



Exploring Salesforce CPQ, Industries CPQ, and Conga CPQ

Author: Pruthvi Nannapaneni

Initially written: May 3rd, 2021

Updated: Jan 10th, 2024 –
Encompasses the most recent advancements and added a new section about artificial intelligence

Table of Contents

| | |
|---|-----------|
| Who is this Blog for | 3 |
| What is CPQ? | 3 |
| CPQ Landscape, who are leaders? | 4 |
| Why Salesforce based CPQ? Who is it best suited for? | 5 |
| <ul style="list-style-type: none">○ Three situations where Salesforce CPQ makes perfect sense○ For Organizations that are already using Salesforce CRM and looking to empower their Sales Team with one unified system○ For Companies that are doing a Greenfield Implementation of their already existing CPQ system, and shifting to a Cloud-First environment○ For Enterprises seeking to scale their Sales Processes | |
| What are the CPQ products based on the Salesforce Platform? | 6 |
| <ul style="list-style-type: none">○ Salesforce CPQ○ Salesforce Industries CPQ○ Conga CPQ | |
| History of Salesforce CPQ | 7 |
| History of Conga CPQ | 8 |
| Comparison of the 3 CPQs | 8 |
| <ul style="list-style-type: none">○ Price Books○ Quoting○ Quoting Amendments○ Quote Document○ Approvals○ Orders○ Renewals○ Integrations | |
| What is on the Horizon? | 17 |
| <ul style="list-style-type: none">○ A.I. and Machine Learning○ Salesforce one day aims to eventually replace Salesforce CPQ and roll it into Salesforce RLM (Revenue Lifecycle Management)○ Conga aims to reduce its dependence on Salesforce and move to an independent platform | |
| Conclusion | 20 |

Who is this Blog for:

This blog is designed for IT Managers, CTOs, and CPQ professionals who are keen to understand the Salesforce CPQ landscape, its benefits, and its strategic value. It is particularly useful for those involved in decision-making processes related to sales operations and technology implementations. Whether you are looking to enhance your existing Salesforce CRM with CPQ capabilities, considering a greenfield implementation of CPQ systems, or seeking scalable solutions to manage complex sales processes, this blog provides insights, best practices, and features to guide you in leveraging Salesforce based CPQ effectively.

What is CPQ?

CPQ stands for Configure, Price, Quote. It is a sales tool that helps companies accurately and quickly generate quotes for orders. CPQ software is used to configure products, price those products based on various factors such as discounts and margins, and generate a quote for the customer. This software is particularly useful in businesses with complex product offerings, as it ensures that all possible configurations are accounted for and priced correctly. It integrates with CRM systems, providing sales teams with all the necessary information to create precise and personalized quotes without manual errors.

CPQ solutions streamline the sales process, reducing the time needed to produce quotes and increasing the accuracy of pricing. CPQ can support multiple channels including direct sales, channel partners, e-commerce, field sales, customer service, marketing, IoT and resellers. They enable sales teams to respond faster to customer inquiries, enhancing customer satisfaction and closing deals more

efficiently. Additionally, CPQ software often includes advanced features like guided selling, automated approvals, and analytics, which provide insights into sales performance and pricing strategies. By automating these critical sales functions, CPQ tools help companies improve their sales efficiency, reduce operational costs, and ultimately drive revenue growth.

CPQ Landscape, who are leaders?

CTOs, and CPQ professionals who are keen to understand the Salesforce CPQ landscape, its benefits, and its strategic value. It is particularly useful for those involved in decision-making processes related to sales operations and technology implementations. Whether you are looking to enhance your existing Salesforce CRM with CPQ capabilities, considering a greenfield implementation of CPQ systems, or seeking scalable solutions to manage complex sales processes, this blog provides insights, best practices, and features to guide you in leveraging Salesforce based CPQ effectively.

Figure 1: Magic Quadrant for Configure, Price and Quote Application Suites



Source: Gartner (October 2021)

The Gartner Magic Quadrant for Configure, Price, and Quote (CPQ) Application Suites as of June 2021 places Salesforce CPQ and Salesforce Industries CPQ in the Leaders quadrant, indicating high ability to execute and completeness of vision. Salesforce has invested a lot of resources to create a product that tightly couples with CRM products to make a unified Sales and quote experience. Other notable leaders include SAP and PROS. Conga, which is another Salesforce platform

based product, is positioned as a Challenger, with strong execution but a narrow market focus. Visionaries, with high vision but less execution capability, include Tacton, Bit2Win, Infor, and FPX. Niche Players like Zuora, Epicor (KBMax), and Pricefx have specific strengths and have been gaining market share as companies don't necessarily want a complex solution but a much simpler solution specific for their industry.

Why Salesforce based CPQ? Who is it best suited for?

