

Solving the Quote-to-Cash Conundrum

for Medical Device Sales



salesforce



Introduction

The medical-technology sales environment is changing as health systems struggle to manage the shift from fee-for-service to value-based care. Hospitals continue to consolidate, putting more purchasing power in the hands of big health systems, calling for more competitive and transparent pricing. Decision-making has shifted from clinical to economic buyers, who demand stronger proof of value.

The pressure from these changes is naturally trickling down to medical device sales teams, with your customers demanding lower prices

and a quick, frictionless buying process across increasingly complex product catalogs. Meanwhile, commercial teams are shrinking and everyone is managing an increasing number of accounts, products, and portfolios.

Salesforce CPQ is an automated configure-price-quote tool that provides innovative guided-selling functionality and empowers your team with the accuracy and agility to compete in the rapidly evolving medtech industry.

PART 1

Industry Changes
and Challenges
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PART 2

Simplifying the
Healthcare Environment
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Your path to success starts here.

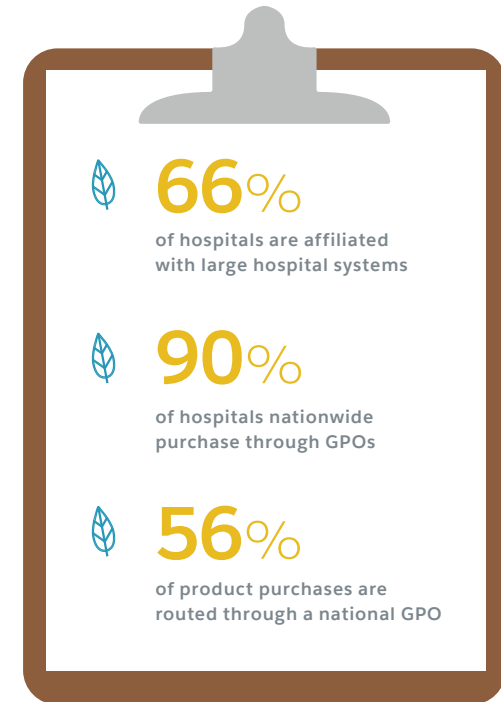
Astro and friends will be your guides as we share the insights, tools, and tips to help you on your trail to business growth.

Selling in the Era of the Evolving Buyer

The consolidation of large health systems is taking volume purchasing power to an unprecedented level. Sixty-six percent of all hospitals are affiliated with large health systems and the top 100 of those systems

Every price on every product needs to be painstakingly rationalized.

account for more than 50% of all patient admissions. Group purchasing organizations (GPOs) continue to combine the buying power of customers inside and outside those systems. With so few parties responsible for so much of the industry's purchasing, every price on every product needs to be painstakingly rationalized. And as if the exhausting puzzle of product pricing standardization and discounts weren't enough, you also have to take into account the ever-present need for product-by-product compliance with government regulations.



Source: Hospital Supply Chain Executives' Perspectives on Group Purchasing. Results from a 2014 National Survey, Department of Health Care Management, The Wharton School



“

These large health systems are changing where and how vendors are selected. Medtech companies need to shift their focus – and their resources – to multihospital systems. Most medtech companies will (and should) continue to negotiate with group purchasing organizations (GPOs) to ensure that they have contracts in place and access to GPO members.”

**MEDTECH KEY ACCOUNT MANAGEMENT
IN THE AGE OF CONSOLIDATION**

The Boston Consulting Group, May, 2015



The Quoting Conundrum

These days, a single medical device manufacturer can have thousands of SKUs, and finding the right product to quote in the right product configuration eats up a lot of time.

With limited visibility into what pricing customers qualify for, you're expected to deliver options for cash purchases, leases (and associated depreciation calculations), trade-ins, or reagent rentals. And every one of your quote iterations has to account for the quantity of consumables, patient visits per week, applicable discounts, and more.

But this process isn't just slow and laborious. It's damaging to your business. A spreadsheet-based process is at the mercy of data-entry mistakes, broken formulas, and more. Price your quote out of GPO guidelines and you lose a sale. Deliver a contract price without a contract, or provide a volume discount without a volume order, and you lose margin.

Fail to connect your sales process to your ERP/inventory control software and you lose automatic order fulfillment. All of these issues are leading to more loss and leakage than ever before. If that's not enough, the flailing process takes time away from providing the more innovative, thoughtful customer service that stands to differentiate your business and provide new revenue streams to compensate for your compressing margins.



