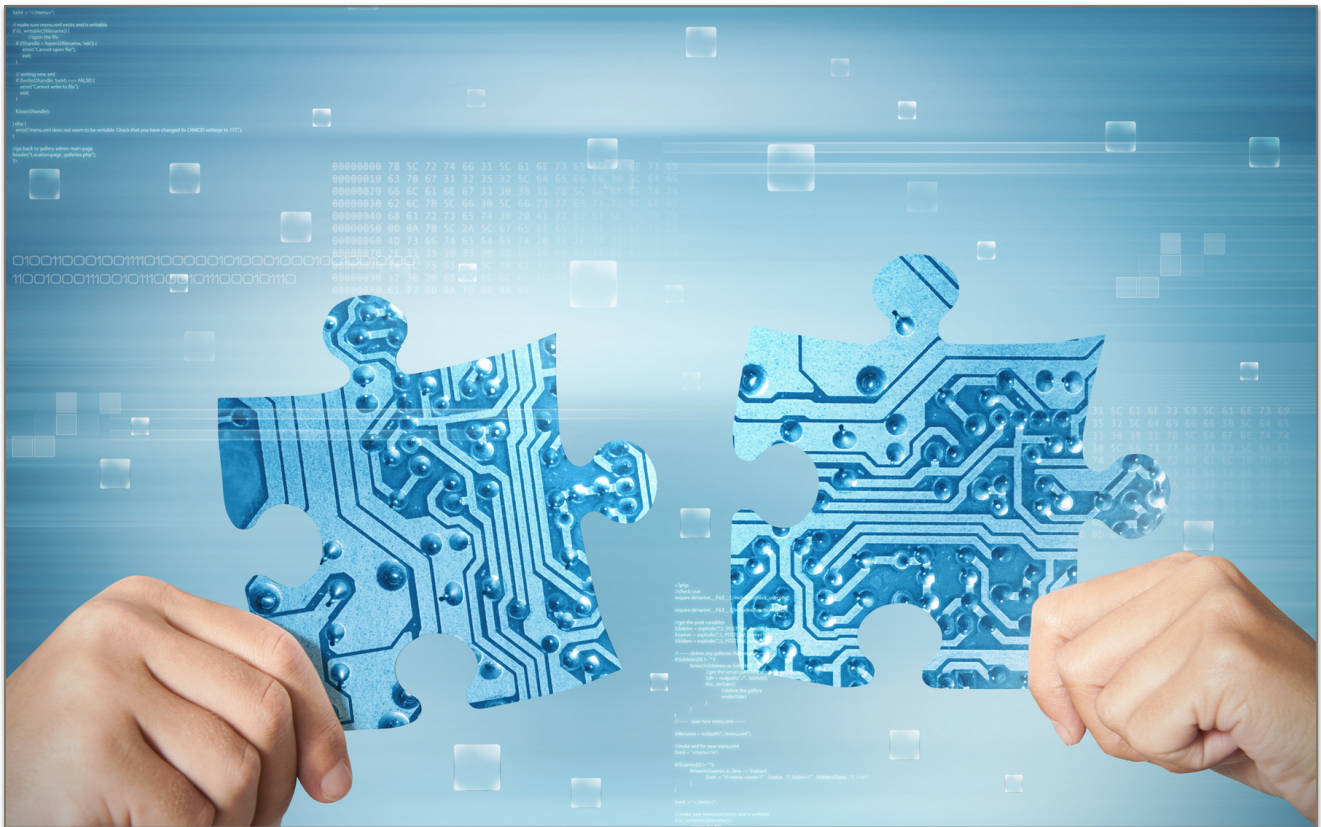


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# CRM-CPQ-ERP

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Considering the interactions of Configure-Price-Quote, Quote-to-Cash and Order Management Solutions



Novus CPQ Consulting, Inc

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# Considering the interactions of CPQ, QTC and Order Management Solutions

## Getting Started

As Configure-Price-Quote (CPQ) Vendors provide more capabilities that go beyond the traditional confines of CPQ it makes sense to take a closer look at the processes and capabilities covered by CPQ, Quote-to-Cash (QTC) and Order Management/Enterprise Resource Planning (ERP) Solutions. The objective is to help businesses to determine an ideal alignment of functionality and systems for their businesses.