Three situations where Salesforce CPQ makes perfect sense:

For Organizations that are already using Salesforce CRM and looking to empower their Sales Team with one unified system:

Integrating Salesforce CPQ with Salesforce CRM creates a seamless and cohesive environment for sales teams. This unification ensures that all customer data, sales activities, and quoting processes are housed within a single platform, eliminating data silos and reducing the need for manual data entry. Sales representatives benefit from having real-time access to comprehensive customer information, which enables them to provide more personalized and accurate quotes. Additionally, the integration facilitates better collaboration across departments, as everyone works within the same system, enhancing overall productivity and efficiency.

For Companies that are doing a Greenfield Implementation of their already existing CPQ system, and shifting to a Cloud-First environment:

Organizations looking to modernize their CPQ systems by moving to a cloud-based solution will find Salesforce CPQ particularly advantageous. Transitioning to a cloud-first environment offers numerous benefits, including improved accessibility, scalability, and security. Salesforce CPQ allows companies to implement a robust and flexible quoting solution without the need for extensive on-premises infrastructure. This shift not only reduces IT overhead but also ensures that the CPQ system is always up-to-date with the latest features and enhancements. Furthermore, the cloud-based nature of Salesforce CPQ supports remote and distributed workforces, enabling sales teams to access the system from anywhere, at any time.

For Enterprises seeking to scale their Sales Processes:

As enterprises grow, managing an increasing volume of sales transactions and complex pricing structures can become challenging. Salesforce CPQ is designed to scale with the business, providing the necessary tools to handle larger volumes of quotes and orders efficiently. The automation capabilities of Salesforce CPQ streamline the entire quoting process, reducing manual errors and ensuring consistency across all sales activities. This scalability enables sales teams to maintain high levels of productivity and accuracy, even as the business expands. Additionally, Salesforce CPQ's robust analytics and reporting features offer valuable insights into sales performance, helping enterprises identify trends, optimize processes, and make data-driven decisions to support continued growth and success.

What are the CPQ products based on the Salesforce Platform?

While theoretically most of the products listed in the CPQ Landscape section have the ability to integrate with the Salesforce Platform, for the purpose of this blog, we are going to specially focus on products that have been built on Salesforce. Namely Salesforce CPQ, Salesforce Industries CPQ and Conga CPQ:

Salesforce CPQ

Salesforce CPQ (Configure, Price, Quote) is a native application built on the Salesforce platform, designed to help businesses streamline their quoting process. This tool enables sales teams to configure complex products, apply accurate pricing, and generate professional quotes with ease. Being natively integrated with Salesforce CRM, Salesforce CPQ leverages the full power of the Salesforce ecosystem, ensuring seamless data flow and a unified user experience. It provides robust features such as guided selling, automated approvals, and contract management, making it a comprehensive solution for managing the end-to-end quoting process.

Salesforce Industries CPQ

Salesforce Industries CPQ, previously known as Vlocity CPQ, is tailored to meet the specific needs of various industries, including telecommunications, media, energy & utilities. This product offers industry-specific functionality and pre-built templates that address the unique requirements of each sector. Built natively on the Salesforce platform, Salesforce Industries CPQ provides deep integration with industry data models and processes, allowing businesses to configure products and services that are highly relevant to their industry. This specialization ensures that companies can deliver personalized and accurate quotes quickly, enhancing their competitiveness and customer satisfaction.

Conga CPQ

Conga CPQ, another powerful CPQ solution built on the Salesforce platform, focuses on providing advanced configuration, pricing, and quoting capabilities. Conga CPQ integrates seamlessly with Salesforce CRM, leveraging Salesforce's data and automation features to deliver a smooth and efficient quoting process. Conga is known for its flexibility and customization options, allowing businesses to tailor the solution to their specific needs. It also offers strong document generation and contract lifecycle management capabilities, making it a versatile tool for managing the entire sales process from quote to cash. Conga CPQ helps organizations enhance their sales effectiveness, improve quote accuracy, and accelerate deal cycles.

History of Salesforce CPQ:

The evolution of Salesforce CPQ marks a significant journey in the realm of quote-to-cash automation. The story began in 2010 with the founding of SteelBrick, a pioneering cloud-based CPQ solution. In a strategic move in 2015, Salesforce acquired SteelBrick, recognizing its potential to enhance the Salesforce ecosystem. This acquisition led to the rebranding of SteelBrick as Salesforce CPQ in 2016, marking a turning point in its integration within the Salesforce platform.

From 2016 to 2018, Salesforce CPQ seamlessly integrated with the broader Salesforce ecosystem, leveraging its capabilities for sales, service, and marketing. This period also saw the introduction of Einstein AI, infusing artificial intelligence into CPQ processes for improved efficiency and decision-making.

