



THE NEW GAME CHANGING SAP CPQ

Lawrence Matusek, CTO, eLogic

Session ID #82756

About the Speaker

Lawrence Matusek

- CTO, eLogic
- 30 years of experience in business system implementations
- Widely recognized authority on CTO and ETO solutions in SAP
- Proven track record of innovation driving dramatic process improvement
- Deep expertise in complex systems and business transformation
- Broad industry experience in engineering, manufacturing, and operations
- Incoming President of the SAP Configurator Workgroup

Key Outcomes/Objectives

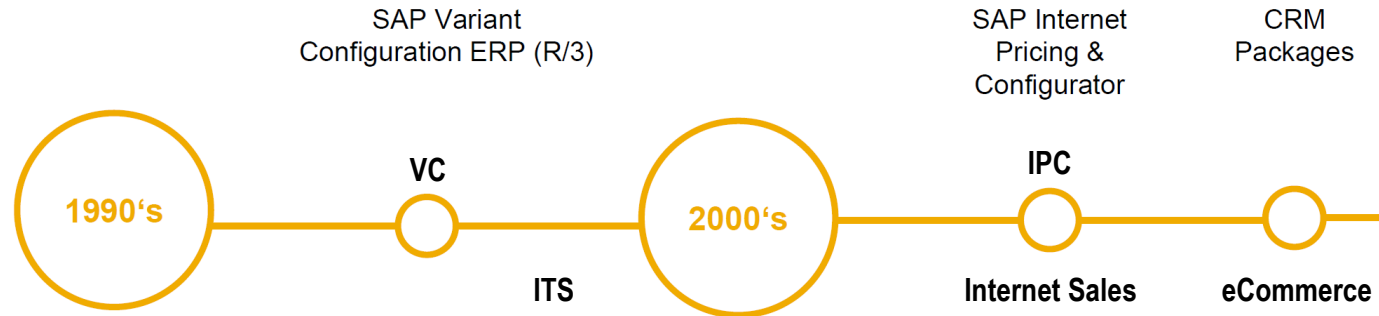
1. How has the game changed for customers?
2. How does CPQ fit into SAP?
3. What does SAP CPQ look like?
4. What are SAP CPQ's benefits?

A little history...

Special thanks go to
Karlheinz Agsteiner!

1

~20 years

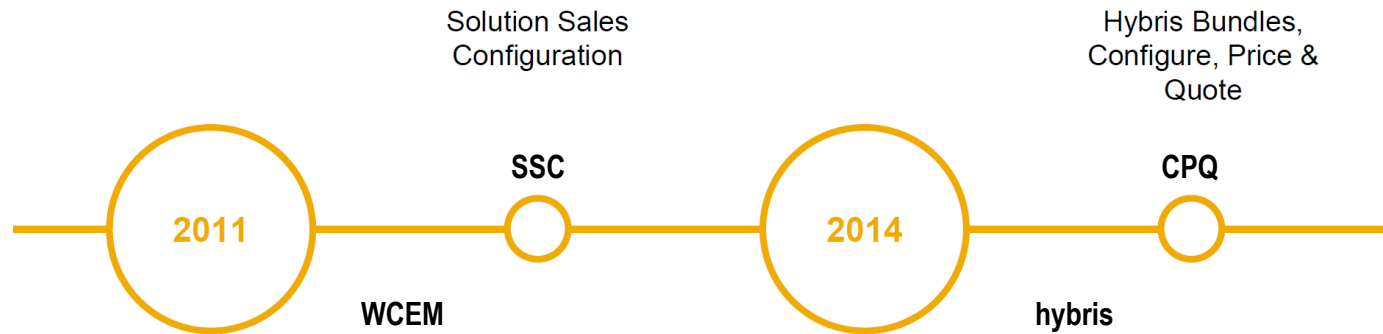


CPQ Fit/Gap



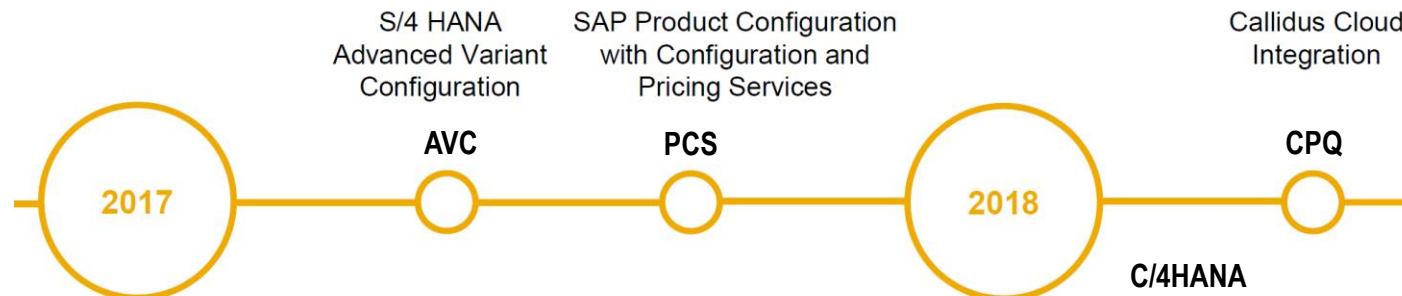
2

~5 years



3

~2 years

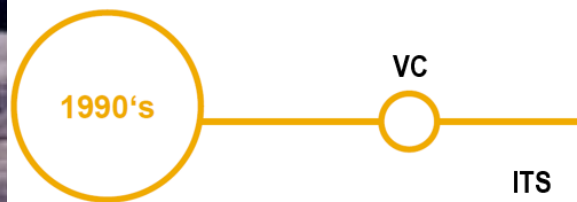


ASUG

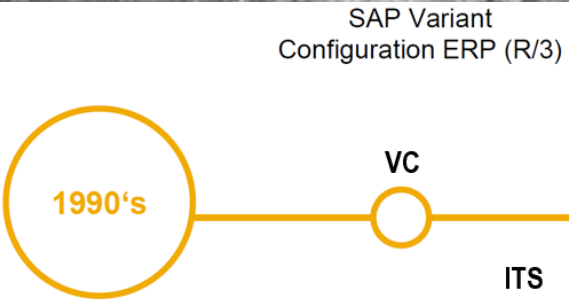
SAP CTO solutions used to look like this...