### *Here is an overview of what will be covered in this e-book:*

1. Overview of CPQ, Quote-to-Cash and Order Management / ERP Solutions
2. IT Considerations when designing an end-to-end QTC Solution
3. Segmenting Solutions that improve the Quote-to-Cash Process
4. Successfully selecting your Front Office (CPQ/QTC) Solution
5. Conclusions for improving the Quote-to-Cash Process

# Chapter 1 - Overview of CPQ, Quote-to-Cash and Order Management / ERP Solutions

Let us start by clarifying the difference between Front Office and Back Office Systems.

## What does “Front Office” mean?

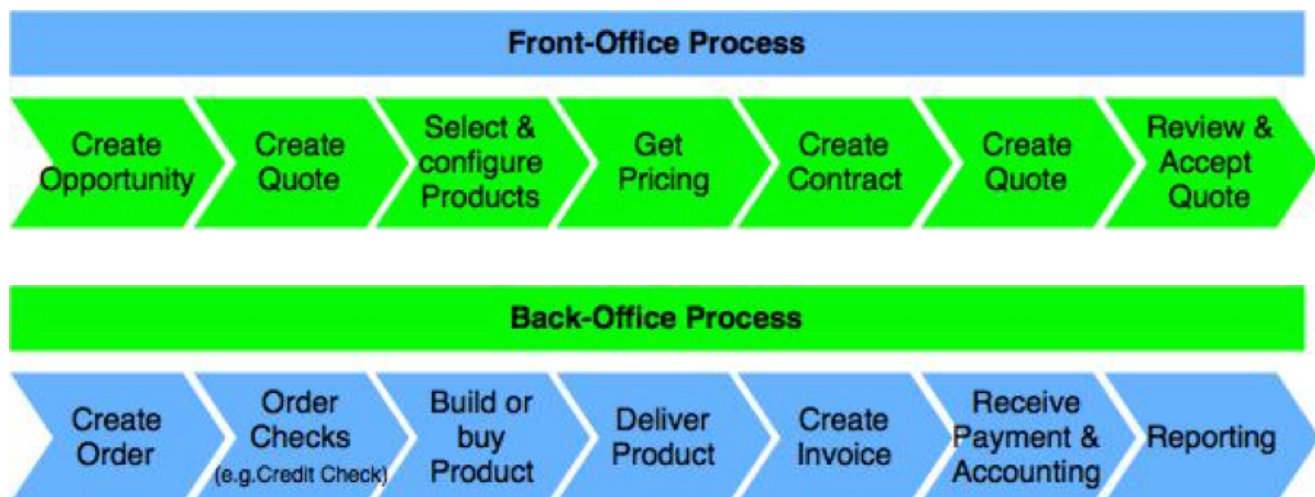
Front Office applications are primarily designed to automate most or all customer-oriented business processes. Generally, Front Office applications are part of customer relationship management (CRM), and provide an interface for the end user or customer to request some available service. Front Office applications may provide services, such as quoting a new product, ordering a new product, order status, usage tracking for metered services and live customer support. A front office application, in many cases, is interconnected with the back office enterprise resource planning (ERP) or related applications, which provide real-time data about product inventory and records of each transaction processes on the Front Office

Note: CPQ and Quote-to-Cash Solutions are typically part of “Front Office” Solutions

## What does “Back Office” mean?

A Back Office application comprises the software that an organization uses to administer operations that are not related to any direct sales effort (such as manufacturing a product) and interfaces that are not seen by consumers. Note: Order Management / ERP Solutions are part of “Back Office” Systems

Here an overview of the Process Steps involved



Note that these Process Steps are typically processed in different IT Systems (CRM, CPQ, QTC and ERP).

While the definitions and the Process Step Overview are a good starting point we need to look deeper into the different capabilities of CPQ, Quote to Cash and Order Management / ERP Solutions to understand what are unique capabilities of each Solution and where there is functional overlap.

