

Improve the Buying Experience by Automating Product and Service Configurations



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Introduction

Companies that manufacture complex, configurable products and services face myriad challenges in selling them through their sales force and channel partners, as well as direct to customers. Most companies accomplish this manually through paper-based catalogs and assistance from sales engineers. This manual approach results in a high cost of sales, slow response times to customers, and incorrectly configured and priced products. IBM® Sterling Configure, Price, Quote, part of the IBM® Sterling Multi-Channel Selling solution, is designed to enable sales representatives, channel partners, and customers to select, configure, and price products and services quickly and easily. This makes it easier for your sales organization and channel partners to sell and your customers to buy.

Key benefits**Make it easier for your customers to do business with you**

Customers who purchase configurable products and services often complain that the process is frustrating and time consuming, since they must frequently interact with sales to properly configure and correctly price orders. In addition, traditional configuration solutions are not customer-specific and treat each user the same way. This one size fits all scenario can easily lead to frustrated customers. For example, novice users configuring online might need more detailed questions, support and explanations; while experts like seasoned sales managers might need a configuration screen to properly configure in the shortest possible time. By providing sales representatives, channel partners, and customers with the right tools based on their experience level, you can ensure that each is provided with an optimized user experience that allows them to correctly create product configurations and get price quotes faster, which ultimately increases customer satisfaction.

Enable business users to easily manage new and existing configurations

The majority of companies that struggle with managing configurable product and service information through paper-based catalogs, Excel spreadsheets and past generation configuration solutions, are being challenged to effectively control costs when changing existing products and services. This can also impact them when adding new products and services to a company's portfolio. With Sterling Configure, Price, Quote organizations can significantly reduce their total cost of ownership through a highly intuitive product management, configuration modeling, and pricing environment. This streamlined process allows them to cost effectively manage hundreds of different configuration models, and ensures that changes and additions to products and services are immediately updated and published through the system.

Correctly configure and quote products and services the first time around

Manufacturers often issue paper-based catalogs, Excel spreadsheets or non-interactive sales collateral to assist their sales representatives and channel partners in selling their configurable products. With hundreds and even thousands of product options, and relationships between options and ongoing product updates, many mistakes are made in configuring products. These result in incorrect quotes presented to customers that have to be reconfigured and re-priced, creating additional costs for companies and delays for customers. Sterling Configure, Price, Quote guides users through the product selection, configuration, and pricing process, ensuring that only compatible options are selected and buildable products are quoted, including correct and final pricing. This results in a significant reduction of incorrectly configured and built products, which otherwise would have led to costly returns and customer concessions.

Eliminate manual validations of configurations

Prior to quoting and ordering configurable products, a sales engineer often must manually validate the configuration options so selected items are compatible and the prices quoted are accurate. This can result in additional sales costs and delays in customer responsiveness and order processing. A configuration technology that contains all configurable product models and rules within a single system ensures that only accurate configurations are created. Your company will be able to reduce its reliance on sales engineers to validate configurations, which will decrease turnaround times and reduce costs.

Reduce the high cost of sale

Selling configurable products often requires coordination across multiple parties—a sales representative to sell to his or her customers, a sales engineer to validate the configuration, and finance to ensure correct pricing. Many internal and external calls, faxes, and e-mails may be required to create a single, accurate order. Sterling Configure, Price, Quote streamlines this process by placing the right tools in the hands of your sales team, partners, and customers. This enables them to independently create correct configurations and quotes for your products and services, significantly reducing the cost of sale for every order. In addition, Sterling Commerce can help you streamline the workflow process to design and estimate customer-specific engineering efforts.

Support customers who prefer to buy through e-procurement systems

Configurable product models and rules cannot be represented in flat files that are typically syndicated into an e-procurement catalog. For customers that want to buy through their corporate e-procurement systems, you need to be able to support this through “punch out/round trip” to your guided selling and configuration solution. IBM® Sterling Configurator, part of the Sterling Configure, Price, Quote solution, supports seamless integrations for users punching-out from an e-procurement system while you control the end-user experience, including option entitlement, custom specific pricing, and product content.

Sterling Configurator solution

Sterling Configurator is one of the solutions from Sterling Commerce that can help you optimize and transform your Business Collaboration Network (BCN). Every enterprise in business today has a BCN. Your BCN includes all the customers, partners and suppliers with whom you connect, communicate and collaborate to drive positive business results for all involved.

As these networks become increasingly complex—from single channel to cross-channel and from local suppliers to global suppliers—the challenges for companies to integrate systems and manage shared processes become more difficult. Solutions like Sterling Configurator from Sterling Commerce help address these challenges.

Sterling Configurator automates the most complex multi-channel selling processes, while hiding all complexity from end users. It guides customers and channel partners through the process of finding and configuring products and services in a Web-based, self-service environment. Sterling Configurator allows guided selling, configuration and pricing, enabling your sales representatives, channel partners, and customers to quickly and easily customize products and solutions to meet their specific needs. Sterling Commerce enables you to combine investments in product data residing in back-office systems with sales-specific product knowledge and business rules, which then allows your company to effectively sell these products through self-service, Web-based, and offline configurations. Sterling Configurator easily guides users in selecting and validating options to customize products for their needs. The result is accurate and consistent product solutions for customers each and every time they buy from you.