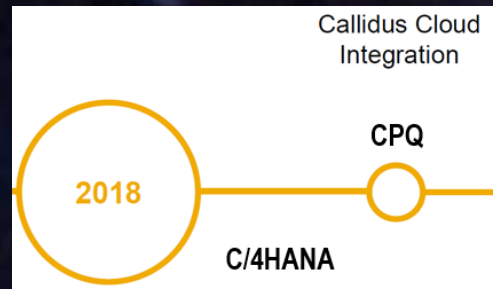
SAP Variant
Configuration ERP (R/3)



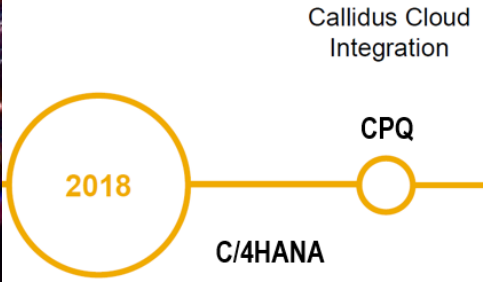
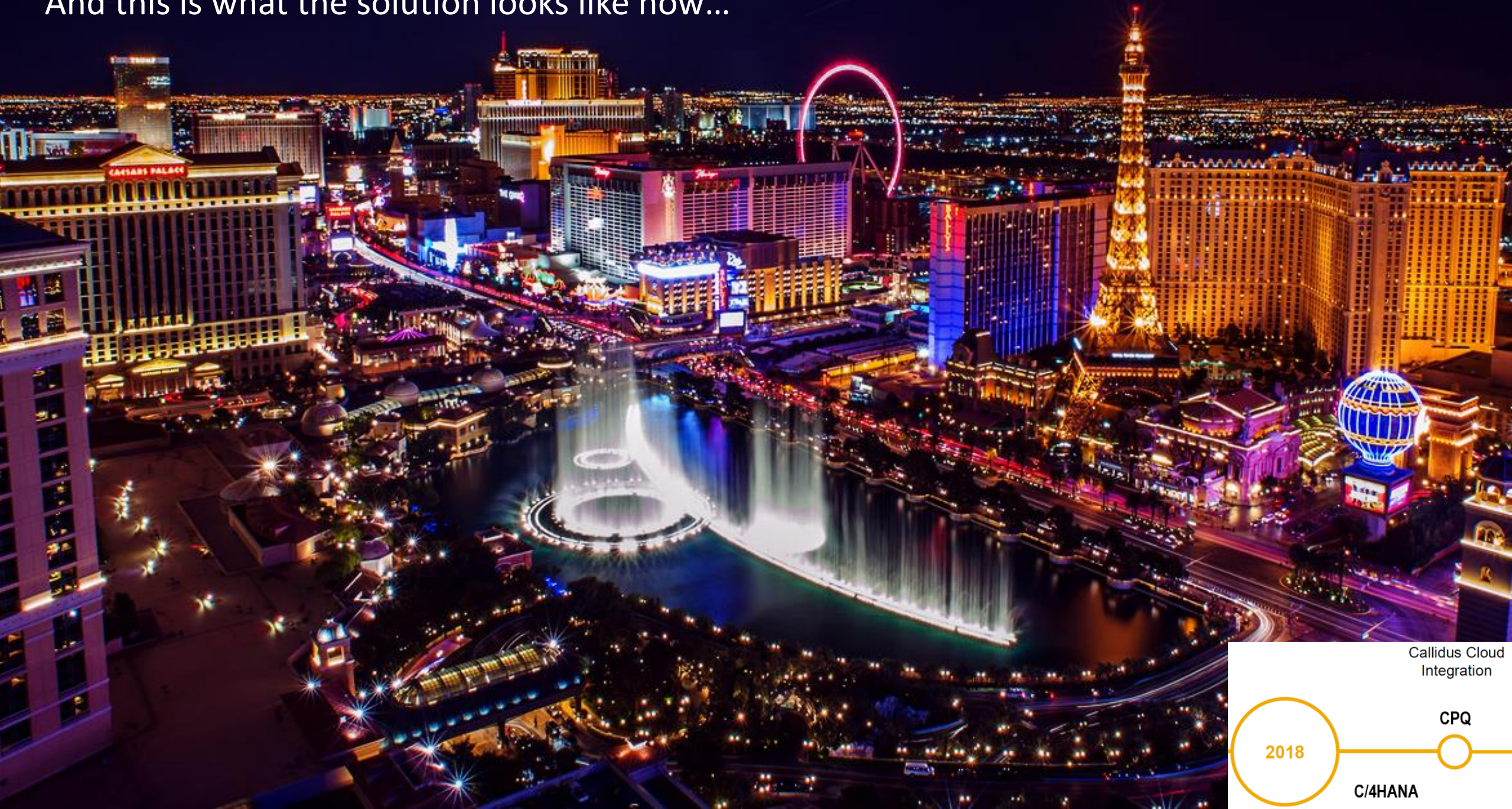
And the path to implement looked like this...



Now the path to implement looks like this...