## CPQ Solutions

are part of the Front Office and help Sales Teams, Channel Sales Teams and in some cases End-Customers (via an eCommerce website) to do the following

- Find and Configure (complex) products
- Find the correct price for any customer
- Get all required approvals before a quote is issued
- Prepare a quote and send it to the customer
- Analyze Data

Note: CPQ Solutions require Master Data (e.g. Customer, Material, Pricing) and Configuration Rules (e.g. Sales & Marketing Rules, Engineering Rules) that are used to Configure, Price and Quote a Company's Products and Services. If the Solution offers eCommerce capabilities it must be possible to order and Invoice the configured products and/or services.

## Quote to Cash Solutions

are also a part of the Front Office. These Solutions evolved from CPQ and CLM Solutions to help Sales Teams, Channel Sales Teams and in some cases End-Customers (via an eCommerce website) and Finance and Legal Teams to do the following

- Same as CPQ plus
  - ✓ Contract generation or Contract Life Cycle Management (CLM)
  - ✓ Order Management – not full order management capabilities (e.g. fulfill an order) but more order orchestration tasks (e.g. capture Order)
  - ✓ Invoicing (incl. Revenue Recognition) and Billing
  - ✓ Renewals

Note: The following Software Solutions may also be offered for CPQ and QTC Solutions

- eSignature (e.g. DocuSign, Adobe)
- Incentive Management (e.g. commissions)

## Order Management/ERP

These Solutions are part of the Back Office (a.k.a Order to Cash Process) used primarily by Finance, Operations and Manufacturing to manage a Company's business operations. Users from the whole Company create and use business logic and data. Some large vendors in this area are SAP, Oracle and Infor. Here some of the key business logic and data

- **Finance**
  - ✓ Credit Checks
  - ✓ Invoicing
  - ✓ Account receivable
  - ✓ Collections
  - ✓ Financial reporting
  - ✓ Returns and deductions
  - ✓ Rebates
  - ✓ Promotions
  - ✓ Commissions

- **Human Resources (HR)** – not relevant for our purpose
  - ✓ Personal Data
  - ✓ Payroll Data
- **Logistic Operations**
  - ✓ Order placement, validation, tracking and change management
  - ✓ Material Management (e.g. Inventory Management, Warehouse Management)
  - ✓ Sales Support (includes also e.g. Delivery, Shipping, Available to Promise (ATP) information)
  - ✓ Order Fulfillment
  - ✓ Production Planning and Scheduling

As you probably noticed (based on the capabilities overview 1-3) there is a potential overlap of Business Logic between the Front Office and Back Office Solutions. For this reason, it is important to consider the business requirements and the existing system architecture to find an appropriate end-to-end process for your business.

If a prospective CPQ or QTC customer already has an Order Management / ERP Solution they will have a number of questions like

- What improvements do we want to make to the current order management processes? Should I complement my existing Solution or get a new Solution?
- How much of the required process work is duplicate work vs. value-added new work?
- What integration effort is required between my Front Office and my Back Office Processes?
- What Security questions should I consider when data is moved between my Front Office and my Back Office Solution?

Finally, there is a potential for overlap of Business logic and Data because typically the Back Office Systems are the System of Record for

- Business logic like Price Determination
- Data like Material Master, Customer Master and Pricing

Last but not least it is worth noting that the introduction of an Order Management / ERP system is typically a large effort for most companies! In many cases these are multi-year efforts that make or break careers and may be very expensive (\$\$\$ = Millions of Dollars).



# Chapter 2 - IT Considerations when designing an end-to-end QTC Solution

Let us start by looking at the business information that is used in Front Office (CPQ/QTC) and Back Office (ERP) Systems

## Business Logic

e.g. Pricing Logic, Product Configuration Rules

## Business Data

- Master Data (e.g. Material Master Data, Customer Master Data)
- Transactional Data (e.g. Quote Data)

Note: The System of Record for Master Data and (at least some) Business Logic is often the Back Office System.

If we use the same business information in the Front Office and Back Office Systems we have to determine if a single System of Record for this information is required or if multiple System (sources) are acceptable.