In 2018, Salesforce further expanded its reach with the launch of Salesforce Industries CPQ, a tailored solution for industry-specific needs. This innovation addressed the unique requirements of various sectors, providing a more customized approach to CPQ.

In the year 2020, Salesforce unveiled Revenue Cloud, a comprehensive solution designed to revolutionize revenue operations throughout the customer lifecycle. This integration solidified Salesforce's standing as a leader in revenue management.

Looking ahead, Salesforce CPQ is poised for continued evolution, transitioning into Salesforce Revenue Lifecycle Management (RLM). This shift signifies a focus on managing revenue across the entire customer journey, from lead generation to renewal and beyond. The future of Salesforce CPQ is bright, with ongoing innovation and a commitment to providing businesses with the tools they need to streamline their quote-to-cash processes and drive revenue growth.

History of Conga CPQ:

Apttus was founded in 2006, initially focusing on contract lifecycle management (CLM) solutions. In 2011, Apttus expanded into the CPQ market, recognizing the growing demand for streamlined quote-to-cash processes. In 2020, Apttus merged with Conga, a leading provider of digital document transformation solutions. This merger combined Conga's expertise in document automation with Apttus' CPQ and CLM strengths. Following the merger, Apttus CPQ was rebranded as Conga CPQ, solidifying its position within the Conga Revenue Lifecycle Management suite. Today, Conga CPQ continues to evolve, integrating with other Conga products and expanding its capabilities in Document Automation, CPQ, CLM and RLM.

Comparison of the 3 CPQs:

Price Books:

Price Books in the CPQ process are repositories that store pricing information for products and services. They allow businesses to manage different pricing structures for various markets, regions, or customer segments. By using multiple Price Books, sales teams can quickly apply the correct prices to quotes based on the specific context or customer. This ensures accurate, consistent pricing across all sales channels and helps streamline the quoting process.

Salesforce CPQ offers a variety of out-of-the-box (OOTB) pricing models, but they are designed to support only specific, limited use cases. Customizing these models can be challenging, often necessitating the creation of numerous pricing automations from scratch. On the plus side, most of these pricing automations can be implemented declaratively. One notable strength is the accurate proration calculation for changes to recurring products.

Salesforce Industries CPQ provides a component-based flexible pricing model that accommodates one-time, recurring, and configurable attribute-based pricing. It supports rule-based and manual price overrides, as well as percentage and flat price adjustments for individual products or within the context of a bundle, offer, or promotion. Additionally, it offers discounts at the account, order, and contract levels and includes a robust out-of-the-box (OOTB) pricing waterfall.

Conga CPQ excels in pricing models and automations, offering a wide range of fully featured pricing models. It allows individual products to have different pricing methods without needing to duplicate products. Conga CPQ is equipped to handle complex pricing requirements, including lookups, and supports various change use cases by prorating based on the effective dates of changes relative to the full contract term.

Quoting:

Quoting in the CPQ process is the stage where customized product configurations, with their corresponding prices and any applicable discounts, are compiled into a formal proposal for the customer. This quote reflects the specific choices the customer has made during the configuration process, ensuring accuracy and transparency in the final offer. CPQ software automates this step, eliminating manual calculations and reducing the risk of errors, while also allowing for the inclusion of terms and conditions, payment schedules, and other relevant details. In essence, the quoting process translates the customer's desired product into a comprehensive and professional document, ready for review and acceptance.

Salesforce CPQ: The basic quoting fundamentals in Salesforce CPQ are available for customers to use as they see fit, providing a flexible foundation for their quoting needs. While the tool does not include extensive built-in automations for creating quotes or advancing them through a process, this flexibility is advantageous because it allows customers to develop their own customized workflows without being hindered by out-of-the-box (OOTB) automations. This customization capability ensures that businesses can tailor the quoting process to their specific requirements and operational preferences. Additionally, Salesforce CPQ's automatic syncing with the Opportunity object offers significant OOTB value, enhancing efficiency and data accuracy due to its seamless integration with Salesforce CRM. This tight integration ensures that all relevant data is consistently aligned across the platform, providing a unified and cohesive experience for sales teams.

Salesforce Industries CPQ: The quoting process in Salesforce Industries CPQ is designed to be streamlined and automated, enabling sales teams to efficiently generate precise quotes and quote lines for customers. This out-of-the-box (OOTB) functionality ensures that orders are executed flawlessly by applying necessary rules during the quote and order capture stages, thereby reducing errors

and enhancing the overall accuracy of the process. Moreover, Salesforce CPQ includes Enterprise Service Management (ESM), which provides a robust capability for configuring quotes in multi-site scenarios with ease. This feature allows sales teams to handle complex quoting requirements across different locations / channels seamlessly, ensuring that the quoting process remains consistent, efficient, and adaptable to various business needs.

