**CHECKLIST**

# 3 steps to achieving enterprise configuration success

## Industrial manufacturing

For industrial manufacturers, delivering personalized and unique products is the key to doing business in an increasingly competitive environment. Manufacturers that haven't streamlined their interest capture, selection, configuration, pricing, quoting, and ordering processes often fall short in delivering timely quotes to customers and risk losing deals to competitors.

How prepared is your organization to meet evolving customer demands for customizable products? Take this short assessment to evaluate your current enterprise configuration challenges in three key areas—sales and marketing, engineering, manufacturing, and supply chain. If you check any or all of these boxes, it is time to innovate.

## Sales and marketing challenges

☐ We can't provide a consistent customer experience across all channels, which has damaged some relationships

☐ Quote generation is time consuming because our approval process isn't automated

☐ We're losing deals as customers increasingly do their own research and have difficulty finding products of ours that meet their tailored needs

☐ Inaccurate quotes have led to longer lead times and margin erosion

☐ Our slow product introductions and inability to personalize products often result in lost opportunities

☐ We rely on highly complex and outdated pricing sheets, which often results in inaccurate quotes

## Engineering challenges

☐ Our competitors are releasing new product introductions more quickly than we can

☐ Many of our designs limit options that could've been supported with minor alterations to the original design

☐ New modifications cannot be easily made to our existing designs

☐ One-off products have created delays in the regular delivery of our standardized products

☐ Our engineers spend too much design time generating custom product drawings

☐ We carry significant amounts of inventory to satisfy the variability of our orders

## Manufacturing and supply chain challenges

☐ We are unable to meet expected delivery dates

☐ Our Bills of Materials (BOMs) and routings are often inconsistent

☐ Forecasting is difficult because of a lack of visibility into the various options, features, and materials

☐ Our product costs more to build than we estimated

☐ We lack visibility into what is coming because sales, engineering, and planning systems aren't integrated

☐ We are unable to achieve favorable relationships with suppliers

Achieving enterprise configuration success means more than modifying options and attitudes—it demands a whole new level of customer engagement and business discipline that includes adoption of technological, operational, and organizational transformation. An organization that fully utilizes configure price quote (CPQ), eCommerce, and product lifecycle management (PLM) application can not only increase revenue, but also improve profitability, operational efficiency, and quality, but it can also gain a powerful competitive advantage.

Everyone from sales and marketing, to engineering, to manufacturing, and supply chain must be ready to participate in a faster, more detailed and collaborative process. Here are three steps you can take to overcome your current challenges and meet the increased demand for configured products:

## 1. Provide a visually engaging configure, price, and quote process

Today's consumer has high expectations when it comes to their interactions with your products and industrial manufacturing customers expect the experience to reflect how they purchase products in their day-to-day lives. Manufacturers that haven't modernized their CPQ process often miss getting their products included and fall short in delivering timely quotes to customers, ultimately losing deals to competitors.

There are steps you can take to better equip your marketing and sales teams to offer product configuration—gathering all essential information in one central repository is a key part of the process. Pricing, product attributes and upsell paths should be gathered holistically in one place. Keep product engineering, manufacturing, and supply chain teams actively involved so this information stays current. Automatic updates based on changes in other systems are ideal, but in the meantime these functions must stay vigilant. After this information is gathered, you can consider automating the quote conversion process automate quotes and even create a portal for an online buying experience that can be used directly by customers or your sales channel.

As competition increases and knockoffs abound, it gets harder to build differentiation on product alone. That's why making the customer experience rich, engaging, and highly personal is so important. By creating an interactive customization and ordering experience, you can stand out by giving customers what they want. Also, when you give customers the tools to configure products themselves, they feel a sense of ownership with what they design. A customer who invests time using your online experience is more likely to develop a strong—and ongoing— connection with your brand.

## 2. Have your best engineer on every deal

Your engineering team is continually juggling sales and manufacturing support with new product introductions to meet your customers' needs. Adopting enterprise configuration can significantly reduce the time and effort engineering spends by dynamically and automatically creating Bills of Materials (BOMs), routings, drawings and assemblies. You can even use enterprise configuration to generate part numbers. Complete and accurate quotes become complete and accurate orders, which is like having your best design or manufacturing engineer in every opportunity.

In theory, companies that make configured products follow a relatively simple formula: expand product variety by combining components. But there's nothing simple about making that formula a reality. First, you need to identify frequently repeated component combinations that you can standardize. After you've identified the most promising opportunities, you can streamline the supporting processes. By building a product line that combines even a small number of interchangeable components, you can create thousands of product permutations—which provides customers a wide array of choices. This kind of "building block" approach allows you to expand product variety without adding excessive complexity. But there's a catch: with millions of product permutations, your workflow can grow to be unmanageably complex. Fortunately, the right enterprise configuration solution can help you consolidate and organize all the details into a format that can easily be leveraged within other processes systems.

## 3. Integrate configuration with operations

In manufacturing and supply chain, your project should focus on integration, flexibility, and predictability. Applying analytics to demand data and creating formulas that predict the probability of choices can inform purchasing plans so you can schedule resources that will not exceed your plants capacity. The transformation you make toward modern and connected, processes and systems will impact your business' ability to succeed even beyond the ability to deliver personalization.

Great planning won't get you anywhere without equally great execution. To make mass customization a workable reality, you have to bridge the gap between configuration and operations. When you integrate an enterprise CPQ solution with your back-office systems, good things happen. You can quote faster. Manufacturing can be made more efficient. Your pricing can become more accurate. You may even find new ways to fine-tune processes that you never even considered—such as making large items before small ones, or light colors before dark ones. Integrated systems will be key for tearing down the silos that separate sales, engineering, and manufacturing to prevent them from sharing redundant information.

Read the comprehensive **Best practice guide: How to effectively design, sell, and deliver configured products** to learn how you can increase sales and reduce costs through modern enterprise configuration technology and processes.

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