If we assume that a *single System of Record* for all of a Company's business information is important then we need a plan that shows how this one source can be accessed in a timely manner by both systems. If *multiple Systems* of business information are acceptable then we need to come up with a plan that shows how we will keep these multiple Systems in sync!

The way the business information is processed between Front Office and Back Office Systems will have a big impact on the Performance, Scalability, User Experience and the Project budget. Generally speaking it is advisable to avoid duplication of effort and (unnecessary) complexity by using the strengths of both Systems to get the best possible business outcome for the lowest possible price.

Here are some important considerations to keep in mind when you look to find the most effective Front Office / Back Office Solution to improve your business's Sales Process.

## What CRM Platform do you (want to) use?

Many CPQ and QTC Solutions are built for a specific CRM platform Like Salesforce, Microsoft, Oracle or SAP. On these CRM platforms there are native and non-native Applications (Apps).

### Definition:

**Native App:** A native app is one that sits on, and is part of the CRM platform. All the Data that it uses is on the CRM platform

**Non-Native App:** Is not 100% on the CRM platform. The App, or part of the App, may be somewhere external and the data, or part of the data, may be external

Here some key advantages and disadvantages that are important with regards to where the Business Information resides

### *Advantages (native apps)*

- ✓ Higher Security because the business data is always stored on the CRM platform (not on an external server)
- ✓ Application and hence Business Logic sits on CRM platform (this can also be a disadvantage!)
- ✓ Better Performance because Business Data & Logic reside on CRM platform
- ✓ Easier integration with other Apps

### *Disadvantages (native apps)*

- Native Apps may inherit limitations from CRM platform
- Integration with other CRM Systems is harder
- Every CRM user that uses a native CPQ / QTC Solutions for that CRM platform needs a license

## How are you planning to sell your Products & Services?

If you plan to sell via all three Routes-to-Market aka Omni Channel (1. your Sales Team, 2. your Channel Partners and 3. an eCommerce website) then keep in mind that all Routes have different user experience expectations that impact the flow of business information between Front Office and Back Office Solutions

### **Sales Team Expectations** (= frequent users)

- ✓ Fast Performance
- ✓ Help (limited), if any
- ✓ Receive guidance concerning Product Configuration and Pricing

### **Channel Partner Teams** (= frequent and infrequent users)

- ✓ Fast Performance
- ✓ Help (Channel Partner specific) e.g. show documents, images, videos as needed
- ✓ Receive guidance concerning Product Configuration and Pricing for Channel Partners

### **Ecommerce website** (Customer = occasional user)

- ✓ Fast Performance
- ✓ Full Help e.g. show documents, images, videos, chat capability
- ✓ Receive guidance concerning complete Product Offering

A solid, scalable and performance oriented process is required that ensures the required business information is available as needed.

## Do you need Contract Lifecycle Management (CLM)?

### Definition:

CLM enables a Sales Organization to coordinate contract creation, approvals, negotiation and execution with customers and multiple parties within the company, and to manage all contracts in one place. Some contract examples are a Non-Disclosure Agreement (NDA), Sales Contract (terms & conditions) and Statement of Work (SOW).

Not all businesses require complex contract negotiations, however, those that do can benefit significantly from a solution that automates the full contract lifecycle. CLM solutions are similar to CPQ and QTC in that they are often designed for a specific CRM solution.

## Do you have an existing Back Office Order Management System?

Most large businesses have made significant investments in ERP Systems. These Systems automate the Order to Cash process and have Functionality for managing the order lifecycle, credit checks, invoicing, billing and cash management, with ties directly into the corporate financial accounting and reporting systems. For companies with limited Order to Cash Infrastructure a Quote to Cash Project may be an opportunity to build out these capabilities. For companies with Back Office systems in place, consideration should be placed on using that existing system as much as possible. Particular attention should be placed on generating orders where the complete Product Configuration and pricing logic is needed in the ERP System.

Note that some CPQ and QTC Solutions may replicate the Business Logic from the Back Office System to the Front Office System by developing and maintaining a simulation of that business logic to keep both systems in sync. While this is possible and has been done in the past it is obviously not good since it typically decreases quality and increases costs.