Conga CPQ: The quoting process in Conga CPQ is highly comprehensive, effectively addressing crucial aspects such as prebuilt automations for approvals, stage management, and version control. These features ensure that the quoting process is streamlined, efficient, and capable of handling complex sales scenarios with ease. However, what truly sets Conga CPQ apart is its superior integration with the Contract Lifecycle Management (CLM) capabilities, facilitated by its related products within the Salesforce ecosystem. This tighter integration allows for a seamless transition from quoting to contract management, ensuring that all contract-related activities are aligned and efficiently managed. This synergy between CPQ and CLM not only enhances operational efficiency but also provides a more cohesive and unified experience for users, significantly improving the overall effectiveness of the sales process.

Quoting Amendments:

Quoting amendments in the CPQ process involve making changes to existing quotes to accommodate new customer requirements or adjustments. This can include modifications such as adding or removing products, changing quantities, updating pricing, or altering terms and conditions. The amendment process ensures that quotes remain accurate and reflect the latest customer needs while maintaining a clear audit trail of changes. Once the amendments are made, the updated quote is resubmitted to the customer for approval, ensuring alignment and satisfaction.

Salesforce CPQ: Most add/change/cancel use cases are well-supported within the system, providing robust functionality for managing these common scenarios efficiently. Users can easily add new products, make changes to existing ones, or cancel them as needed, streamlining the overall process. However, there are certain scenarios that present challenges, particularly when it comes to repricing. In these cases, the system may require a more cumbersome approach where the product needs to be completely removed from the record and then re-added. This extra step can introduce additional complexity and potential for errors, which may affect the overall efficiency of the process. Despite these limitations, the system still offers comprehensive support for the majority of use cases, ensuring smooth operation for most standard add, change, and cancel activities.

Salesforce Industries CPQ: Salesforce Industries offers robust out-of-the-box (OOTB) support for various amendments to existing contracts, quotes, or orders, including moves, additions, changes, and deletions or disconnections. This capability is essential for maintaining the flexibility required to meet the dynamic and evolving needs of customers. By allowing easy modifications to agreements, Salesforce Industries ensures that businesses can adapt to changing circumstances without significant disruption.

The platform also supports in-flight cancellations and amendments, which means changes can be made to orders even after they have been initiated, up until the Point of No Return (PONR) is reached. This feature is particularly valuable in scenarios where customer requirements or external conditions change rapidly, necessitating quick adjustments to orders in progress. By offering such a comprehensive amendment capabilities, Salesforce Industries helps businesses provide better customer service, maintain agility, and improve overall operational efficiency.

Conga CPQ: Most add, change, and cancel use cases are well-supported by Conga CPQ, ensuring that these common processes are handled efficiently and effectively. Beyond these foundational capabilities, Conga CPQ also offers robust automation features for repricing and a range of other scenarios. These automations streamline complex pricing adjustments and other modifications, reducing manual effort and minimizing errors. By providing comprehensive support for these varied use cases and scenarios, Conga CPQ enhances operational efficiency and enables businesses to respond swiftly to changing customer needs and market conditions.

Quote Document:

The quote document is an essential element of the CPQ quoting process, providing customers with a comprehensive and detailed overview of the products or services being proposed. This includes a clear breakdown of pricing information, terms and conditions, and other relevant details that are critical for making informed purchasing decisions.

Salesforce CPQ: Salesforce document generation is provided as a complimentary feature within Salesforce CPQ, aiming to offer a basic yet functional solution for creating essential documents. While it is capable of handling standard document generation tasks, such as producing quotes and proposals, it is somewhat limited in its out-of-the-box (OOTB) capabilities. Users seeking to perform more sophisticated tasks may find that the built-in features fall short of their needs. However, Salesforce document generation does offer the flexibility to incorporate advanced configurations and customizations through coding. This means that with some technical expertise, users can extend the functionality to better meet their specific requirements. Despite these limitations, for many businesses, the built-in solution provides a cost-effective way to generate necessary documents without the need for additional third-party tools.

Salesforce Industries CPQ: Salesforce Industries CPQ document generation capabilities are robust, supporting the creation of various formats such as DOCX, PPTX, and PDF, all of which can be based on customizable templates to ensure consistency and professionalism. Moreover, the solution offers out-of-the-box (OOTB) integration with DocuSign and Panda, enabling seamless electronic signature functionality. This integration simplifies the process of obtaining customer approvals and signatures, enhancing efficiency and reducing turnaround times. Overall, the quote document not only

serves as a key communication tool between the business and its customers but also streamlines the entire sales process through advanced document generation and integration capabilities.

