



# Customer Value Assessment

*A results based approach to  
digital sales transformation*

# Introduction

Digital transformation has been taking place in manufacturing for a few years now with system transformations (CRM, ERP, PLM etc.) and Industry 4.0/Industrial IoT projects. The two end goals for most companies taking on these efforts are:

1. Create business value in terms of increased revenue, increased efficiency and improved quality
2. Transform the overall buying experience for their customers which is tightly coupled with achieving the first goal

Customer demands have shifted tremendously in the last two years, creating new challenges and exposing friction in the buying and selling process that can no longer be overcome by brand equity. Leading brands across all industries are embracing this challenge as an opportunity to create differentiation in a new way and deliver a market-leading customer experience regardless of product complexity or channel. [Manufacturers aren't taking this change lightly; 45% of them noted improving customer experience as an important strategic area to remain competitive and help bolster economic growth.](#)

With these rapid changes, there are many manufacturers looking for solutions that build trust between their sales reps and customers while also boosting customer engagement with products. They will combine their brand equity with a best in-class customer experience for the segment of their portfolio that is truly different, with custom solutions. For manufacturing companies, this is known as the differentiation trifecta and it is the modern formula that leads to increased revenue, improved margins and rapid growth.

Central to these transformation efforts is Configure, Price, Quote (CPQ). The foundation for bringing customizable, configurable or engineered products to market. It is common that most companies have some form of a quoting tool in their arsenal to support this process, but a quoting tool in this case is akin to equipping yourself with only a single hammer when your objective is to build an entire house. Many manufacturers still utilize different quoting tools such as spreadsheets to homegrown solutions that are inflexible and are part of a limited tool set.

Leading manufacturers are starting to realize that using a specialized CPQ to help your sales team and organization engage with customers can be a great way to achieve differentiation along with a variety of goals, such as quoting faster, or even enabling customers to create customized products through a web experience during their buying journey.

*Many IT & functional leaders have limited upfront information on measuring the value of their sales transformation initiatives. The common question across these leading manufacturers isn't about whether or not to explore this further, but rather, how do you start?*

We will begin with an introduction to Tacton followed by a description of our customer value assessment approach. Afterwards we discuss discrete examples of potential value that manufacturers can realize with Tacton CPQ.

# What is Tacton CPQ and why is creating business value at the core of everything we do?

Tacton is manufacturing's Configure, Price, Quote (CPQ) SaaS partner. Our trusted\* CPQ solution simplifies selling for manufacturers by transforming their customer's buying experience. Our current and future customers benefit from the quarter century of experience we have solving these complex challenges and creating tangible value for some of the worlds most successful manufacturing companies.

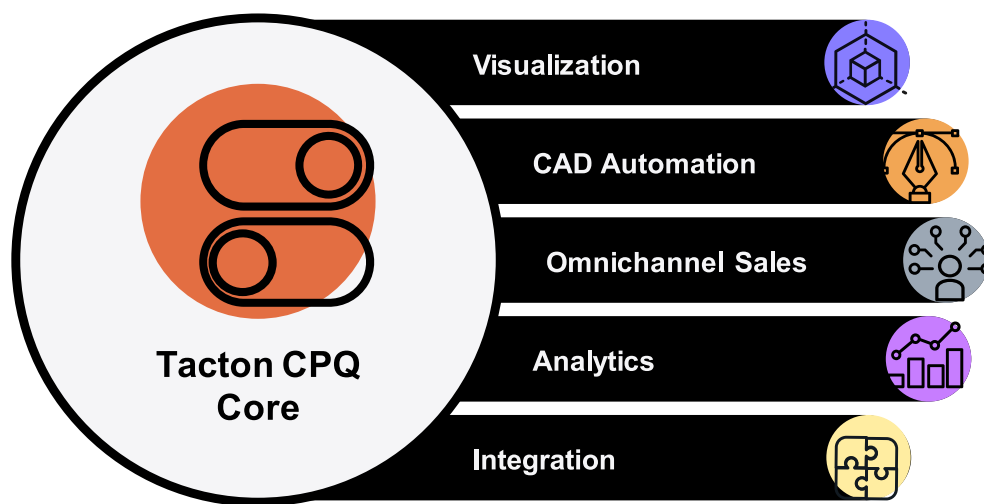
When evaluating CPQ solutions for sales transformation, it is difficult to realize the monetary impact and customer value such systems can create for a business prior to implementation.

For successful sales transformation, it's important to have a transparent and trusted process that helps your company understand how CPQ will enable many of your business critical goals. That's why we've developed a

data-driven, engaging, and thorough experience when it comes to honing in on your CPQ choice and showing the value Tacton can create.

Tacton's approach has helped companies spanning multiple manufacturing sectors of varying scale and needs. Our process has successfully identified potential value gaps and areas of opportunity both before and after their CPQ implementation.