## Summary

To determine how your business information can be optimally used between Front Office and Back Office Systems you should determine

1. What level of functionality is required for each Process Step?
2. How do you plan to leverage or replace existing Systems?
3. Where your Business Logic & Data should be stored
4. When you need to access your Business Logic & Data
5. What are the performance expectations for accessing business information?
6. What User Experience you want for every Route to Market (RTM = Sales Team, Channel Partners, eCommerce)
7. Who is performing the required work (one-time, ongoing) to ensure your business information is in the right system at the right time?
8. If you require an out-of-the-box solution to use business information on your Front Office and Back Office Systems? Or do you plan on doing some custom development?

If you think about using real-time calls from your Front Office to your Back Office then keep in mind that your Back Office System needs to be available for real-time calls and be able to handle the expected workload. While transparency typically improves user/customer satisfaction a compromise may be needed.

# Chapter 3 - Segmenting Solutions that improve the Quote-to-Cash Process

In this Chapter we look at various segments in the market for Solutions to improve the end-to-end Quote-to-Cash Process. This may help to simplify the selection of Solution Providers for a Front Office Solution before we investigate Front Office System features and capabilities in detail in Chapter 5.

Here is a list of five Market Segments any company should consider before selecting a Front Office (CPQ, QTC) Solution

## (1) Leveraging ERP for a Quote to Cash Solution

Interplay of Business Logic, Data and Process between Front Office and Back Office

For every company that is using an Enterprise Resource Planning (ERP) System (e.g. SAP, Oracle, Infor) it is important to evaluate the depth at which the Front Office System, to be selected, has to work with the existing Back Office System.

This is important because

- Most companies with Order Management in the ERP have developed rigorous processes covering order lifecycle management, materials planning and manufacturing, fulfillment and financials. Often companies will want to leverage these capabilities as part of an overall Quote to Cash solution.
- Many companies have setup their Business Logic and Data in their Back Office Solution(s) and do not plan to make changes to that Solution. It is worth noting that the Back Office Solution(s) development was often done long before CPQ and QTC Solutions were implemented, and that duplication of the data and business logic may raise challenges that some companies are better off avoiding as noted in Chapter 2.
- Entire Business Units may be organized around ERP Solutions and any change to that Solution can trigger subsequent changes (e.g. Business Unit Re-Organization, Change Management effort) that need to be addressed. These changes have the potential to be expensive and hence it is only done when real and measurable value is added for the company.

While this Market Segment does not apply to every company that is looking for a Front Office Solution it applies to many if not most medium to large size companies. Remember that some Front Office Solutions will incorporate the ERP Solution for the Quote to Cash Process while others will move parts of the Order to Cash Process to the Front Office.

## (2) Level of Industry Specialization

Some Solution Providers have taken an Industry approach to the market because Products and Services of different industries may require different features and capabilities or may need to align with upstream and downstream applications. It is important to make sure that a Front Office Solution supports the features and capabilities that your company cares about. In addition to that every Industry has some specific features and capabilities that a Front Office Solution Provider needs to support. Here three examples

- Manufacturing
  - Whatever a company sells (Front Office) also needs to be manufactured (Back Office). This means Production Planning related Business Logic and Data flows are required between Front Office and Back Office. In some cases also CAD and 2D/3D visualization for engineer to order business models.
- Furniture
  - Augmented Reality (AR) is quickly becoming a quasi standard in the Furniture Industry and hence any potential Front Office Solutions probably need to support this capability
- Software
  - Software Users subscribe to a Software Product and renew their subscription on an annual basis. Hence a Renewal capability is required

Understand if a (CPQ/QTC) Solution Provider is specialized in your Industry.

Note: While many solutions can be used across industries it is worth checking that a Solution Provider has done successful implementations in your industry or a closely related industry!

### (3) Required Complexity

The business requirements for CPQ and QTC Solutions can be very different and hence it is important to determine what level of complexity your company and your business processes require. Different solutions are optimized to handle different levels of complexity along a variety of aspects in the Quote to Cash process.