Conga CPQ: Conga offers a wide range of document generation and approval functionalities, largely due to its seamless integration with Contract Lifecycle Management (CLM) and other document generation products. This integration allows Conga to deliver a highly advanced and efficient document generation process, capable of handling complex requirements with ease. Users can generate, customize, and manage a variety of document types, including contracts, quotes, proposals, and more, all from within a unified platform. The integration with CLM ensures that documents are not only created accurately but also adhere to compliance and regulatory standards. Additionally, Conga's robust approval workflows streamline the review and approval process, enhancing collaboration and reducing turnaround times. This makes Conga's document generation capabilities some of the most sophisticated and powerful in the industry, providing businesses with the tools they need to produce professional, compliant, and timely documents.

Approvals:

Approvals in the CPQ process involve obtaining necessary permissions for quotes, ensuring compliance with company policies and pricing guidelines before customer presentation. This often includes setting up workflows for multi-level approvals based on the quote's complexity and value. Amendments refer to the modifications made to existing quotes or contracts, such as adding, changing, or removing products and services to meet evolving customer needs. These amendments are tracked and managed within the CPQ system to ensure accuracy and consistency throughout the sales cycle.

Salesforce CPQ: The advanced approvals module within Salesforce CPQ empowers users to declaratively design and implement complex approval processes with ease. This includes capabilities for setting up simultaneous approval chains and dynamic approvals, which can adapt based on specific criteria or conditions. These features enhance the flexibility and efficiency of the approval workflow, ensuring that even multifaceted approval scenarios can be handled effectively. However, while the module excels in these primary functionalities, it does have certain limitations when it comes to more nuanced, second-level features. For instance, it lacks robust support for approval templates, which would allow for reusable approval processes. Additionally, it does not offer comprehensive rerouting options for approvals, follow-up mechanisms to ensure timely actions, or detailed line-level approvals that are necessary for more granular control over specific aspects of the quoting process. Despite these limitations, the advanced approvals module remains a powerful tool for managing approvals within Salesforce CPQ, significantly enhancing the overall automation and efficiency of the approval process.

Salesforce Industries CPQ: Salesforce Industries CPQ's built-in approval process acts as a safeguard, ensuring that every quote aligns with company standards before reaching the customer. By meticulously checking quotes against predefined pricing guidelines, internal policies, and relevant regulatory requirements, the risk of errors or non-compliance is

significantly reduced. This feature is incredibly flexible, capable of handling straightforward approvals and highly complex, multi-step workflows that might involve multiple departments or stakeholders. As a result, businesses can maintain consistency and accuracy in their quotes while streamlining the approval process, even in the most intricate scenarios.

Conga CPQ: Conga CPQ's approval functionality surpasses standard requirements by providing businesses with a high degree of granular control. One of its standout features is the ability to implement line-level approvals, which means that individual items within a quote can be approved separately. This is particularly beneficial for complex deals involving multiple products or services, as it allows for more precise oversight and control. Additionally, Conga CPQ includes dynamic approver selection, which enables the system to automatically choose approvers based on specific criteria, such as the deal's value or the type of product being sold. This ensures that the right people are involved in the approval process, enhancing efficiency and compliance. Furthermore, Conga CPQ allows businesses to personalize email templates used for approval notifications, creating a more tailored and professional approval experience. This level of customization helps maintain clear communication and a consistent brand image, while also ensuring that all stakeholders are promptly and accurately informed throughout the approval process.

Orders:

In the CPQ process, orders represent the culmination of successful quotes. Once a quote is accepted by the customer, it's converted into an order, initiating the fulfillment process. Orders typically contain detailed information about the products or services purchased, pricing, terms, and delivery details. CPQ systems often integrate with back-end systems like ERP or order management, ensuring smooth data transfer and efficient order processing, ultimately leading to faster delivery and improved customer satisfaction.

Salesforce CPQ: Out-of-the-box (OOTB) order management functionalities in Salesforce CPQ are predominantly geared towards facilitating the creation of orders. The system includes automations that can generate orders automatically when predefined conditions are satisfied, which streamlines the process and reduces the manual workload. Additionally, there are capabilities to automatically split orders based on specific line conditions, enhancing efficiency and ensuring that each order meets the required criteria. Despite these automation features, the platform faces limitations when it comes to manually creating and orchestrating multiple orders. This process can be cumbersome and complex, requiring significant effort to manage effectively. As a result, while the OOTB functionalities provide a solid foundation for basic order management tasks, handling more intricate multi-order scenarios can pose a challenge for users, potentially necessitating additional customization or manual intervention to achieve the desired outcomes.

Salesforce Industries CPQ: Salesforce Industries CPQ provides robust out-of-the-box (OOTB) order management capabilities that include order decomposition, order fulfillment, and orchestration. These features ensure that the order management process is both efficient and streamlined, reducing manual effort and minimizing errors. Order decomposition breaks down complex orders into manageable components, while fulfillment ensures that each part of the order is executed accurately and promptly. Orchestration coordinates the entire process, ensuring that all steps are followed in the correct sequence. Moreover, Salesforce CPQ allows for the easy configuration of complex multi-system order orchestration, making it well-suited for handling intricate order scenarios across various systems. This capability is particularly beneficial for businesses with complex product offerings and multiple fulfillment channels, as it ensures that orders are processed smoothly and accurately, enhancing overall customer satisfaction and operational efficiency.