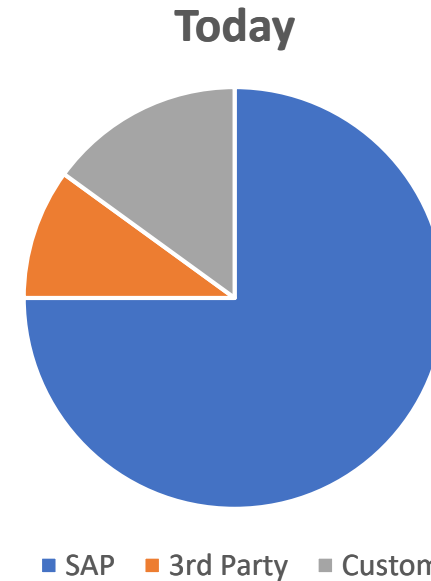
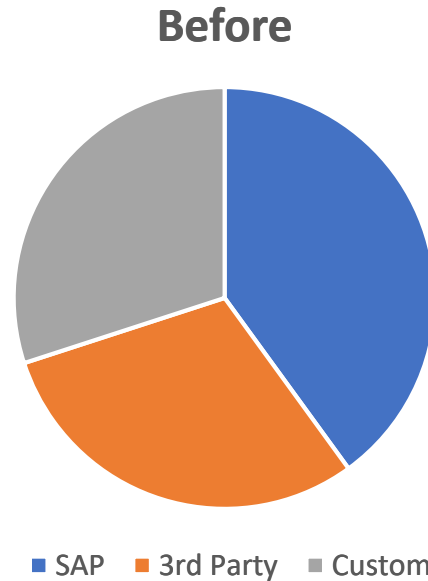


And this is what the solution looks like now...





But how has the CPQ game really changed?



Solutioning	Some SAP, some 3 rd party, some custom	Mostly SAP with a little 3 rd party and custom
SAP Offering	Configure, price, quote, but not much else	CPQ plus typical commerce requirements
Experience	Dated and “SAP like”	Modern, rich, and engaging
Infrastructure	On prem IPC, difficult to install /maintain	In cloud, SAP maintains
Integration	Minimal and mostly custom	Extensive and mostly native



Heathrow
Express
The smarter way

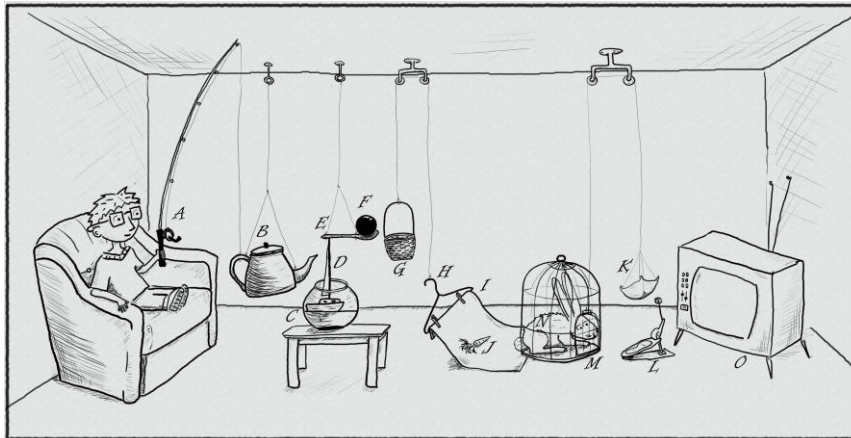
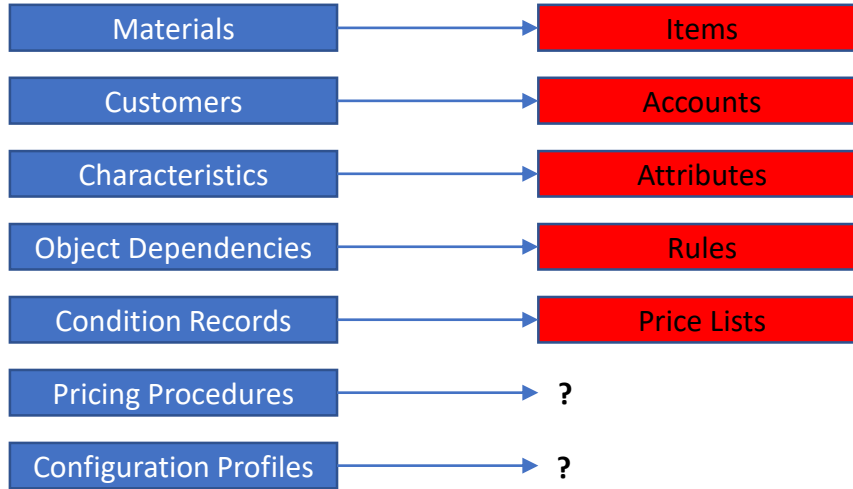


Heathrow
Express
The smarter way

MIND THE GAP

Be careful how you mind the gap!