Note: Just because a business process works a certain way in the current Front Office Solution doesn't mean that a business process has to be transferred 1-to-1 into the new Front Office Solution. The goal is to develop the best possible Business Process. To achieve this goal it is helpful to review and adjust the end-to-end business process as needed and where needed before the actual CPQ/QTC System selection starts.

The complexity of CPQ and QTC Solutions is determined based on business requirements for Product Configuration, Pricing, Approval Processing, Quoting, Renewals and Billing

- **Product Complexity**

- Determine what kind of Product Configuration capability is required. Are you going to configure very complex products with many thousands of parts or will it be simple products with a handful of parts?

- **Pricing Complexity**

- Determine what kind of pricing capabilities you need. Do you want to offer static prices or do you want to offer dynamic pricing that uses Artificial Intelligence/ Machine Learning?

- **Approval Processing**

- Determine what kinds of approvals are required. Example: Sequential and/or Parallel approvals? Are they different per region (e.g. North America, Europe, Asia)

- **Quoting**

- Determine what capabilities a User requires for each Route to Market Example: Do Channel Partners use your Front Office Solution to issue Quotes with their letterhead?



- **Renewals and Billing**

- Determine if Renewals are required and how the Renewal Process is expected to work between Front Office and Back Office Systems
- Determine how the eCommerce Process is expected to work

Remember when reviewing complexity pay close attention to the capabilities and interfaces provided for managing a Front Office Solution. Example: Look for a flexible product catalog, product modeling and robust versioning capabilities.

#### **(4) Breadth of Solution: CPQ vs. QTC**

Companies will have a variety of choices among solutions when it comes to breadth of coverage of the Quote to Cash process. Some solutions are focused on the Configure, Price, Quote aspect, while others may offer broader solutions incorporating price optimization, CLM, Rebate Management, Invoicing and Order Management. Depending on the needs of the business and its blueprint for an end-to-end Quote to cash process (see Chapter 2) companies may choose to evaluate CPQ only solutions or solutions with a more expansive set of functionality.

In my opinion CPQ and QTC Projects can face similar business challenges due to their broad scope. They can become very complex very quickly and therefore I think it is generally advisable to run these Projects in steps or waves.

Basic questions that need to be addressed include

- What is the difference between CPQ and QTC?
- What kind of project can your company successfully execute in a given timeframe?

My recommendation is to focus first on the CPQ Process since the broader Quote-to-Cash process includes more functionality.

## (5) B2B vs. B2C

If your company does mostly business with other companies (B2B = Business to Business) then you need to make sure that the CPQ / QTC Solution to be selected offers a solution for your

- Sales Team and
- Channel Partners

This is the standard offering (B2B) that is supported by all CPQ and QTC Solutions. While this is the standard offering it does not mean the features and capabilities required are simple.

Example: The Channel Partner offering typically has a number of complex Requirements like allowing a Channel Partner to create a Channel Partner branded Quote with a Channel Partner specific Product Offering and Pricing in your System.

If your company offers Products and/or Services via an eCommerce website (B2C = Business to Consumer) then the Solution needs to support this capability. Here it is important to notice that many CPQ and QTC Solutions do not offer a B2C Solution yet.

Summary of Market Segment suggestions:

1. Determine which Market Segments are important for your company as a guide to identifying solutions that will support your Quote to Cash process
2. Develop a prioritized list of considerations for each relevant Market Segment

This information will be used when we get to the Vendor Selection Process.

# Chapter 4 - Successfully selecting your Front Office (CPQ/QTC) Solution

Let's start this chapter with expanding the term "Front Office Systems" further by adding CRM (Customer Relationship Management) to it. I assume you all know Salesforce, Microsoft, Oracle, SAP or other CRM Solutions. We have neglected CRM Solutions up to this point because the focus, regarding Front Office Systems, is clearly on CPQ and QTC Systems.

Here I want to explain in more detail why it is complex to select an optimal CPQ/QTC Solution for your business and what you should look for to do it successfully.

We start with the big picture by looking at Front Office and Back Office Systems. These Systems offer numerous overlapping, capabilities like

- Configuring Products
- Finding a Price for a Product
- Create Quotes, Order, and Invoices

This is a challenge for any customer that uses both Systems because they need to decide which system they use for what process. Which System is the System of Record for what Data and so on.