Conga CPQ: Order management in Conga CPQ addresses many critical aspects necessary for efficient sales operations, but it does not encompass a fully comprehensive order orchestration and management feature set. While it excels in areas such as order decomposition, fulfillment, and basic orchestration, it lacks some of the more advanced capabilities found in dedicated order management systems. However, one of its primary advantages over Salesforce CPQ is its robust support for handling a higher volume of order items through its order generation automations. This capability significantly enhances the system's efficiency and scalability, enabling businesses to manage large, complex orders more effectively. By automating the generation and management of orders with a high number of items, the platform reduces manual effort, minimizes errors, and accelerates the overall order processing workflow. This makes it particularly well-suited for businesses with extensive product catalogs and high transaction volumes, providing them with the tools needed to maintain smooth and efficient operations even as their order volume grows.

Renewals:

Renewals in the CPQ process involve managing the continuation of existing contracts or subscriptions as they near their end dates. This process typically includes tracking upcoming renewals, generating renewal quotes, and updating terms, pricing, or product configurations as needed. Automated or manual processes can be used to ensure timely renewals, helping to maintain customer relationships and secure ongoing revenue. Once the renewal quote is approved by the customer, it is converted into an updated contract or subscription, ensuring a seamless transition and uninterrupted service.

Salesforce CPQ: Renewal capabilities within Salesforce CPQ are highly valuable, offering seamless integration with out-of-the-box Salesforce forecasting data, which allows users to efficiently manage renewals. This integration ensures that renewal data is automatically fed into Salesforce's forecasting tools, providing accurate projections and insights. Additionally, the system simplifies the renewal process by automatically including active products, eliminating the need for manual input and saving users significant time and effort. However, there are some limitations. The automated uplift feature, which adjusts prices during renewals, is

overly simplistic and not suitable for complex projects that require more sophisticated pricing adjustments. Furthermore, the system lacks dynamic controls to selectively prevent certain recurring products from being renewed, which has led to challenges in several implementations where specific products could not be automatically renewed. These shortcomings highlight areas where the renewal capabilities could be improved to better meet the diverse needs of users and enhance overall functionality.

Salesforce Industries CPQ: Salesforce Industries CPQ provides robust support for renewal tracking, making it an invaluable tool for managing contract renewals. By facilitating the renewal process, it helps streamline operations, ensuring that renewals are handled efficiently and systematically. This streamlined approach not only reduces administrative burden but also helps maximize customer retention by ensuring that contracts are renewed on time and without complications. The platform's capabilities contribute significantly to long-term business success by maintaining customer relationships and securing ongoing revenue streams. Additionally, Salesforce Industries offers an out-of-the-box (OOTB) contract renewal process, providing a ready-made solution that can be easily implemented and customized to meet specific business needs. This built-in functionality ensures that businesses can manage their renewals with minimal setup time, leveraging Salesforce Industries CPQs' comprehensive features to enhance operational efficiency and support sustained growth.

Conga CPQ: Conga CPQ provides users with the ability to renew products, allowing them to manage the lifecycle of their offerings effectively. This feature ensures that users can manually handle renewals, maintaining control over which products and services are continued for their customers. However, Conga CPQ does not include out-of-the-box (OOTB) automations for automatically generating renewals. This means that while users can perform renewals, they must do so manually or develop custom automation solutions to streamline the process. The absence of pre-built renewal automations requires additional effort from users to set up and manage renewals, potentially increasing the administrative workload and the risk of errors if not handled carefully. Despite this limitation, the capability to renew products within Conga CPQ remains a valuable feature for maintaining customer relationships and ensuring ongoing revenue streams.

Integrations:

Integrations in the CPQ (Configure, Price, Quote) process involve connecting the CPQ system with other business systems, such as Tax, ERP, payment gateways and e-commerce platforms, to ensure seamless data flow and functionality. These integrations enable real-time access to customer data, product information, and pricing rules, enhancing the accuracy and efficiency of the quoting process. They also facilitate the automation of related tasks, such as order processing, billing, and inventory management, by syncing data across systems. Overall, integrations help create a unified and streamlined workflow, reducing manual effort and improving overall business operations.