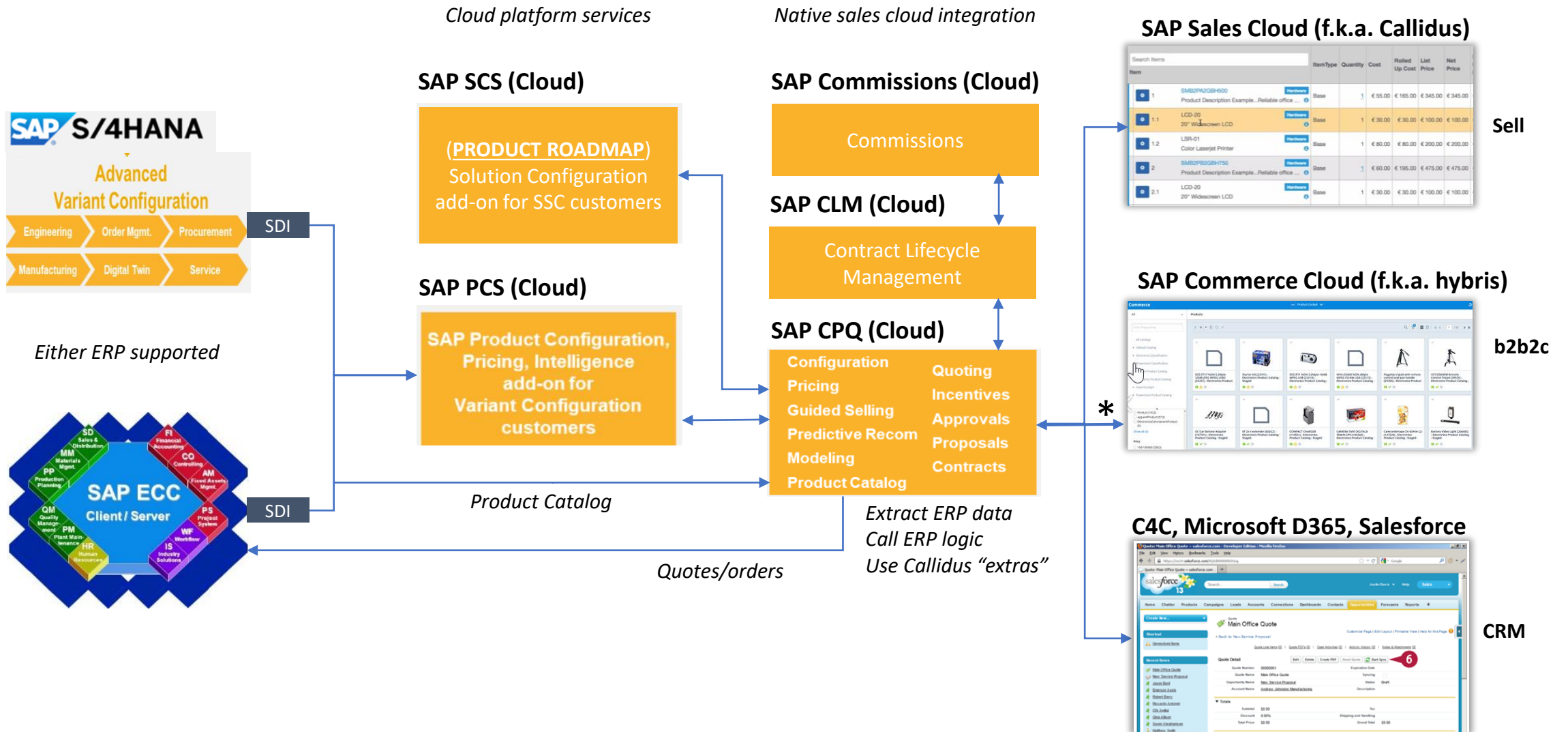
“I think this oughta work...”



...but don't forget about!

- Differences in schemas and semantics
- Option, rule, or price changes
- Cost, price, lead time calculation
- Date effectivity
- Reconfiguration and versions
- Order creation and changes
- Performance and troubleshooting
- And a whole lot more

C/4HANA Sample Landscape for Configure-to-Order



C/4HANA Solution Highlights for Configure-to-Order

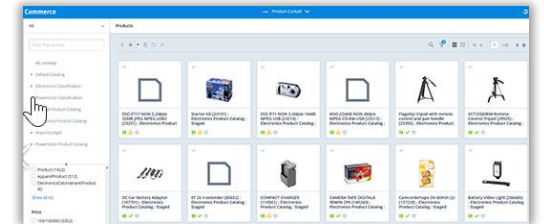
Custom Application Enablement

SAP Sales Cloud (f.k.a. Callidus)

Item	Item Type	Quantity	Cost	Rollup Up Cost	List Price	Net Price
1	SMBSPAGEH500 Product Description Example...Reliable office ...	Base	1	€ 55.00	€ 165.00	€ 345.00
1.1	LCD-20 20" Widescreen LCD	Base	1	€ 30.00	€ 30.00	€ 100.00
1.2	LSR-01 Color Laserjet Printer	Base	1	€ 80.00	€ 80.00	€ 200.00
2	SMBSPAGEH700 Product Description Example...Reliable office ...	Base	1	€ 60.00	€ 195.00	€ 475.00
2.1	LCD-20 20" Widescreen LCD	Base	1	€ 30.00	€ 30.00	€ 100.00

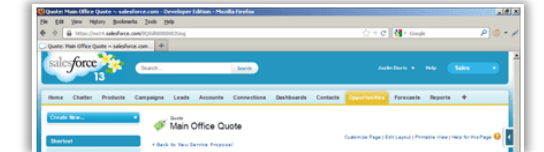
Sell

SAP Commerce Cloud (f.k.a. hybris)



b2b2c

C4C, Microsoft D365, Salesforce



CRM

Cloud platform services

Native sales cloud integration

SAP SCS (Cloud)

(PRODUCT ROADMAP)
Solution Configuration
add-on for SSC customers

SAP Commissions (Cloud)

Commissions

SAP CLM (Cloud)

Contract Lifecycle
Management

SAP PCS (Cloud)

SAP Product Configuration,
Pricing, Intelligence
add-on for
Variant Configuration
customers

SAP CPQ (Cloud)

Configuration Quoting
Pricing Incentives
Guided Selling Approvals
Predictive Recom Proposals
Modeling Contracts
Product Catalog



Either ERP supported



Leverage existing investment
"One model across the enterprise"