*\*Tacton's Configure, Price, Quote software is named a Visionary by Gartner in the Magic Quadrant for CPQ Application Suites and is recognized for its advanced product configuration and visualization capabilities.*



# A transparent, data driven discovery approach

To achieve the best outcome for the customer, Tacton uses a **two-pronged approach** in working with customers during vendor selection.

## 1. The hands on with Tacton approach:

When it comes to demonstrating the value Tacton has delivered for manufacturers and their end customers we're all about engaging in a transparent way to show how real data will be used in Tacton CPQ.

Before any workshops kick off it's important for us to talk with your key stakeholders to discuss organizational objectives, current pain points, and CPQ expectations.

After we've received some data points from your business, a discovery workshop is the next step.

During this workshop you will gain knowledge about Tacton's methodology and tools which will highlight the required input to succeed with a CPQ project and increase your confidence in making a final decision.

## Value Discovery Path

### Stakeholder Interviews

Discuss business objectives, pain points and goals.

### Study Data

Tacton examines your data and prepares questions.

### Structure Data

Tacton creates initial mock-ups to facilitate discussion.

### Update and Package

Team finalizes any open actions from workshop.

### Explore

Prototype environment is handed over to let you explore and share within your company.



### Your Data

Provide sample data to Tacton.

### Prep Meetings

Q&A session between Tacton and your product experts.

### Discovery Workshop

2-day workshop, typically at your premises.

### Handover

Handover session, demonstration of how to test the environment. (1 week after workshop)

### Follow-up

Review the customer's experiences from the trial. Short weekly calls for the 1 month trial period.

## Workshop Content

The focus of the workshop will be on creating a configuration model. Experience hands-on creation and the maintenance of Tacton's unique constraint-based configuration logic, and how to get your products setup to start quoting them from Tacton CPQ. The flexibility of the Tacton CPQ application itself will be demonstrated as well. How to setup and maintain user interface, workflows, pricing logic, quotation generation, data governance, and much more. Some common stakeholders in this process are product experts, sales reps and project managers.

*Doing it in this manner is important to us because we're being 100% transparent with how our product works, no surprises after a purchase.*

We strive for your team to be able to use Tacton CPQ with your product in our workshops to truly see the power of trusted configuration.

## Workshop Outcome

The outcome of the workshop is to have a prototype running with a subset of your product portfolio. The Tacton CPQ prototype environment can be accessed by you and demonstrated to your organization for a limited trial period. The Tacton CPQ environment will be accessible via a URL.

## 2. Quantitative approach to assess hard benefits:

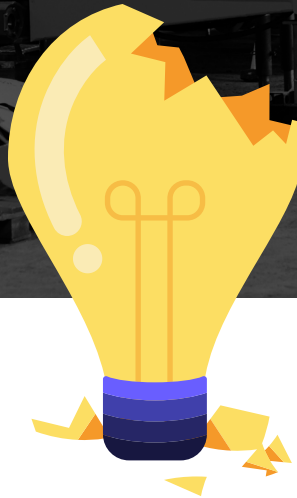
Another important tool as part of our value driven demonstration is the Customer Value Management Expert Toolset® (CVET®). The CVET tool was developed by Northwestern University Kellogg School Professors James C. Anderson and Eric Berggren. CVET streamlines the process of quantifying and proving value to customers. The CVET tool is built upon two decades of cutting-edge research and hands-on experience in implementing customer value innovation and management at leading B2B firms all around the world.

The results shared with you in the cases below have been generated as part of our quantitative approach to assess business value for customers. Although we are sharing the highlights of the report that is generated from the CVET workshop, there are additional detailed ROI insights that CVET provides to customers. For example:

- Profit from faster time to market.
- Profit from higher margin orders.
- Consistent branding and documentation.
- Future proof, and Lower business risk.

While these may be soft benefits, they qualitatively add favorable results to the calculated profit impact that a business would receive from using Tacton CPQ compared to any current solution.

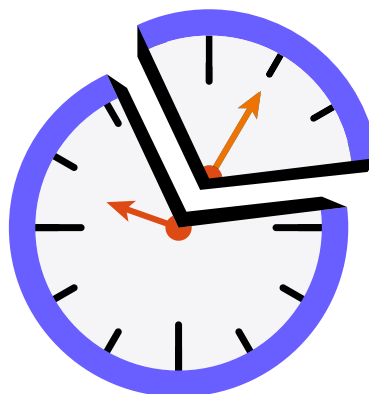
# Manufacturing Use Cases



## *The 4 Key Value Drivers*

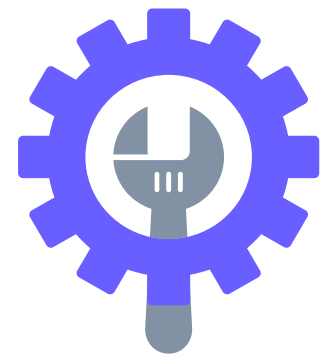
Now lets look at some use cases<sup>1</sup> at different types of manufacturers evaluating sales transformation. The data presented below focuses on 4 key value drivers that directly have a monetary impact to either revenue or profitability to manufacturers. The key drivers are displayed in the infographic here and used to highlight the hard benefits across each example.