Salesforce CPQ: Salesforce CPQ seamlessly integrates with a wide range of external systems through its versatile Configurator plugins. These plugins act as bridges, facilitating the smooth exchange of data between Salesforce CPQ and various common business applications, ensuring a cohesive flow of information throughout the quoting process. For organizations with more intricate technology landscapes, Salesforce CPQ offers the flexibility to develop custom plugins, tailored to their specific integration needs. This adaptability ensures that even the most complex tech stacks can seamlessly connect with Salesforce CPQ. Beyond plugins, the platform also supports standard web service callouts like REST and SOAP, further broadening its integration capabilities. To simplify the integration process and manage intricate data flows, businesses can leverage middleware solutions like Boomi and MuleSoft, adding another layer of flexibility and control to their Salesforce CPQ ecosystem.

Salesforce Industries CPQ: Salesforce Industries CPQ builds upon the robust foundation of Salesforce CPQ, offering similar integration capabilities through Configurator plugins, custom plugins, web service callouts (REST and SOAP), and middleware platforms like Boomi and MuleSoft. However, a key differentiator lies in its utilization of Omnistudio, which brings a suite of advanced data integration tools to the table. This empowers businesses to seamlessly connect Salesforce Industries CPQ with various data sources and systems, facilitating a holistic view of customer information and enabling data-driven decision-making. Additionally, Salesforce Industries CPQ supports headless

integration, allowing for greater flexibility and customization in how the CPQ system interacts with other applications and front-end interfaces. This headless approach enables businesses to create tailored user experiences while maintaining the core functionality and data integrity of the CPQ engine.

Conga CPQ: Compared to other Salesforce-based CPQ solutions, Conga's integrations are less sophisticated and often require extensive custom development to achieve seamless connectivity with external systems. While Conga does support standard web service callouts like REST and SOAP, the lack of pre-built connectors and limited out-of-the-box integration options can pose challenges for businesses seeking a streamlined integration process. This may necessitate additional development resources and expertise to effectively bridge Conga CPQ with other critical systems within the organization's technology stack.

What is on the Horizon?

A.I. and Machine Learning

In the realm of enterprise CPQ, the advent of Generative AI (Gen AI) signifies more of an evolutionary step than a groundbreaking revolution. While Gen AI is transforming customer acquisition at the CRM level, its impact on CPQ has been more incremental. We've already seen the benefits of machine learning (ML) algorithms in CPQ for some time with enhanced quoting, product configuration, predictive pricing, and real-time analytics.

Gen AI's most promising application in CPQ seems to lie in personalized recommendations. However, this presents a potential downside for enterprises, as it can inadvertently lead to downselling. A recent example from a software tech company highlights this challenge: their experimentation with Gen AI-powered recommendations resulted in the AI consistently suggesting lower license counts, necessitating explicit instructions in the model to avoid downselling. This suggests

that while Gen AI holds promise for CPQ, its implementation requires careful consideration and fine-tuning to avoid unintended consequences like revenue loss due to downselling.

Given the current state of generative AI in enterprise CPQ, I recommend focusing primarily on its application in product configuration. While other AI tools may emerge, it's crucial to place these tools directly in the hands of the sales team. Sales professionals possess the contextual knowledge to effectively experiment with and evaluate new features, while also understanding the inherent limitations of AI in this domain. By empowering sales teams with Gen AI tools, organizations can foster a collaborative environment where both the potential benefits and drawbacks can be thoroughly explored, ensuring informed decision-making and responsible AI adoption.

Furthermore, focusing on product configuration aligns with the strengths of Gen AI, as it can help streamline complex product configurations, offering tailored recommendations and optimizing the overall customer experience. This targeted approach allows for more manageable experimentation and a clearer understanding of how Gen AI can be leveraged to enhance specific aspects of the CPQ process without disrupting established workflows. Here are some potential workflow that Gen AI can utilize:



Product Configuration

Gen AI can assist sales reps in navigating complex product configurations by understanding customer needs and suggesting optimal product combinations. It can also automate the generation of product configurations based on customer inputs or historical data.



Pricing Optimization

Gen AI can analyze vast amounts of data to identify pricing trends, competitor pricing, and customer behavior, helping to determine optimal pricing strategies. It can also suggest dynamic pricing adjustments and discount strategies based on real-time market conditions.



Quote Generation

Gen AI can automate the generation of accurate and personalized quotes, reducing manual effort and accelerating the sales cycle. It can also generate proposals tailored to specific customer needs and preferences.



Contract Generation

Gen AI can draft contract templates based on customer inputs and pre-defined legal clauses, saving time and ensuring consistency across contracts. It can also identify potential risks and compliance issues in contracts.



Sales Assistance

Gen AI-powered chatbots can interact with customers, answer questions, provide product recommendations, and guide them through the configuration and quoting process. This can improve customer experience and free up sales reps for more complex tasks.



Data Analysis

Gen AI can analyze CPQ data to uncover trends, patterns, and insights, helping businesses make informed decisions about product development, pricing, and sales strategies. It can also identify areas for CPQ process improvement.