High performance microservices
Easy to deploy; easy to maintain

Modern user experience
Rich functionality and integration

Surface CPQ in many applications
Native integration slashes effort

Integration Approach

Object	Description
ELOGIC_PIZZA	eLogic Pizza
DUMMY	
ELOGIC_PIZZA	
0000 ELOGIC_PR_DAYS	Days
0001 PV CONCATENATE	Conc
0002 PV CRUST	Set Crust Variant Key
0003 PV DELIVERY	Set Delivery Variant Key
0004 PV TOPPINGS	Set Toppings Variant Key
0005 ELOGIC_PR_DUMMY_NUM	Test Dummy Num Char
ELOGIC_PIZZA	
300 ELOGIC_PIZZA	eLogic Pizza
ELOGIC_CRUST	Crust
ELOGIC_DATE	Start Date
ELOGIC_DAYS	Days
ELOGIC_DELIVERY	Delivered?
ELOGIC_DIAMETER	Diameter (in Inches)
ELOGIC_DUMMY_NUM	Temp Num
ELOGIC_END_DATE	End Date
ELOGIC_MTART	Material Type
ELOGIC_MVGR1	Material group 1
ELOGIC_PRODH	Product Hierarchy
ELOGIC_SR1_COST	Special Request #1 Cost
ELOGIC_SR1_DESC	Special Request #1 Desc
ELOGIC_SR2_COST	Special Request #2 Cost
ELOGIC_SR2_DESC	Special Request #2 Desc
ELOGIC_STYLE	Style
ELOGIC_TOPPING	Number of Toppings
ELOGIC_TOPPING	Pizza Toppings
ELOGIC_WEIGHT	Weight (pounds)
REF_MAAPV_ARKTX	Short text
REF_SDCOM_VKOND	REF Variant condition

“Speaks” ERP
Calculations
“The Brains”

“Speaks” Web
Experience
“The Beauty”

SAP PCS (Cloud)

SAP Product Configuration,
Pricing, Intelligence
add-on for
Variant Configuration
customers

SAP CPQ (Cloud)

Configuration Quoting
Pricing Incentives
Guided Selling Approvals
Predictive Recom Proposals
Modeling Contracts
Product Catalog

Choose Processor

Quad-core Intel Xeon [\$50.00] 1GB [\$25.00]

Dual-core Intel Xeon [\$100.00] 2GB [\$50.00]


Six-core Intel Xeon [\$150.00] 3GB [\$75.00]


Eight-core Intel Xeon [\$200.00] 4GB [\$100.00]


Select Memory (required)


Choose Printer


Choose Monitor

 Color Laserjet Printer [\$250.00]

 20" Widescreen LCD [\$150.00]

 All-In-One Printer [\$200.00]

 23" Widescreen LCD [\$200.00]

 24" Widescreen LCD [\$300.00]

- **Characteristic and value descriptions**
- Visibility rules (input, read-only, hide)
- Rules to assign values (changeable?)
- Allowed and disallowed values
- Price calculation and consistency check

- **Characteristic and value descriptions**
- Screen layout (tabs, columns, rows)
- Pictures and long texts
- Messages and tool tips
- Recommendations and incentives

What might a configuration “sound” like?

1. “Cool CPQ, I’ll start a session, what kind of car?”
2. “Sure, what body style? I need to know that first”
3. “Alright your price is \$50K; here are your options (I already suggested several of them for you)”
4. “No problem, that’s an extra \$3K”
5. “Got it, \$2K more”
6. “Not so fast, I still need to know colors”
7. “Alright, you are good to go”
8. “Hold on dude, you can’t have a sunroof on a convertible!!”

SAP PCS (Cloud)

SAP Product Configuration, Pricing, Intelligence add-on for Variant Configuration customers

SAP CPQ (Cloud)

Configuration Pricing Guided Selling Predictive Recom Modeling Product Catalog Quoting Incentives Approvals Proposals Contracts

SPORTS CAR		COMPLETE!
Body Style	<input checked="" type="radio"/> Fastback <input checked="" type="radio"/> Convertible	
Interior Color	<input type="text" value="Black"/>	
Exterior Color	<input type="text" value="Black"/>	
Engine	<input checked="" type="radio"/> V6 <input type="radio"/> V8	
Wheels & Tires	<input checked="" type="radio"/> 20" <input checked="" type="radio"/> 24"	
Sound System	<input checked="" type="radio"/> Basic <input type="radio"/> Premium	
Roof Style	<input type="radio"/> Hardtop <input checked="" type="radio"/> Sunroof	

Fastback	50,000 USD
24" Wheels and Tires	3,000 USD
Sunroof	2,000 USD

1. “Hey PCS, I would like to configure a car”
2. “A sports car, man”
3. “Let’s do a fastback”
4. “Oh man, I gotta have 24” rims”
5. “And the sunroof”
6. “Ok, I am done, when can I get it?”
7. “Oh right, black and black!”
8. “Yeah, but I really want a convertible instead”

Take it for a spin yourself



Hi-Tech

This test drive is great for companies that manufacture and sell equipment.

Product

Example: Server rack

Document

Examples: Quote, Proposal

[HI TECH](#)

SaaS

Use CPQ to quote and sell CPQ subscriptions. Self quote CPQ and generate a proposal.

Product Example: CPQ Subscription

Document

Examples: Proposal

[SAAS](#)

IT/Managed Services

This example shows how to quote IT Projects and IT/Telecom Managed Services.

Product Example: IT Project Managed Email Document

Examples: Quote, Proposal, SOW, Master Service Agreement

[IT/MANAGED SERVICES](#)

Product Catalog

Categories show entire tree

General (browser like) search

Search by product name, description, part number, or type

- Categories
- Equipment/Hardware Examples
 - Software Examples
 - Service Examples

Search in Equipment/Hardware Examples

Order by Name

Home / Equipment/Hardware Examples /


Breadcrumbs go any levels deep

Various ways to sort and list items

Products


View or add favorite items by user

Desktop Example



Product Description Example...Reliable office desktop for clerical and data entry work.
Category [Equipment/Hardware Examples](#)
Type: Hardware

Server Rack Example




Product Description Example...Configure...

Variable Frequency Drive



Product Description Example...A complet...

Product Description Example...Reliable o... 

Product Description Example...Configure... 

Product Description Example...A complet... 

Compare

Compare

Compare

Configure

1 Add

Configure

1 Add

Configure

1 Add

Mouse over details for items

Side by side feature comparison

Needs Analysis

1. Needs Analysis

2. Recommended Products

Needs Analysis

What industry are you in?