### *Savings from Reduced Order Errors*



### *Time Savings from Reduced Sales Labor*

### *Profit from More Orders*



### *Savings in Administration and Data Maintenance*

<sup>1</sup> Data based on research conducted with Tacton installed base before and after implementation. The numbers shown are derived from typical cases seen in the market.



## Case 01 - Global packaging machinery manufacturer looking to transform sales process

### Manufacturing Focus:

Packaging Machinery & Equipment

### Approximate Annual Revenue:

\$12.5B

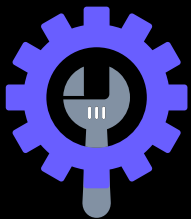
### Key Drivers for CPQ Research:

Managing growing product complexity driven by increasing customer expectations.  
A challenge with very long quoting times with many manual steps which lead to errors being introduced in the manufacturing process.  
Difficult to introduce product changes without taking down the legacy system for hours.  
Faster training of new sales representatives.

*\*Data based on research conducted with Tacton installed base before and after implementation. The numbers shown are derived from typical cases seen in the market.*

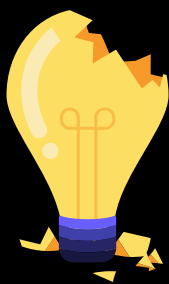


### Annual Impact working with Tacton CPQ\*:



Savings in  
Administration  
and Data  
Maintenance

**Expected Value**  
\$ 3,360,000



Savings from  
Reduced Order  
Errors

**Expected Value**  
\$ 6,500,500



Time Savings  
from Reduced  
Sales Labor

**Expected Value**  
\$ 17,600,000



Profit from  
More Orders

**Expected Value**  
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## Case 02 - Innovative manufacturer of agricultural equipment moving to application based selling

### Manufacturing Focus:

Agricultural Equipment and Heavy Machinery

### Approximate Annual Revenue:

€420M

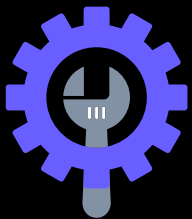
### Key Drivers for CPQ Research :

Ability to sell modular products by shortening a very long and complex ordering process.  
Guided selling requirements for sales team to sell based on customer and application needs.

*\*Data based on research conducted with Tacton installed base before and after implementation. The numbers shown are derived from typical cases seen in the market.*



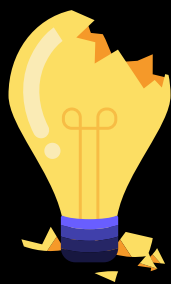
### Annual Impact working with Tacton CPQ\*:



Savings in  
Administration  
and Data  
Maintenance

Expected Value

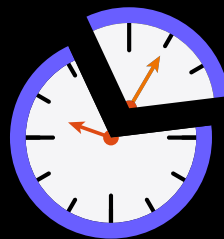
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Savings from  
Reduced Order  
Errors

Expected Value

€ 145,000



Time Savings  
from Reduced  
Sales Labor

Expected Value

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Profit from  
More Orders

Expected Value

€ 150,000



## Case 03 - Global supplier of packaging solutions moving to a service business model

### Manufacturing Focus:

Packaging Machinery

### Approximate Annual Revenue:

€1.5B

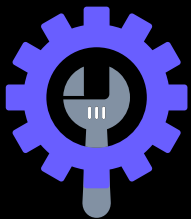
### Key Drivers for CPQ Research :

Needed to speed up the sales process.  
Difficulty quoting existing products due to increased complexity. Moving towards selling highly configurable “products as a service”.  
Feel a strong CPQ system is a prerequisite for this new business model.