Guide customers to the right products and solutions

- Guide sales representatives, channel partners, and customers through dynamic questionnaires to specific products that satisfy their needs
- Provide product recommendations based on personalized customer information and real-time user input
- Model multiple needs analysis scenarios to accommodate users with varying degrees of product knowledge
- Enable side-by-side comparisons of products on a feature-by-feature basis

Ensure correct configurations of complex products and solutions

- Support all types of end users
 - Flexible design supports all customers, from novice to expert users
 - Provide untethered mode offline configuration capabilities for sales representatives
 - Seamlessly integrate with corporate e-procurement systems using Ariba “punch-out,” Commerce One “round-trip,” or other e-procurement systems protocols
 - Intuitive end-user interface and powerful rule sets eliminate incorrect or incomplete orders

- Enable a broad range of configuration tasks from constraint modeling to sophisticated mathematical rule design
- Designed and built for the Web, Sterling Configurator delivers high performance and superior response times
- Enable product managers to easily manage the entire modeling process for configurable products and solutions through the visual modeler capabilities, an intuitive modeling tool supporting table-based maintenance of option relations
- Dynamically generated, data-driven design allows changes to be implemented instantly without programming
- Easily integrates in real-time with third-party functions for optimizations, pricing, availability, and validations outside the Sterling Commerce solution

Deliver real-time, personalized pricing, and quoting

- Powerful pricing engine enables centralized creation, maintenance, and management of pricing data for configurable products and solutions
- Supports contract-based, promotional, cost-plus, combination, and segment-based pricing, as well as price breaks and coupon management
- Intuitive price authoring tool with mass update capabilities enables effective management of large product and option sets
- Presents users with accurate, up-to-date customer-specific pricing on the most complex, configurable products and solutions
- Enables sales representatives and channel partners to quickly and easily generate complete and accurate quotations/proposals for customers

Sterling Configurator: Example

The screenshot displays the Matrix Sterling Configurator interface for building a notebook. The main content area is titled "Build your Notebook" and features three tabs: "Choose your components", "Choose software and accessories", and "Choose your warranty". The "Processor" component is currently selected and expanded, showing four options with their respective specifications and prices. A sidebar on the right provides a summary of the configuration, including a "17\" Widescreen Notebook" with a starting price of \$1,499.00 and an instant savings of \$500.00, resulting in a subtotal of \$1,399.00. The page also includes a navigation menu at the top, a search bar, and a footer with links for "About Matrix", "Retail locations", "Terms of sale", "Privacy", "Site Map", and "Leave feedback".

Key differentiators

Sterling Commerce has focused on providing comprehensive enterprise e-business solutions, enabling companies to reach and serve their customers and channel partners more effectively and efficiently. Sterling Configurator provides a single solution to coordinate and manage complex product and solution sales across all sales and distribution channels. Compared to other configurator companies in the market, Sterling Commerce differentiates itself in the following three areas:

Best-in-class configuration technology

Sterling Configurator standards-based technology achieves unequalled ease of use, deployment flexibility, and performance in an easily installed and maintained package.

- Supports novice and expert users
- Pricing and marketing promotions in configuration scenarios deliver a complete and compelling end-user experience
- Designed for high performance and scalability, delivering fast response times
- Intuitive, thin-client modeling environment
- Look and feel can be easily changed without requiring programming
- Easy integration with third-party applications via pervasive XML APIs

Enterprise e-business application breadth—from order-to-cash

Sterling Configure, Price, Quote automates every step of the configure, price, and quote process to help you generate more revenue, reduce costs associated with incorrect sales orders, lower the cost of sales, and create a positive buying experience for your customers and partners across all available touchpoints, including Web, call center, store, and field sales. It automates the most complex multi-channel selling processes—the configuration of complex products, services, and bundles—while hiding this complexity from end users. It enables your internal business users to assemble sophisticated products, services, and service bundles that can be priced or promoted in many different ways.

Achieve cross-channel excellence

Sterling Configure, Price, Quote can be utilized across multiple selling channels, which include Web, call center, store, and field sales. Each of these channels can use Sterling Configure, Price, Quote to guide prospects, customers, partners, sales, and call center representatives in the selection and validation of products and services based on their specific needs. It enables business-to-business (B2B), business-to-consumer (B2C), and business-to-business-to-consumer (B2B2C) sales models.

Lower the cost of sales

Sterling Configure, Price, Quote helps companies reduce the cost of sales and improve productivity through customer and partner self-service. It can allow companies to reduce the "cost of sales" and increase productivity by moving customers and partners from more expensive channels to customer self-service. It can also reduce costs by providing internal and external users with a self-service portal that provides visibility into current and past order status. Finally, the Sterling Commerce configuration solution can reduce quoting errors by utilizing product and service configuration rules during the quoting process and reduce costs by centralizing pricing data.

Industry leading message-based architecture

Developed on a powerful, standards-based messaging architecture, the Sterling Configurator solution provides a comprehensive suite of enterprise e-business applications, designed for rapid out-of-the-box modular deployment, easy integration into your existing IT infrastructure, and lowest total cost of ownership.

About Sterling Commerce

Sterling Commerce, an IBM® Company, helps organizations worldwide increase business agility in their dynamic business network through innovative solutions for selling and fulfillment and for seamless and secure integration with customers, partners and suppliers. More information can be found at www.sterlingcommerce.com.

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