Overcoming the Complexity of the Sales to Manufacturing Process
What Is Visual CPQ and Why Do You Need It?

The demands of B2B customers are calling for more customization than ever before. This demand for customization is leading to high product variation for manufacturers. Product variation compounded by the complexity of multiple pricing models can create confusion and inefficiency among your organization’s engineering, manufacturing, and sales teams.

Most manufacturers have thousands of options that customers can choose from. It can get complicated very quickly. That is, unless you have a sophisticated rules engine to handle the seemingly endless variety of customization possibilities.

You may be hearing some of the same questions and conversations emerge time and time again between sales and manufacturing teams...

In this four-part guide, we’ll uncover how to address challenges like these in your sales to manufacturing processes by using CPQ software.

“How much would it cost if we...?”
“Is this available in...?”
“Does turnaround time impact the price of...?”
“Can we use this with...?”
“How long will it take to...?”

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What is CPQ Software?

**CPQ stands for configure, price and quote.**

CPQ software aims to reduce inefficiencies in the sales process and minimize errors and mistakes in quoting customers with complex product needs. Put simply by Salesforce, CPQ is “a sales tool for companies to quickly and accurately generate quotes for orders. CPQ applications often work in tandem with CRM and ERP programs.”

Let’s dig into how CPQ software works...

**1) First, Configure**

B2B customers are becoming savvier to the world of customization. As customization becomes more commonplace in the B2C shopping experience, B2B buyers are expecting a certain level of this in their B2B purchasing experiences as well.

That’s exactly what CPQ software allows for—advanced flexibility in what the end-customer can configure for their purchase. Configuration is an essential step in CPQ because it the process is guided by your product rules that are set up in the back-end rules engine. You’ll want to build upon the knowledge and expertise of your organization’s manufacturing and engineering teams to configure your products in a way that it’s possible to manufacture them.

**Manufacturers and engineers can configure products and pricing based upon:**

- Capabilities of manufacturing and design
- Possible selections such as colors, materials, textiles, or features
- Variations in what selections or variables cause price increases
- Variations in what selections or variables cause time delays or manufacturing inefficiency
2) Then, Price

Once all of the options and variables are configured, CPQ software also allows for the management of your pricing rules. Based on all configured variables and rules, your organization’s sales team is able to very easily generate accurate pricing as the product is configured.

All pricing considerations will be automatically accounted for such as, but not limited to:

- Bundle pricing
- Volume pricing
- Current discounts
- Partner, or contact based pricing
- Differences in pricing based upon material, color, or other personalization

3) Lastly, Quote

Now that you’ve configured products with consideration to manufacturing capabilities and priced those products appropriately you’re left with one more step: quoting the customer.

With CPQ software customers can see real-time quotes based upon your configuration and pricing. Instead of going back and forth with a sales representative about their needs, customers can receive an automated quote.

With leading CPQ software providers your quotes can be formatted and branded to your company, and automated quoting can be easily embedded on your website for even more transparent customer experiences.
What Does Visual CPQ Mean?

What better way to show a customer what they’re purchasing than to really show them? With visual CPQ, customers can visualize exactly what they’re getting based upon their product preferences and selections in the purchasing process. Through 2D or 3D visualizations, you are able to deliver a custom view into what their end product will look like (down to the tiniest details like finish, color, and material.

What is a visual configurator?

A visual configurator uses rules, and specifications from your CPQ software to produce a visualization specific to dynamic selections that the customer chooses.

Utilizing a visual configurator you can generate visuals to accompany your quote, showcasing your products in a visual way. Some visuals you can produce include 2D and 3D configurations, sales drawings, manufacturing cut sheets, and more.

2D Visual CPQ vs. 3D Visual CPQ: What’s the difference?

When considering which product visualization type you need, consider whether you should use 2D or 3D renderings.

2D renderings include flat images that can change dynamically based upon what is selected, however, they only show the same perspectives. 2D models are often used in technical architectural drawings or engineering drawings.