Manufacturing

What is Your Role?

Sales

Which Challenges are you currently facing?

- Multiple People Need to Collaborate on Each Quote/Proposal
- Efficiently Manage Product Data and Pricing
- Simplify Selling of Highly Configurable and Customizable Products
- Increase Up-selling and Cross-selling
- Minimize Effort Needed to Create Quotes and Proposals
- Create Consistent and Professional Looking Proposals
- Automate Quote Approvals
- Eliminate Quote and Order Errors
- Enable Self-Service for Quotes and Orders
- Generate Leads through Social Networks
- Produce Quotes Without an Internet Connection

How many internal users will be using the tool? (Min 5 users)

5

Will any external users use the tool?

Partners

Qty 0

Customers

Qty 0

Which CRM do you use?

None Salesforce.com

Oracle CRM OnDemand

Microsoft Dynamics

Other

Quantity controls

Pushbutton controls

NEXT

Part Number		
Base Price	Item summary	\$200.00
Items		
Desired Functions		
Product Catalog		
Quoting and Pricing		
Configurator		
ItemQuantity		
5		\$0.00
Module Product Catalog Price		
40		\$0.00
Module Configurator Desc		
Optional Module for handling complex/configurable products with product compatibility and complex pricing rules.	Price\$30.00/user/month	\$0.00
Module Configurator Price		
30		\$0.00
Module Collaboration Desc		
Optional Module used when product selection and/or quote generation requires collaboration and coordination by multiple team members.	Price\$20.00/user/month	\$0.00
Module Collaboration Price		
20		\$0.00

Subscriptions

Recommended Products

Add to Quote



STATUS:

Complete

1. Needs Analysis

2. Recommended Products

Recommended Products

Choose Module Product Catalog Selection

Product Catalog, Pricing and Quoting

A multi-language, multi-currency application for publishing product data and pricing online or for internal use, as well as for generating quotes and proposals and placing orders.
Price\$40.00/user/month

Choose Module Configurator Selection

Configurator

Optional Module for handling complex/configurable products with product compatibility and complex pricing rules.
Price\$30.00/user/month

Choose Module Collaboration Selection

Collaboration Module

Optional Module used when product selection and/or quote generation requires collaboration and coordination by multiple team members.
Price\$20.00/user/month

Configuration Summary

Configuration Tree

Part Number	
Base Price	\$200.00
Items	
Desired Functions	
Product Catalog	
Quoting and Pricing	
Configurator	
ItemQuantity	
5	\$0.00
Module Product Catalog Price	
40	\$0.00
Module Configurator Desc	
Optional Module for handling complex/configurable products with product compatibility and complex pricing rules.	Price\$30.00/user/month
Module Configurator Price	
30	\$0.00
Module Collaboration Desc	
Optional Module used when product selection and/or quote generation requires	Price\$20.00/user/month

Configuration and Pricing

[Add to Quote](#) [Add as a favorite](#) [Copy from favorite](#) [Required indicator](#)

CPU

Choose Processor

- Quad-core Intel Xeon [\$50.00]
- Dual-core Intel Xeon [\$100.00]
- Six-core Intel Xeon [\$150.00]
- Eight-core Intel Xeon [\$200.00]




Select Memory (required)

- 1GB [\$25.00]
- 2GB [\$50.00]
- 3GB [\$75.00]
- 4GB [\$100.00]



Choose Hard Drive (required)

- 250GB [\$50.00]
- 500GB [\$100.00]
- 750GB [\$200.00]
- 1TB [\$300.00]

Choose Monitor

- 
20" Widescreen LCD [\$150.00]
- 
23" Widescreen LCD [\$200.00]
- 
24" Widescreen LCD [\$300.00]

Choose Printer

- 
Color Laserjet Printer [\$250.00]
- 
All-In-One Printer [\$200.00]

STATUS: Incomplete ?

REQUIRED FIELDS

- Hard Drive
- Select Memory

Status and explanation

Configuration/pricing summary

Configuration Summary Configuration Tree

Part Number	SMB2-PA
Base Price	\$50.00
Items	
Processor	
Quad-core Intel Xeon	\$50.00
Total	\$50.00

Reset configuration

Inline pictures and pricing

Quote Products and Discounting
















Products  

Expand or collapse entire product list

Manage Items

Discount items directly in the product list

See margin health of each product

Item	Quantity	List Price	Discount Percent	Margin Health	Extended Amount
 1 SMB2-PA-4GB-H500 SMB2 Desktop Computer with:Quad-core Intel Xeon P... 	<input type="text" value="1"/>	\$ 250.00	<input type="text" value="50.00"/>		\$ 125.00
      					
LCD-20 20" Widescreen LCD	1	\$ 150.00	<input type="text" value="0.00"/>		\$ 150.00
LSR-01 Color Laserjet Printer	1	\$ 250.00	<input type="text" value="0.00"/>		\$ 250.00
 2 RM-739 4-Post server rack. The stability of a cabinet with the a... 	<input type="text" value="1"/>	\$ 1,200.00	<input type="text" value="50.00"/>		\$ 600.00

Move up/down, copy, delete, edit, or refresh and item





Expand and collapse single product bundle

Product Types

Discount percentage by product type

Margin health by product type

Total amount by product type

Description	Discount Percent	Margin Health	Extended Amount
Product Type			
Hardware	16.97 %		\$ 5,065.00
Accessories	3.57 %		\$ 1,350.00
Support	0.00 %		\$ 697.50
Item Total	13.24 %		\$ 7,112.50

Quote level discounts (with reason)

Discounts

Subtotal Total discount amount

Overall Discount Amount \$ 1,085.00

Quote Approvals, Revisions, and Comments

Reprice quote, undo last action, add item

Quote level comments for collaboration

This quote has to be approved because of the following approval rules:

