



Interaction Over Transaction

Enhance Customer Engagement with CPQ Technology in Microsoft Dynamics 365

e-book

Savvy Buyers Demand Strategic Suppliers

As digitization trickles into every facet of our lives, buyers now have easy access to more options and purchase information than ever before.

With this increased visibility comes heightened expectations, as buyers now expect immediate availability of both off-the-shelf products and more complex, customized solutions—and demand varying levels of sales support.

Companies can no longer expect to sell by simply presenting their offerings and walking away. They are being forced to spend more time understanding their buyers, and the challenges they face, in order to personalize their buying experience.

Considering the vast number of options buyers have when it comes to where and how they make their purchases, responding quickly with a level of personalized service is crucial.

While this may sound simple, against the backdrop of quota and revenue pressures the onus is still on sales managers to “do more with less,” meaning sales teams are increasingly limited in their ability to respond quickly to clients.

On average, nearly two-thirds of a sales rep’s time is spent in nonrevenue-generating activities, leaving only 35% for functions related to selling.¹

CSO reports that the percentage of salespeople making their quotas dropped from 63% to 53% from 2012 to 2016, with only a slight rebound to 57% in 2019.²

Yet sales still need to be won every month, quarter, and year—making time a sales rep’s most critical resource.

For companies with complex, configurable product catalogs, operating across multiple channels is even more difficult. But just as digitization is increasing buyer awareness, it can also be leveraged by sales teams to streamline and assist in their sales processes.

Until now, digital sales technology has culminated with CRMs—tools originally built to help consolidate and manage account databases and opportunity details. In the past, a CRM solution gave sales teams a competitive advantage; however, adoption of this technology is becoming more standard and industry leaders must seek new ways to regain their “edge.”

In response, digital sales tools are implementing AI, advanced analytics, and machine learning algorithms to provide more buyer insights than ever before in support of the journey to purchase.

¹ Forbes, 2018.

² CSO Insights, 2019.

Personal Touch in the Digital Economy

Traditionally, CRM solutions have provided sales teams with the ability to manage and maintain customer relationships, track sales leads, gauge marketing effectiveness, and provide relevant metrics.

Even as newer technologies build on and improve seller/buyer relationship management, CRM optimization continues to provide unquestionable benefits for organizations as a foundation piece for their digital toolset.

Quick case

An optimized CRM empowers managers to increase sales, boost productivity, and improve sales forecast accuracy—providing an average ROI of \$8.71 for each dollar spent.³

But perhaps the most important objective of a CRM solution is to help alleviate the administrative burden from sales team members, and free them to provide the personal connection that empowers effective selling.

In an increasingly digitized world, that human contact is more important than ever.

While established CRM solutions continue to provide great benefit to sales forces, there is a need to explore new ways in which technology can reshape these tools and further accelerate selling processes.

Microsoft has recently pushed the CRM capabilities of Dynamics 365 to the next level.

By centralizing and applying intelligence to all customer data through Dynamics 365, salespeople can evolve from making reactive business decisions to gaining proactive insights, and can accelerate their business results in terms of sales, customer acquisition, customer service, and back-end operations.

The insights provided by Microsoft Dynamics 365 are designed to help business operators better understand their own sales streams and directly inform their strategies for success.

While Dynamics 365 is using cutting-edge technology to enable businesses to analyze and shape their back-end sales operations, there is also a push to unlock technology's potential for customer-facing sales processes.

In response to sales teams' overarching desire for faster closes, highly personalized recommendations, and quotations with less erroneous information, a new breed of sales application has arisen: the "configure, price, quote" (CPQ) solution.

As CRM platforms remove time burdens to put reps back in the hand-to-hand combat of sales people, integrating a CPQ toolset helps to accelerate the sales cycle by automating the quoting process.

³ Nucleus Research, 2014.

CPQ + CRM: Integration for Powerful Relationships

CPQ solutions enhance CRMs with a robust mechanism to accelerate complex quoting and pricing processes.

The days when sales teams were expected to memorize SKUs and codes, and manually build product packages for customers are, thankfully, behind us.

CPQ intuitively removes this component, allowing you to select products without missing out on other required or recommended solutions or product components.

While the internal time saving is obviously lucrative, implementing a CPQ toolset also creates many more opportunities for organizations, such as:

- **Accelerated revenue.** Expediting the quoting process to take minutes rather than days streamlines the sales cycle and helps salespeople to close deals and realize revenue faster.
- **Lower risk.** Standardized quotations remove the financial and brand reputation risk of providing quotes with pricing or configuration errors.
- **Increased deal size.** CPQ solutions can include AI-based offer recommendations, enabling salespeople to present tailored recommendations that customers are more likely to buy.
- **Visibility through analytics.** Uncover key performance data insights through easy-to-use reporting tools. The combination of CRM + CPQ solutions uncovers key performance data insights through easy-to-use reporting tools that help the sales process. With CPQ, sales can get real-time status updates on pricing waterfalls, quota progressions, and long-term revenue goals. Integrate with Dynamics 365, and these insights become increasingly granular.



