendors will feel an urgency to be price competitive right away, but the last thing you want to do is start a major project with a low budget. Prior to setting too much faith in the budget, it would be wise to engage a vendor for several weeks and probably even budget for a proof-of-concept deployment. This will help both the vendor and yourself to understand the level-of-effort required. It will also give you a better hands-on feel for the system functionality.

CHOOSE THE RIGHT PARTNER



Choose the right vendor for you. Make sure that you establish a collaborative, successful partnership with your CPQ provider from the start. CPQ vendors vary significantly. Ask the right questions. (Don't know what to ask? Check out "[7 Questions to Ask When Buying a CPQ System](#)")

Technicon CPQ focuses on manufacturers of complex products. Most of our customers are manufacturers with annual revenue of US\$100MM that look for a solid, high-tech CPQ solution. We can help with your next CPQ deployment and provide guidance every step of the way.

For more information about CPQ systems, visit Technicon CPQ on www.technicon.com or click [here](#) to request your demo today.

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