- Exceeded Discount | Description: You have exceeded your maximum allowed discount. To proceed remove any discount and click Generate Documents, or click the Request approver: Aaron Approver |

Quote #00553930 / MASTER

Approval workflow options

Quotation

Quote item comments

Date Created	03/31/19	Status	Preparing	Cart Comment
Date Modified	03/31/19	Market	USA in \$	
Revision	MASTER (Active)			

Products

Manage Items

Item	Quantity	List Price	Discount Percent
1 SMB2-PA-4GB-H500 SMB2 Desktop Computer with:Quad-core Intel Xeon Processor,...	1	\$ 250.00	
1.1 LCD-20 20" Widescreen LCD	1	\$ 150.00	
1.2 LSR-01 Color Laserjet Printer	1	\$ 250.00	
2 RM-739 4-Post server rack. The stability of a cabinet with the airflow of a...	1	\$ 1,200.00	

Quote Comments

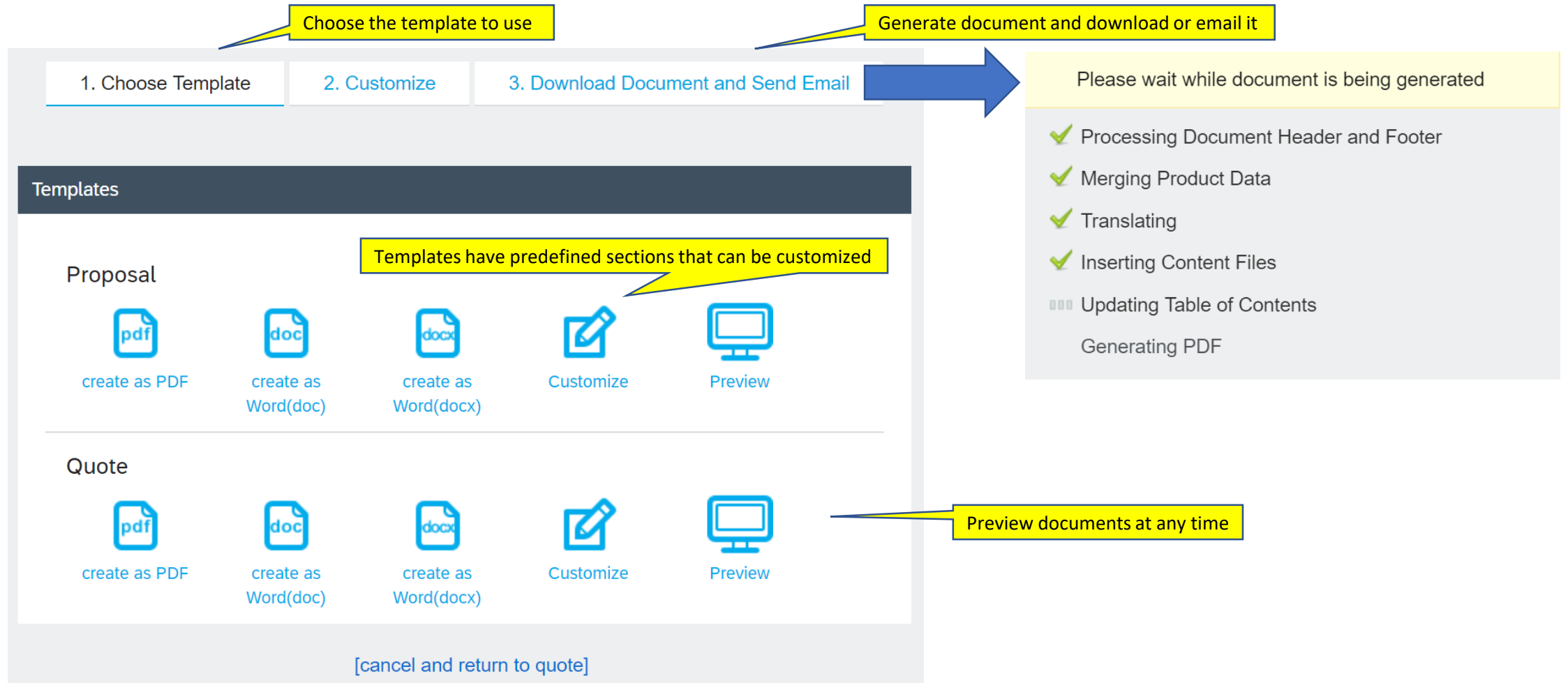
You:

Save

Quote Item Comments

- 1 **SMB2 Desktop Computer with:Quad-core Intel Xeon Process...** [Add Comment](#)
- 1.1 **20" Widescreen LCD** [Add Comment](#)
- 1.2 **Color Laserjet Printer** [Add Comment](#)
- 2 **4-Post server rack. The stability of a cabinet with th...** [Add Comment](#)
- 2.1 **T9821 Blade Server: Quad-core Intel Xeon with 16GB Memo...** [Add Comment](#)

Document Generation – Template and Generation





Document Generation - Customizing

1. Choose Template 2. Customize 3. Download Document and Send Email

Customize Proposal

expand all collapse all

- Proposal Cover and TOC  preview **Define sections as required or optional**
- Cover Letter  preview **Move sections up/down if permitted**

[collapse]


*Prepared By (your name) ⓘ This is needed for the cover letter and email signature. In production this is automatically populated based on your log in.

*Prepared by (your company)



*Prepared by (your email)

* Prepared for (prospect's name) ⓘ This is whom the document will be addressed to. In production this would come automatically from your customer master or your CRM.

