



## Seven Mistakes Managers and Business Owners Make when Buying and Implementing a CPQ System

### 1. Thinking you can build it better yourself

The biggest mistake companies make with CPQ systems is building in-house. They do this to try and save money, or to build functionality that is not available 'off-the-shelf', but the result is rarely a success.

Development costs spiral. Changing requirements outpace the speed of development. Bespoke functionality gives further challenges. There's normally a good reason why the CPQ vendors haven't created it.

**TIP: Plan carefully. Add realistic budgets for development and long-term support and you'll probably find it's cheaper to buy, not build. Challenge your preconceptions. Ask yourself "How much value does our current way of working really add?". It pays to get an external perspective on your processes.**

### 2. Not simplifying your processes first

Your existing systems are unlikely to be perfect. As companies evolve, the layers of complexity build up. If you implement a fully automated CPQ system on top, the result can create havoc. The new system automates all the current complexity leading to a cumbersome new system that no-one likes or uses. Tribal knowledge isn't taken into account and the business simply grinds to a halt.

**TIP: The best time to declutter is before you build. Unpick your processes, and listen to the people on the frontline. Cherry pick ideas from other organisations and invest in experience. This is the perfect opportunity to streamline your business creating firm foundations that will take you forward.**

### 3. Not understanding the products available

There are many CPQ vendors. We've had clients who have regretted the choice of a solution that lacked critical features for them. Further problems include slow performance, poor support, and vendors without a strong customer base.

Costs vary enormously so think long-term. It is far more expensive to put a poor system in place than an efficient one. With a mission-critical CPQ system you need to a product with the right features and the right support from both vendor and your implementation partner. License cost is a consideration, but smart companies don't make it the main priority.

**TIP: Don't hit a nail with a screw-driver. Take time to assess the market, get independent advice and pick the right tool for the job. Standard**



*approaches like issuing an RFP and viewing demonstrations can narrow down your choices, but go deeper and get help to fully understand what you are shown. Also it's worth assessing whether it's better to simplify your processes even more to match a products capabilities. outside your organisation. Look to the future and benchmark against competitors, to ensure you are keeping up with current best practice.*

#### 4. Giving everyone a say

Taking input from a wide range of user groups makes some companies lose clarity around their objectives. By it's nature, CPQ is at the heart of your sales and ordering processes and touches many functions which amplified this problem. We even asked one client "Who owns your CPQ system?" and hands went up from the heads of Sales, Marketing and Finance.

We've written elsewhere (link) about designing for different user communities, and it is a challenge. But if you design by committee, you will end up with a system that pleases no-one.

**TIP: Get clarity on ownership. Then plan your company-wide system objectives. This will shape the metrics and KPIs that you use to benchmark success. When disagreements occur, refer back to these to keep you on track. Take broad user input, but make one person accountable for overall design.**

#### 5. Ignoring key stakeholders

Conversely, if one department simply drives design like a dictatorship then your system won't serve the whole organisation. You need to consider stakeholders that exist beyond the immediate users. CPQ can touch Pre-Sales, Legal, Purchasing, Manufacturing and Service Delivery. If you don't engage them they can hijack your project.

Assumptions are made that can derail the project at a late stage. Avoid surprises - if you have to explain your decisions after implementation, they become excuses..

**TIP: Nullify project terrorists with expert stakeholder mapping and man-marking through all project phases. Know all the players and develop personal strategies for each one. Communicate the plan and check-in regularly.**

#### 6. Being unrealistic over timeframes

Naturally everyone in your company wants the amazing benefits of your new system straightaway. CPQ is at the heart of your processes so stakeholders will be demanding results and won't understand that you are performing open-heart surgery on your systems. If a plan is too ambitious, design and build get rushed and testing is skipped. We've seen customer-facing documents go out un-proofed and in one case, not signed off by the legal team...

**TIP: Create a realistic plan with expert advice and include a communication strategy. Be prepared to adjust as you go, but don't skip steps. Remember, it's better to do it once and get it right.**

#### 7. Making your project too big

CPQ touches so many different processes that it's easy to make this mistake. If the project is too complex or stakeholders aren't managed, you lose control of scope. The plan becomes unwieldy and timeframes expand. You add more resources to try and cope but the result is a more complex chain of communications. It's a tough one to recover from.

**TIP: Define scope clearly at the start. Break a large project down into chunks. Work with a partner who understands how to plan and communicate quick wins. Iterate through all phases of the project and test with users and stakeholders. Learn how to work efficiently with your implementation partner and continuously improve the relationship.**

**BONUS TIP: Plan ahead for change. No system is perfect on launch day, and each user community will respond differently. Set aside budget for adjustments early on lets you swiftly respond to user feedback, boosting goodwill and hence user adoption. It also lets you manage unanticipated developments. Just refer back to your KPIs to ensure you're doing it for the right reasons.**

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