- **Fast, professional proposals.** Being the first vendor proposal in the sales cycle could make all the difference in successfully closing. CPQ gets your quote submitted quickly and with confidence, because you'll know that your proposal is complete and compliant with your catalog, price list, and other business rules—and can be easily reconfigured.
- **Billing accuracy.** When integrated with the Microsoft Dynamics 365 ERP, CPQ tools enhance billing procedures by passing item information directly to your billing system. Exact copies of quotes can be sent to your financial department instantly, erasing the time between closure and invoicing, guaranteeing accuracy, and minimizing disputes. For multi-stage deals, CPQ can provide clear itemization between promised and delivered items and services.
- **Cloud-based mobility.** Modern CPQ tools make your quotes available on multiple devices—from the CFO's desktop to the sales manager's tablet—through secure Cloud platforms like Microsoft Azure. This enables better communication and faster closes as teams increase their working time in the field.

Especially for organizations with complex product lines, services, or pricing strategies, comprehensive CPQ and CRM toolsets deliver incredible detail and professionalism, automatically creating space for sales associates to connect meaningfully with their prospects.

CPQ: Targeting sales inefficiencies.

Implementing the right CPQ unifies and streamlines the various stops along your sales journey, from quote to close—accelerating your selling cycle and boosting revenue.

Businesses that implement a CPQ solution see the following returns, on average:

- 26% more reps making quota
- 105% larger average deal size⁴
- 5% increase in revenue
- 2% increase in margin
- 20% increase in lifetime value⁵



⁴ Aberdeen, 2013.

⁵ Gartner, 2019.

Finding the Right CPQ Partnership

The automation and consistency of an industry-leading CRM and a cutting-edge CPQ create a distinct advantage for forward-leaning companies.

While Dynamics 365 is leading the way for modern CRM applications, the most compatible CPQ on the market today is PROS.

Enabling over a trillion buying experiences every year, PROS helps enterprise organizations overcome the challenges of selling in today's digital market by providing an AI-powered Smart CPQ tool that delivers frictionless, personalized sales experiences across all channels.

PROS brings CPQ knowledge and experience supported by decades of testing in complex, real-world business cases, and their team of experts represents the industry's leading innovators.

As with any new product or service, experience and accolades speak volumes.

PROS has collected a steady stream of awards and recognition over its three decades of innovation, including being named a Microsoft Partner of the Year; winning bronze for Best New Product or Service (B2B Products) at the American Business Awards; and taking home the Martech Breakthrough

Award in 2019 for the Best Price Optimization Solution.

Industry 4.0 leaders in trends for smart-science solutions in commerce, PROS current work in AI and machine learning is helping set the standard for the future of effective customer interaction—across a diverse range of industries.



CASE STUDY

Manitou

“The benefits of PROS Smart CPQ are obvious: increased productivity, elimination of errors, and a reduction in sales and production cycle times.”

– Christian Herrmann, Chief Information Officer, Manitou

Company

Manitou is the world leader in rough-terrain material-handling equipment. A global company with 17 subsidiaries operating in 140 countries, Manitou has developed a broad product line that includes industrial and semi-industrial forklifts, telehandlers/telescopic forklifts, compact loaders, truck-mounted forklifts, self-propelled aerial work platforms, telescopic-arm handlers with back-loading shovels, and pallet transporters.

Situation

Manitou’s catalog includes complex configure-to-order products, and is used by 80 field sales representatives and more than 1,400 dealers around the world.



Challenge

Manitou wanted to optimize its sales processes to overcome several challenges:

- **Lack of visibility** into dealers' order pipelines.
- **High error rates** in quotes and orders.
- **Frequent back and forth** between sales and engineering to validate configurations.
- **Difficulty and delay** with communicating product changes to the field.

Solution

Manitou turned to PROS Smart CPQ to empower their field sales teams, dealers, and order administrators to manage customers and contacts, select products from an electronic catalog, configure and place orders, and ensure complete order accuracy with real-time sales follow-up.

Seamless integration with Manitou's ERP system eliminates errors and reduces order-to-production cycle times, while each customized order automatically generates accurate bills-of-materials, routings, and technical data sheets.

Results

The implementation of PROS Smart CPQ as a common selling and ordering solution reduced the average time to configure and place orders from 30 days to 1 day.

With PROS Smart CPQ, Manitou has also increased the average revenue of each order by automatically providing upselling and cross-selling options to dealer sales reps.

More than 70% of dealer orders are now entered through the online dealer portal embedded with PROS Smart CPQ. By eliminating manual processing of these orders, Manitou significantly reduced sales costs, which has resulted in a direct positive impact on company revenue and margins.





Get CPQ Right: Work with the PROS

PROS Smart CPQ solution has drastically improved the customer sales journey for organizations operating in automotive, consumer goods, oil and gas, food and beverage, insurance, manufacturing, medical devices, subscription services, technology hardware and software, transportation, and logistics.

Find out how PROS Smart CPQ can enhance your customer journey and help to close more sales for your organization.

To see exactly how PROS Smart CPQ and Microsoft Dynamics 365 are helping sales associates in real terms, walk through the guided demonstration below. Learn how opportunity analytics, pricing science, and automated quote configuration come together to deliver streamlined, cohesive, and professional quotes that are accurately targeted to receptive customers.

About PROS

PROS Holdings, Inc. (NYSE: PRO) provides AI-powered solutions that optimize selling in the digital economy. PROS solutions make it possible for companies to price, configure and sell their products and services in an omnichannel environment with speed, precision, and consistency. Our customers, who are leaders in their markets, benefit from decades of data science expertise infused into our industry solutions.

www.pros.com/smartcpq