*Prepared for (prospect's company)



- Executive Summary  preview **Define inputs with document section**

continued





- About Us  preview **Preview, alter, insert, or replace sections if permitted**
- Case Studies  preview **Include various attachments**

Related Content/Files select all

Bonafield Digital	<input checked="" type="checkbox"/> BonafieldDigital-CaseStudy.docx	preview
CBK Infotech	<input checked="" type="checkbox"/> CBKInfotech-CaseStudy.docx	preview
Version Technologies	<input checked="" type="checkbox"/> VersionTechnologies-CaseStudy.docx	preview

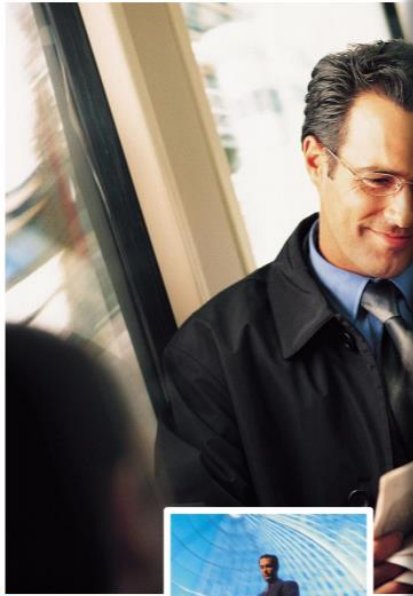
- Commercial Details  preview
- Terms and Conditions  preview

Generate output in various formats

 create as PDF  create as Word(doc)  create as Word(docx)  preview

[save and return to quote] [choose different template] [cancel and return to quote]

Sample Generated Document



eLogic | 324 E WISCONSIN AV

COVER LETTER

EXECUTIVE SUMMARY

ABOUT US

CASE STUDIES

BONAFIELD DIGITAL

CBK INFOTECH

VERSION TECHNOLOGIES

COMMERCIAL DETAILS

TERMS AND CONDITIONS OF SALE

Cover Letter

Dear New User:

Thank you for considering eLogic for your needs. We are excited to offer you the products and services that we offer.

It was a pleasure to meet you and learn more about your business. It gives me the opportunity to tell you about the great advantages of eLogic. As we discussed, I'm convinced that our complete solution is the success of your business.

This proposal will give you more information on who we are and the products we offer. Once you have reviewed this proposal, I would like to hear what we are offering you to use in your business.

Feel free to contact me at any time at 123-456-7890 or 123-456-7890 forward to hearing from you.

Sincerely,

Lawrence Matusek
lmatusek@elogicgroup.com
eLogic

eLogic
324 E Wisconsin Ave
Milwaukee, WI 53202
(414) 273 - 4442

Case Studies

Bonafield Digital

"Our complex business requirements demanded a solution that was secure and scalable. Webcom provided a solution that has met our business requirements and has proven to be painless to implement."
Mark Smith,
Chief Executive Officer, Bonafield Digital

CUSTOMER PROFILE:

Company: Bonafield Digital
Industry: Technology
Headquarters: New York, NY
URL: www.bonafielddigital.com

THE CHALLENGE:

- Supporting and enabling change within a dynamic business environment
- Creating a common vision for all business units
- Bridging the gap between today's operational needs and tomorrow's business goals

THE SOLUTION:

Bonafield Digital chose Webcom's solution because of its ability to integrate with existing business processes. Today all business units are using this solution for project information. The solution has also been found to be a cost-effective solution that employees did not provide any issue or complications.

THE RESULTS:

As a result of implementing Webcom's solution, Bonafield Digital has increased efficiency. We have found that we saved \$40,000 in administrative costs and are more informed and effective in doing their jobs.

eLogic
324 E Wisconsin Ave
Milwaukee, WI 53202
(414) 273 - 4442

eLogic

Commercial Details

Quote Information

Quote Number: **00553952**
Date of Quote: **04/26/19**
Expiration Date: **05/26/19**

Customer

ASUG
123 Main ST.
Milwaukee, WI 53202

ID	Product	Qty	Unit Price	Total Price
1	Server Rack Example 4-Post server rack. The stability of a cabinet with the airflow of an open rack.	1	\$ 1,000.00	\$1,000.00
2	Server Blade T9821 Blade Server: Quad-core Intel Xeon with 16GB Memory and a 250GB Hard Drive and running Windows Server 2008	1	\$ 1,550.00	\$1,550.00
3	Server Blade T9821 Blade Server: Quad-core Intel Xeon with 24GB Memory and a 250GB Hard Drive and running Windows Server 2008	1	\$ 1,750.00	\$1,750.00
4	Server Blade T9821 Blade Server: Quad-core Intel Xeon with 48GB Memory and a 250GB Hard Drive and running Windows Server 2008	1	\$ 1,950.00	\$1,950.00
5	Server Blade T9821 Blade Server: Quad-core Intel Xeon with 16GB Memory and a 250GB Hard Drive and running Windows Server 2008	1	\$ 1,550.00	\$1,550.00
6	Server Blade T9821 Blade Server: Quad-core Intel Xeon with 16GB Memory and a 250GB Hard Drive and running Windows Server 2008	1	\$ 1,550.00	\$1,550.00
7	Warranty and Service 3 Year Basic Limited Warranty and 3 Year NBD On-Site Service	1	\$ 1,252.50	\$1,252.50
8	Server Rack Example 4-Post server rack. The stability of a cabinet with the airflow of an open rack.	1	\$ 1,000.00	\$1,000.00
9	Server Blade T9821 Blade Server: Quad-core Intel Xeon with 16GB Memory and a 250GB Hard Drive and running Windows Server 2008	1	\$ 1,550.00	\$1,550.00

eLogic
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Milwaukee, WI 53202
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We will continue using our tried and true tools with our shiny new tools to finish the job



Take the Session Survey.

We want to hear from you! Be sure to complete the session evaluation on the SAPPHIRE NOW and ASUG Annual Conference mobile app.



Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

Q&A

For questions after this session, contact us at Imatusek@elogic.com

Let's Be Social.

Stay connected. Share your SAP experiences anytime, anywhere.

Join the ASUG conversation on social media: **@ASUG365 #ASUG**

