

Configure-Price-Quote Application

Results

The new CPQ application powered by Decisions for SAP Solutions™ has reduced the keystrokes required by the sales team to create a new quote, streamlined communication with customers, eliminated manual processes and reviews, and improved data quality and integrity with 100% accuracy for SKUs, pricing, and taxes.

The application ensures process consistency, provides visibility (including Key Performance Indicator measurements), is utilized by all fifteen company locations, and will support exponential business growth. The design, testing, and implementation was completed within a few months with a single CM consultant. It is estimated the project will have full ROI in eighteen months based on labor savings alone.

Approach

Providing quotes to customers for highly customizable products can be very challenging. An applicant must support variable product attributes that are selectable, limit subsequent selections based on hierarchical relationships, and ensure accurate item level pricing based on these selections. The resulting item number (SKU) must also be 100% accurate for procuring the products, calculating taxes, managing fuel sur-charges, and installation costs. The application must also interface with SAP's Business One ERP system.

The technology needed to have business rules, workflow, reporting, dashboarding, and the ability to interface with multiple systems for data synthezation. The software also needed to be a rapid delivery product that did not include programming skills for design.

About the Client

Specializing in custom cabinets and countertop design, including installation of those products, The Legacy Cabinet Company ("TLCC") is a regional distributor operation in both new residential and commercial construction, as well as custom remodeling projects. TLCC's headquarters are in Niceville, FL with fifteen additional locations across the southeastern, US.

20%

Order Entry Efficiency Improvement

35%

Order Entry Quality Improvement

100%

Reduction Pre-entry Quotation Reviews



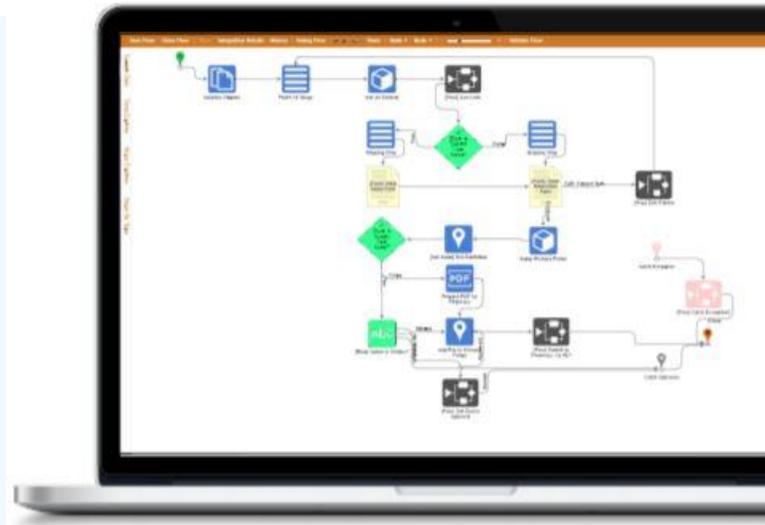
We are utilizing our vendors item master files within the CPQ application which virtually eliminates the chance for order entry errors by our sales force, leading to less touches and increased turns.

– Dave Shinn, Chief Operations Officer



Challenges

TLCC initially developed an Excel based template to support their Configure-Price-Quote needs. Although the spreadsheet worked reasonably well for providing a quote to customers, it was fraught with other challenges. Version management of the Excel template proved to be very challenging, incorrect SKUs were common resulting in dirty data created in SAP Business One, and pricing was generally close but seldom 100% correct.



Additionally, every sales order created in SAP Business One from the spreadsheets had to be reviewed by the accounting department to correct pricing errors and add additional information. The manual processes consumed approximately 40 hours per week of non value-added manpower.

The Excel based solution was not scalable. It was only being used by a single location and could not be rolled out company-wide. There was no visibility or access into the CPQ process as a whole. The design did not ensure accuracy or repeatability and could not support the business growth rate of TLCC.

Evaluation

TLCC ultimately selected Configurable Management's (CM) Decisions for SAP Solutions™ BPM software to design a best of breed Configure-Price-Quote application to replace the Excel template. This state-of-the-art, web-based solution ensures accuracy, consistency, visibility, and scalability.

Leveraging Decisions for SAP Solutions™ TLCC now has a web delivered application that can be accessed by their sales team and executive management via any browser and platform and can quickly create a customer quote with 100% SKU and pricing accuracy.

Upon notification of being awarded the business, the quote is automatically sent to SAP Business One and a sales order is created. Subsequently, Business One creates a purchase order(s) for the respective products and vendors.

“The increased visibility and access to our sales information is allowing us to make quicker business decisions with reliable data. Our sales force has embraced the ease of use and ability to access their information. - Charlie Agnew, Chief Executive Officer, TLCC

Future efforts

Based on the success of the CPQ process TLCC is expanding the use case into additional order types (i.e. Quotes, Service Orders). Configurable Management will simply enhance the CPQ design powered by Decisions for SAP Solutions™ to include additional order processing.

The project is estimated to take six to eight weeks including design, testing, and implementation. This investment is estimated to result in a 40-day ROI after implementation.