Here I want to point out that not every customer has (or needs to have) a CRM and ERP System and so I suggest that we distinguish between two different Customer Types.

## 1. **Small and Medium Customers** (SMB)

*Definition:* A small (e.g. less than 50 employees, less than \$x Revenue) or medium (e.g. 50-1000 employees, less than \$x Revenue) customer typically has a limited budget for IT personnel and IT Systems.

## 2. **Enterprise Customers**

*Definition:* An Enterprise customer (e.g. 1000+ employees, Revenue more than \$x) typically has a larger budget for IT personnel and IT Systems.

The table in Figure 1.0 helps to see some key differences between these two Customer Types

**Figure 1.0**

	Systems used	Small & Medium Customers (SMB)	Enterprise Customers
Front-End	CRM	Often	Always
	CPQ/QTC	Sometimes	Often
Back-End	ERP	Sometimes	Always

Note: If a CRM and ERP System are used then a seamless end-to-end process is required to ensure flawless business operations.

As shown in Figure 1.0 the process alignment between Front Office and Back Office Systems is most likely more important for Enterprise Customers. In most cases Enterprise Customers made significant investments in their CRM and ERP Systems and therefore want to use already existing functionality as much as possible.

### Route-to-Market Considerations: Sales & Channel Partners

If existing functionality like creating orders or invoices in ERP is replaced (or partially replaced) with functionality in Front Office Systems there should be a thorough business process analysis to understand if the required investment actually provides the expected benefits (e.g. show order status in Front Office Systems. What is the added value for a Sales Rep?).

### Route-to-Market Considerations: eCommerce

A customer requires the ability to create orders, return orders, get delivery Information, create an Invoice and more in Front Office Systems. This provides the customer more flexibility and visibility, which typically improves Customer Satisfaction.

Note: While these capabilities are required for this Route-to-Market, they may already exist in the Back Office System and hence should be used, as far as possible, to prevent duplication of business logic and data.

Now let's have a look at some more areas to understand what you should look for to select the best CPQ / QTC Solution for your business.

### Product Configuration Considerations

- Determine what kind of technology the Product Configurator uses. This is important because it determines how much maintenance will be required to keep the Product Configuration Rules up-to-date
  - Example: Rule-based configuration engine, constraint-based configuration engine etc.
- Determine what kind of configuration capability is required
  - Engineer-to-Order (ETO) - high complexity,
  - Make-to-Order (MTO) - Medium-high complexity,
  - Configure-to-Order (CTO) – medium complexity
  - Assemble-to-Order (ATO) – medium complexity
  - Pick-to-Order (PTO) – low complexity
  - Build-to-Order – low complexity
- Determine if technical or business resources are expected to maintain the business rules
  - Do they have to learn a modeling / programming language in order to do so?
  - Note: Usually it is important to ensure a common user experience across products and channels which means a formalized process if multiple resources maintain the product models
- Determine if your Product Models are only needed for Sales or if they are also required for Manufacturing/Production. If they are required for Manufacturing/Production you should check your ERP System and learn how the process is setup there and leverage it (if possible).

## Pricing Considerations

- What is the System-of-Record for your Pricing? CRM, ERP or another system? Ideal is to have one system of record.
- What Pricing capabilities are required? Here three examples:
  - Static pricing (e.g. Platinum Customers in the US, North-East Region, get 20% discounts for Product ABC) or
  - Dynamic pricing (e.g. customers that have between 250-500 employees and order between \$2000 - \$5000 annually get 18% discount on Product ABC)
  - Are you going to need Pricing for eCommerce? Yes, then consider that for the same product there is one price for an unnamed account (everyone that doesn't log on with a user name) and potentially many different prices for named accounts (everyone that has a user name)

## Quote to Order Conversion Considerations

- Is it necessary to perform certain checks before an Order is accepted? Examples: Credit Card Check, Customer is not on a blocked customer list, the quote matches the order 100%, Terms & Conditions were not changed since quote was accepted etc.