*\*Data based on research conducted with Tacton installed base before and after implementation. The numbers shown are derived from typical cases seen in the market.*

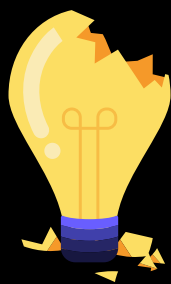


### Annual Impact working with Tacton CPQ\*:



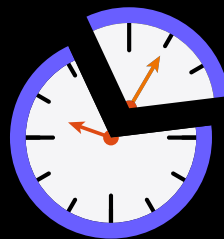
Savings in  
Administration  
and Data  
Maintenance

**Expected Value**  
€ 7,392,000



Savings from  
Reduced Order  
Errors

**Expected Value**  
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Time Savings  
from Reduced  
Sales Labor

**Expected Value**  
€ 7,000,000



Profit from  
More Orders

**Expected Value**  
€ 300,000

## Case 04 - Global provider of heat and fluid solutions transforming their go-to-market approach

### Manufacturing Focus:

Industrial Machinery

### Approximate Annual Revenue:

€4.5B

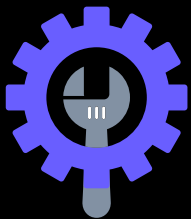
### Key Drivers for CPQ Research :

Needed to implement an eCommerce solution and CPQ is a prerequisite if you want to expose a complex product in a e-commerce setting. Managing the increased product complexity and create standardization in the offering. Improve self service capabilities for Sales, Channel and Customer.

*\*Data based on research conducted with Tacton installed base before and after implementation. The numbers shown are derived from typical cases seen in the market.*

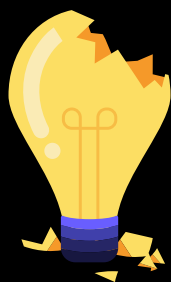


### Annual Impact working with Tacton CPQ\*:



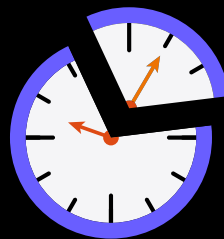
Savings in  
Administration  
and Data  
Maintenance

**Expected Value**  
€ 52,000



Savings from  
Reduced Order  
Errors

**Expected Value**  
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Time Savings  
from Reduced  
Sales Labor

**Expected Value**  
€ 3,276,000



Profit from  
More Orders

**Expected Value**  
€ 2,493,000

## Case 05 - North American manufacturer in the oil and gas industry changing quoting strategy

### Manufacturing Focus:

Pump and Valves Manufacturing  
(Fluid Automation)

### Approximate Annual Revenue:

\$250M

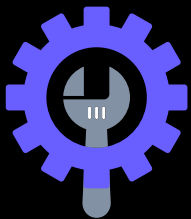
### Key Drivers for CPQ Research :

Easy visibility to quotations with tighter integrations to CRM. Create a path for eCommerce solution to grow sales. Provide self service for sales, distribution partners and customers when ordering products.

*\*Data based on research conducted with Tacton installed base before and after implementation. The numbers shown are derived from typical cases seen in the market.*

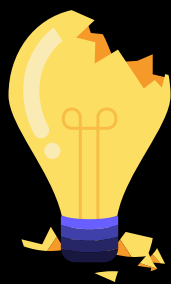


### Annual Impact working with Tacton CPQ\*:



Savings in  
Administration  
and Data  
Maintenance

**Expected Value**  
\$ 200,000



Savings from  
Reduced Order  
Errors

**Expected Value**  
\$ 65,000



Time Savings  
from Reduced  
Sales Labor

**Expected Value**  
\$ 2,500,000



Profit from  
More Orders

**Expected Value**  
\$ 980,000

## What's next?

As you are in the process of evaluating the next project to create business value, especially around sales transformation, make sure to keep in mind that CPQ is central to effective, trusted and disruption-proof selling. A transparent, data-driven and quantitative approach as part of your vendor selection process will help you realize the necessary transformation goals.

Manufacturers are increasingly turning to Tacton CPQ to help them take their digital transformation to the next level. The results are clear, increased win rates, fewer orders, faster onboarding and more points to the potential CPQ has for companies.

Tacton is the trusted configuration engine of leading manufacturers across the globe. We've been pushing the envelope of CPQ technology for over 25 years and will continue to make sales of complex manufacturing equipment simple.

**Ready to learn more? Check out these additional resources:**

[\*How can Manufacturers realize value with a CPQ implementation?\*](#)

[\*Video: Customer Value Management at Tacton\*](#)

[\*Schedule your personalized demo\*](#)



**Tacton Trusted Configuration**  
Sales Made Simple for Complex Manufacturing

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Tacton is a leading SaaS company trusted by global manufacturers. Tacton Trusted Configuration simplifies sales for manufacturers of complex products. Tacton's Configure Price Quote software is named a Leader by Gartner in the Magic Quadrant for CPQ Application Suites and is recognized for its advanced product configuration and visualization capabilities. Tacton's founders pioneered computer-based product configuration which today powers Tacton CPQ and CAD Design Automation. Since 1998, Tacton is trusted by global customers such as ABB, Daimler, MAN, Scania, Siemens, Xylem, and Yaskawa. It is co-headquartered in Chicago and Stockholm, with regional offices in Karlsruhe, Warsaw, and Tokyo.

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