TOP AREAS OF REVENUE LEAKAGE:



Pricing quotes out of guidelines



Providing volume discounts without a volume order



Delivering contract pricing without a contract



Introducing Salesforce CPQ

So how do you combat the complexity? Future-looking sales organizations are turning to automated pricing solutions like Salesforce CPQ.

Salesforce CPQ is a cloud-based configure-price-quote application that accelerates the sales process by automating the complex quotes your business now depends on.

Guided selling helps ensure that the right solutions are presented to the customer based on need. Configuration and pricing rules ensure that configured solutions are accurate and that price guidelines are followed. This means consistent quotes, on the right items,

with no manual data-entry errors – and that means decreased quote times and increased quote acceptances.

But forging a relationship with your customer goes beyond the quote itself. So the application also creates orders from quotes, and is able to generate sales or service

contracts, track entitlements, and gauge assets so that every customer team is able to get a holistic view of the customer to provide superior service and support. This enriches the customer experience throughout the life cycle, ultimately bolstering revenue.

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On average, Salesforce CPQ users see:

 **44%**
reduction in
pricing errors

 **25%**
faster sales
cycles

 **41%**
faster quote
generation

 **29%**
increase in
forecast accuracy

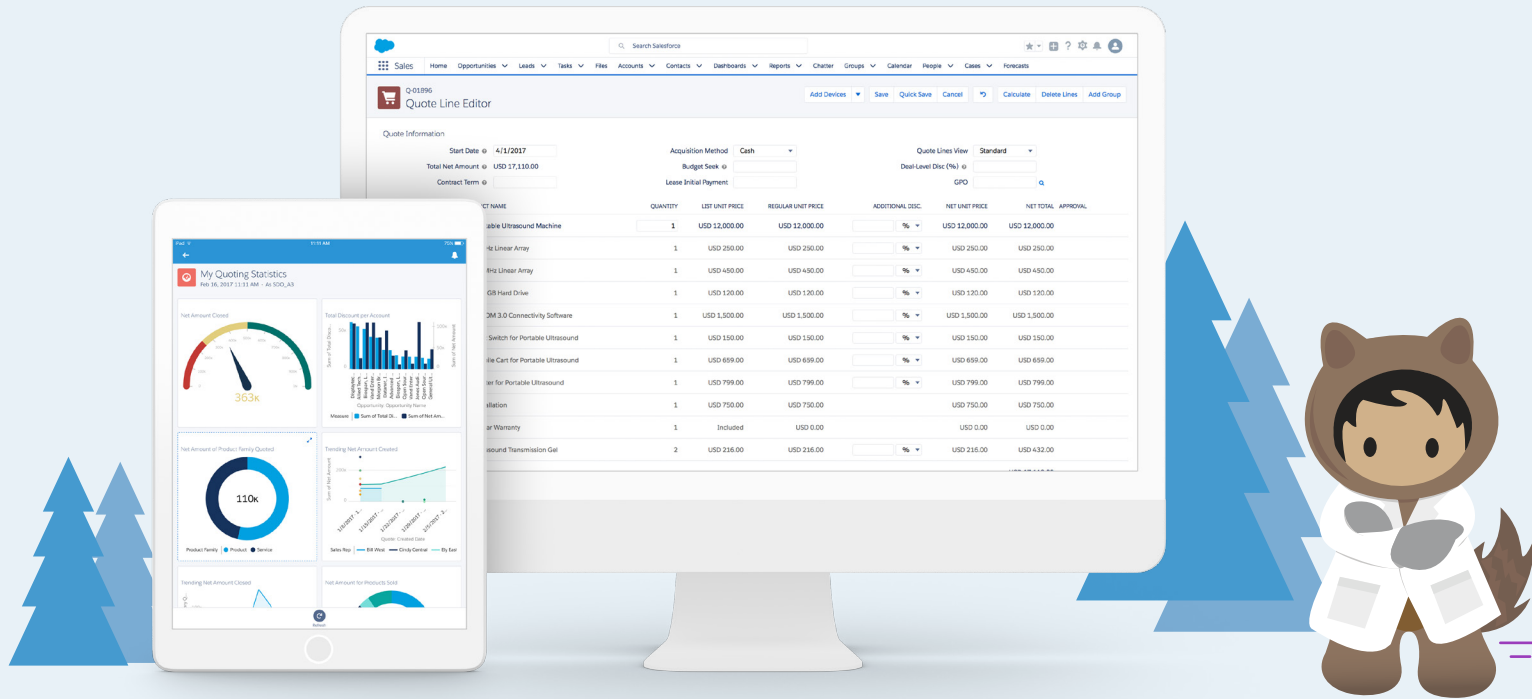
 **29%**
improvement in
quote-to-order
conversion

