Transforming Sales Prospects Into Profitable Customers

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Transforming your sales pipeline into profits depends on how well customer expectations are identified and exceeded. The highest-selling manufacturing companies have an obsession for delivering strong value over and over again. This obsession dominates these companies' mindsets and forces a new urgency to exceed customer expectations on a consistent basis.

A big part of this urgency is capturing customer needs—from the very simple to the very complex. Capturing requirements and creating a realistic vision of the future are the real moments of truth in any sales cycle. These are the times when a business makes the commitments that set expectations, define the quote, explain the price and identify the delivery and installation schedule; in other words, set the stakes of the deal. This is where obsession with capturing and responding to expectations is so critical.

Based on the companies I've worked with on these strategies, here are eleven ways to sell more by transforming your company's expertise and knowledge into a competitive weapon:

1. **Define the entire quoting process from the customer's perspective first.** The most common reason why quoting strategies fail to deliver accurate, buildable quotes is that too often companies build these processes not for the customer's benefit or ease of use, but for their own. The symptoms of this happening are product catalogs designed in classifications that have little or no meaning to customers, which leads to confusing and often inaccurate quotes as a result. Serve the customer instead of your own company with the quoting process.
2. **Never quit asking how more time can be saved in the quoting process**. The best-performing companies are obsessed with trimming the time it takes to create a quote. They are continually focused on how to get more done in less time, especially when it comes to creating quotes for products requiring unique pricing and licensing agreements. Just automating the quoting process is not enough; it needs to be modified to reflect the

changing nature of how customers choose to buy. That is the critical inflection point in automating quoting. Staying in step with your customers' needs is critical.

3. **Integrating pricing to the system-of-record level is critical.** The majority of quoting systems rely on a separate pricing database, or worse, a Microsoft Excel spreadsheet that is queried through the use of Visual Basic macros or XML integration links (if it is online). In fact, the first generation of quoting systems relied on this approach to get pricing onto quotes. However, customers expect more. They now expect real-time pricing from the system-of-record level that matches what they get from your company and from any sales channel they choose to buy through. Integrating quota into the pricing system of record also solves maverick quoting on the part of customers who look for inaccuracies in pricing across channels to find deals.
4. **Get your services teams involved early and often.** Think of it this way—services and support keep the commitments that sales and production set in the sales cycle and during product delivery. Keep your services team very involved in all pilots of quoting systems to make sure every commitment made can be kept and exceeded. Services' expertise needs to be included in the quoting system logic as well to make sure given product configurations are actually buildable and deliverable.
5. **Think of quoting as a part of your forecasting system instead of just being stand-alone.** One Cincom customer is using the quoting system to actively manage the mix of make-to-stock and build-to-order products, trimming back its engineer-to-order products and attaining higher margins as a result. Focus on making quoting systems an integral part of how you forecast product mix.
6. **Win the battle for channel-partner mindshare with quoting and price-exception management.**Responsiveness and undivided attention are the greatest compliments you can give a customer, whether in person or not. That is a major lesson learned from manufacturers who often have to battle for their channel partners. Getting the right tools to them and being responsive can make the difference between holding onto a reseller or losing one in a highly competitive market.
7. **Use a quoting-system pilot to test your systems' integration points across pricing, manufacturing (including bills of material), services and support.** Try to break the integration points to find their weakest links and push the system hard with more transactions that you expect to receive. Look at the scalability of the systems, and try to make them fail—you need to know the limits of these system integration points before it goes live. If you are integrating transactions and quoting together, test the quality of bills of material and push the system to see how well it handles concurrent loads. As a result, this will surface potential problems before any of your resellers or sales force find them and protect the reputation of the system.
8. **Be open about quoting, price-exception management and proposal performance**. Rolling out a new system that affects the sales force, and most importantly their compensation, is going to get a very critical look from the channel and your sales teams alike. It is better not to hide the system's performance; be open and post its performance gains. Think of this as

marketing the system internally. The best companies are very open about these measures of performance with their sales teams and tell it like it is. As a result, they earn trust and adoption. No one is perfect with a new system implementation, so own up to the failures as well as the successes. It's important to market the quoting system well so it drives up adoption.

9. **Even the highest-performing quoting, proposal and pricing systems have had challenges with performance.** It's not that the severity of the problems were less, it was how management chose to deal with issues that mattered most. Owning it to the VP or CEO level is critical as well as taking steps to fix problems. You have to preserve the credibility of the quoting system by not only owning its wins but also correcting its challenges.
10. **Use quoting systems to get your sales teams competing with each other over order accuracy, close rates and services revenue.** That is exactly what one manufacturer did with excellent results. This manufacturer is a Cincom customer and has been able to get its internal sales teams focused on selling at higher prices when bundles are included in an otherwise slow-growth or flat market. The result: They have increased order rates by 70%, close rates by just over 30% and have not had an error in a bill of material for customized configurations since moving to an automated system.
11. **Consider using your quoting, proposal and product configuration system for new product introductions.** Many Cincom customers are actively using their quoting, pricing and product configuration systems to launch build-to-order, configure-to-order and engineer-to-order products across its dealer base. This strategy has been so successful that the quoting system is now used to teach new channel-partner hires how to sell.

Bottom line: If you only think about one point after reading this article, think about those moments of truth happening every day with your customers and what you can do to make them turn into sales. Unleashing the intelligence in your business with a high level of energy and intensity can make all the difference in winning or losing deals.

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