3D renderings include multi-dimensional modeling capabilities that are typically required in product manufacturing and allow for animation or a “360 view” into the product. It enables sales to bring a product to life for the customer.
How Do I Know if My Company Needs Visual CPQ?

If you’re wondering whether your organization can benefit from CPQ software consider the below checklist. If you’re noticing some of these things in your organization, then it may be time to upgrade your configuration to include visual CPQ.

Product Complexity
The products that your company offers have many variations or options that make a visual difference in the end product, and also manufacturing differences operationally.

Team Growth
Your sales team has grown, and it’s becoming increasingly harder to keep them trained on your various products and manufacturing capabilities.

Increased Demand
The demand for your products is growing, and you need a scalable way to provide quotes faster.

Long Sales Cycles
You need a solution that can cut down on the time your sales team spends putting together quotes.

Difficulty In Quoting
You’re wanting to increase the success rate of the quotes that you send, and make them more visually appealing for customers.

Unnecessary Errors
You are noticing a lot of errors in the sales to manufacturing hand-off process that could have been proactively avoided.

The list goes on as to why companies turn to visual CPQ solutions, but there are some clear benefits for making the investment.

“The first organizations to adopt visual CPQ in their industry experience substantial competitive advantage and cost savings.”

Mark Lewis, Senior CPQ Analyst at Gartner
The Game-Changing Benefits of Visual CPQ

Transform the Customer Buying Experience

With visual CPQ you create an end-to-end buying experience for your B2B customers. Buyers can automatically update their preferences, view real-time pricing information, and get an automated visualization of what the end product will look like.

This level of interaction and personalization puts the customer in the driver’s seat. They won’t need to have multiple conversations with sales to get the information they need to make an educated purchasing decision.

Increase efficiency in sales to manufacturing hand-offs

Visual CPQ doesn’t just help customers get the information they need—it also helps sales teams access the same information. Integrating your CPQ software with CAD automation allows you to configure, price, quote, and generate cut sheets for manufacturers in an automated way. This eliminates sales error in quoting, and reduces the workload of manufacturing needing to be involved in the sales process. The salesperson has the exact cut sheets (configured properly) that they can deliver to customers with confidence.

Shorten the sales cycle

By managing expectations and allowing customers to see the end-result sooner, you minimize sales and manufacturing back-and-forth. This significantly cuts down on the sales cycle.

Customers no longer need to get caught in a web of questions “Can I see this in blue?” “Can I see this in a smaller size?” “Does the price change if we use a wood finish vs. vinyl?”

You’ll reduce the number of quote revisions and changes needed in the end by providing a transparent experience up front.
Connect knowledge from various roles and display that knowledge faster

Engineering, manufacturing, and business operations. They all have a stake in setting accurate rules and ensuring manufacturing can produce products in the way they are configured and for the price specified.

This means that sales teams will need less training, and coaching on what product specifications are possible. They’re armed with everything they need to quote customers and provide detailed visualizations automatically.

The KBMax Difference: Snap + Visualization

Ready to learn how you can transform your manufacturing operations and create a more seamless, visual buying experience for your customers? KBMax is here to help.

Take, for example, KBMax’s work with Tuff Shed. To continue their growth in the industry Tuff Shed turned to KBMax to transform their buying experience. When on the Tuff Shed website customers can see 3D models of the shed based upon their dynamic selections; they can zoom in to see tiny grains of wood detail, and they can rotate the shed to get a 360 view.

Better yet, Tuff Shed transitioned from a custom built configurator that was hard to maintain to a KBMax solution that integrates with their larger business systems and makes it easy to maintain changes in configuration in Snap, a visual rule language that makes changing rules a literal “snap.” Tuff Shed is now able to use one platform for it all: CPQ, CAD automation, and visualization resulting in...

- 6% Increase in average selling price
- 5% Increase in margin by standardizing custom pricing
- 100 Points in reduced raw material

Get a free demo of KBMax today and discover the difference that your business can see by implementing visual CPQ.

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