Personalization

Gen AI can personalize the CPQ experience for individual customers by tailoring product recommendations, pricing, and contract terms based on their specific needs and preferences. This can improve customer satisfaction and increase conversion rates.

As the technology matures, we can anticipate a broader range of Gen AI applications in CPQ. However, at this stage, product configuration should be the only customer facing AI bot and the rest should be used to empower sales teams to maximize the potential of Gen AI while mitigating potential risks.

Salesforce one day aims to eventually replace Salesforce CPQ and roll it into Salesforce RLM (Revenue Lifecycle Management).

Salesforce has ambitious plans for the future, with a vision to eventually replace Salesforce CPQ (Configure, Price, Quote) and incorporate its functionalities into a more comprehensive solution called Salesforce RLM (Revenue Lifecycle Management). The hope is this move will eventually catch up to legacy providers like SAP and Oracle. The goal behind this transition is to provide an integrated platform that not only streamlines the quoting process but also encompasses the entire revenue lifecycle of a business. By consolidating CPQ capabilities into RLM, Salesforce aims to offer a more holistic approach to managing revenue, from initial customer engagement through to contract renewal.

This strategic move is designed to enhance the user experience by reducing the complexity associated with managing multiple systems. With Salesforce RLM, businesses will benefit from a unified solution that covers everything from product configuration and pricing to

quote generation, order management, billing, and revenue recognition. This integration ensures that all revenue-related processes are seamlessly connected, providing greater visibility and control over the entire revenue lifecycle.

Moreover, by rolling CPQ into RLM, Salesforce intends to leverage advanced analytics and artificial intelligence to offer predictive insights and automation capabilities that further enhance revenue operations. This evolution reflects Salesforce's commitment to innovation and its understanding of the growing need for comprehensive revenue management solutions in today's dynamic business environment. Ultimately, the transition from Salesforce CPQ to Salesforce RLM aims to empower organizations with the tools they need to drive efficiency, accuracy, and growth across all aspects of their revenue management processes.

Conga aims to reduce its dependence on Salesforce and move to an independent platform.

Conga has set a strategic goal to reduce its dependence on the Salesforce platform and transition towards becoming an independent platform. This move is part of Conga's broader vision to expand its capabilities and reach a wider audience, without being exclusively tied to the Salesforce ecosystem. By becoming an independent platform, Conga aims to enhance its flexibility, allowing it to integrate with a variety of CRM systems and other business applications beyond Salesforce.

The decision to move towards an independent platform is driven by several factors. Firstly, it allows Conga to diversify its customer base and tap into new market segments that may not be using Salesforce. This expansion strategy enables Conga to offer its advanced configuration, pricing, and quoting solutions, as well as its document generation and contract management tools, to a broader range of businesses.

Secondly, independence from Salesforce provides Conga with greater control over its product development and innovation cycles. This autonomy enables the company to respond more swiftly to market demands and customer feedback, driving continuous improvement and delivering cutting-edge solutions tailored to the needs of various industries. Currently, the biggest challenges with the Salesforce platform that limits Conga is the dependency on Salesforce's release cycles and roadmap along with platform limitations like CPU execution time and API limits.

Additionally, moving to an independent platform allows Conga to build strategic partnerships with other technology providers, creating a more robust and versatile ecosystem. These partnerships can lead to enhanced integration capabilities, offering customers a seamless experience when connecting Conga's solutions with their existing IT infrastructure.

Conclusion

The Salesforce CPQ landscape offers a comprehensive suite of tools designed to streamline the quoting process, manage complex pricing structures, and enhance overall sales efficiency. Salesforce CPQ, Salesforce Industries CPQ, and Conga CPQ each provide unique strengths and cater to different industry needs, ensuring that businesses can find the right solution for their specific requirements. Salesforce CPQ integrates seamlessly with Salesforce CRM, offering robust automation and scalability for growing enterprises. Salesforce Industries CPQ delivers industry-specific functionalities and templates, making it ideal for sectors like telecommunications, energy, and media. Conga CPQ excels in customization and document generation, providing advanced features for complex sales scenarios.

As businesses look to modernize their sales processes, these CPQ solutions offer valuable capabilities, from guided selling and

automated approvals to contract management and renewal tracking. The future of CPQ is also evolving, with Salesforce planning to integrate CPQ functionalities into a broader Revenue Lifecycle Management (RLM) platform, enhancing user experience and operational efficiency through advanced analytics and AI. Meanwhile, Conga's strategic move towards platform independence aims to increase its flexibility and integration capabilities, allowing it to serve a wider range of customers and industries.

In conclusion, the right CPQ solution can significantly enhance a company's sales operations, driving efficiency, accuracy, and growth. By choosing a solution that aligns with their specific needs, businesses can leverage these powerful tools to streamline their quoting processes, improve customer satisfaction, and ultimately achieve long-term success.