## Additional Considerations:

- Standard Project Implementation time
  - The actual project implementation time depends on the complexity of a customer's requirements.
- Support Offering
  - Determine what kind of Support offering is required
  - Determine if you need an "internal Support Team"
  - Determine if a SaaS Solution or on premise Solution is right for your business. While SaaS is certainly the present and future direction there is still a market for on-premise solutions.

Note that this list of suggestions is just a starting point and needs to be expanded based on your business requirements!

# Chapter 5 - Conclusions for improving the Quote-to-Cash Process

In this final Chapter I want to summarize some Key Points we discussed and point out what Conclusions I draw from this.

**The first and key conclusion is that Quote-to-Cash is a business process and not a product.** While this may seem trivial it points to three fundamental steps you should keep in mind when you look for a Front Office Solution

## (1) Identify your business needs

- This includes Business Requirements gathering, Business Process Analysis etc.
- Look at your “to be” Business Processes without System limitations by focusing on intended business outcomes
- Determine and prioritize your critical business conditions for the “to be” Quote-to-Cash Process (e.g. determine who will provide product model maintenance)

## (2) Consider your existing IT landscape

- In most cases a company has an existing IT Infrastructure and any additional IT Systems, like Front Office Solutions, should leverage the existing IT Infrastructure as much as possible. This is to protect your previous financial and intellectual IT System Investments
- Consider that existing IT Systems may have business critical Teams and Processes around them that may be impacted if the IT Architecture changes. To ensure a smooth operation of your IT Systems, changes should only be made when there is a measurable benefit
- Determine where your Data System-of-Record is and how your Front Office Solution works with these Data Sources

### (3) Start identifying potential Front Office Solutions

- Once you know what your business objectives are and you know how they should interact with your existing IT Systems then you can start looking at potential Front Office Solution Providers. If you skip Steps 1 and 2 this step will be a time consuming and confusing step

Note:

The better you understand, and can communicate, your business objectives and the better you understand how you want to leverage your existing IT Systems and Data, the more likely it will be that you find a solution that provides the business results you are looking for.

In addition to that it will allow you to have better discussions with potential Front Office Solution Providers.

*Here are eight conclusions I consider important for everyone looking into Front Office Solutions.*

#### **1. All impacted Business Processes should have been reviewed in detail when a CPQ Project starts**

- This review should include Sales, Sales Operations, Product Management, Product Engineering, Marketing, Legal, Finance and IT Processes

#### **2. Business Requirements should be documented and prioritized**

- This should include Business Requirements and Business Use Cases from all Teams mentioned above

#### **3. Potential future business use cases should have been identified (as far as possible)**

- It is important to understand (as far as possible) what other business requirements and business use cases you may have to support in the future

#### **4. Determination should have been made concerning what existing IT Systems are going to be part of your future IT Systems**

- Determine Source Systems for your Business Data (e.g. CRM, ERP). Keep in mind that considerable investments (financially and intellectually) may have been made in these systems. Hence you want to leverage these investments as much as you can



## 5. Internal limitations have been identified

- e.g. Go-Live date, Transformation budget, available resources and skills etc.
- These are Key Data points you need to know before you start a Business Transformation Project

## 6. Maturity of your organization has been determined

- Determine if your organization is ready for the required Business Transformation effort

## 7. Determination about required Routes-to-Market has been made now and in the future

- Route-to-Market = Sales, Channel Sales, eCommerce = Omni Channel

## 8. Decision has been made regarding solution maintenance now and in the future

- Who is going to update your configurable Products, Prices, Quote Forms and more?

Quote-to-Cash is a business process that spans many different business areas in any company and to get the best possible Front Office Solution for your business you should spend some time to work on the conclusions I mentioned above.

Yes, this will take some time but it will pay off by allowing you to have better, more educated, discussions with Front Office Solution Providers.

To make this step easier for you I you can download a Check List from the Novus CPQ website [here](#).

At this point I also have to mention Change Management since this is typically a critical but under-appreciated part in every Business Transformation effort.

At least I regularly see that the Change Management effort is underrated. This is a critical mistake from my point of view since the best system is useless when the users don't adopt it. If you want to learn more download our Change Management Document from the Novus CPQ website [here](#)