 **32%**
decrease in quote
approval time

Source: 2016 Salesforce Report



Salesforce CPQ Features



SALES FEATURES

Guided Selling – Help your sales reps select the right products and services for each customer every time. New reps become productive quickly and can easily identify cross-sell and upsell opportunities.

Product Configurator – Configure products and services based on your business rules and logic. Update configurations at any time for special promotions or product changes.

Price and Quote – Ensure consistent pricing and discounting, and include the right mix of components in every quote. Generate customer-friendly quotes easily and accurately.

Proposal Generator – Create professional-looking branded proposals using fully customizable templates so your documents look the way you want.

Orders and Renewals – Easily create standard Salesforce orders from the primary quote. Split quotes into multiple orders while preserving product bundles and quantities. Generate renewal quotes while applying price increases.

MANAGEMENT FEATURES

Sell Through Communities – Accelerate channel sales and make it easy for partners to sell your products and services. As your partners generate quotes, your pipelines and forecasts are automatically updated.

Manage Assets and Support Entitlements – Generate assets, entitlements, and service contracts for full visibility into products purchased and services owed across the organization.

Manage Contracts – Maintain a library of approved quote terms. Dynamically generate sales contracts based on products and services quoted, customer location, or custom parameters. Modify terms as needed. Deliver executable contracts with a click or a tap and integrate with e-signature to close the deal.

Salesforce CPQ Benefits

Value and Profitability

- Spend less time quoting and more time selling. Get a complete view of the customer with useful productivity tools to accelerate your business.
- Eliminate revenue leakage by delivering timely quotes with less errors. Apply accurate discounts across complex product configurations.

Efficiency and Productivity

- Streamlined quoting process accelerates sales deals and speeds up the approval cycle.
- Integration into the Salesforce core platform means all your accounts are stored, connected, and available on the same platform, for button-click access.

Ease of Use and Mobility

- If you can use Salesforce, you already know how to use Salesforce CPQ. Out-of-the-box functionality means you can get started immediately, without the need for custom development.
- You can access Salesforce CPQ from any platform, anywhere, anytime you need it.

Accuracy and Regulation Tracking

- Sell the right product using the right pricing. With guided selling, configuration is accurate and errors are eliminated.
- FDA-cleared product configurations can be accounted for and embedded in your quotes



Your CPQ Checklist

What criteria translate to a critical need for CPQ? Here are the top five reasons to make implementation a priority:

- ✓ Your company offers heavily matrixed product combinations.

Your sales proposal incorporates products that must be sold together, with specific quantity requirements, including accessories and peripheral products.

- ✓ Your organization offers a subscription sales model.

In addition to physical products, you offer SaaS software, add-ons, upgrades, and premier support services.

- ✓ Your company manufactures a proliferating variety of SKUs.

You sell a complex mix of products, with a wide variation of slightly different attributes.

- ✓ Your sales policies include complicated pricing and discounting requirements.

As part of your sales process you include tiered discounting, contracted pricing, discounts as a percent of total pricing, and discount approvals.

- ✓ Your organization has experienced a significant change in operations.

If you've been through recent M&A activity, business unit consolidation, a sales strategy change, a new business model, or technology consolidation, the time might be right to upgrade and modernize your sales process with CPQ.

Accelerate your sales process, eliminate errors, and capture your full revenue capacity.



Remember...

In an extraordinarily complex selling environment, you need an extraordinarily robust selling tool. Salesforce CPQ is that tool. It is the key to accelerating your sales process, eliminating errors, and capturing the full revenue capacity of your contracts. Want to learn more? Check out the following resources:



WEBINAR

Accelerate Growth with Quote-to-Cash for Life Science Companies

[WATCH THE WEBINAR >](#)

DEMO

Salesforce Quote-to-Cash Demo Video

[WATCH THE DEMO >](#)

INTERACTIVE TOUR

Salesforce Quote-to-Cash Interactive Tour

[START THE TOUR >](#)

