THE BOTTOM LINE

Nucleus Research found that automating Quote-to-Cash (QTC) delivers significant benefits beyond core customer relationship management (CRM) software. In analyzing the experience of a number of Apttus customers, Nucleus found that Apttus QTC software accelerated time to quote by an average of 68.5 percent. Apttus customers improved business outcomes and experienced benefits such as increased employee productivity, accelerated quote to cash processes, cost savings, and increased compliance and standardization.

THE SITUATION

Despite the pervasiveness of productivity enhancing software that automates manual processes, many companies still use a mixed bag of tools including excel spreadsheets, product guides, and home-grown solutions for product configuration, pricing and quote creation. For enterprises with large, complex product sets, these manual processes can have a negative impact on employee productivity, deal momentum and business outcomes such as revenue growth, profitability, and customer experience.

Solutions which automate these processes bring significant benefit to enterprises that implement them. Nucleus found that edge applications – applications that work alongside customer relationship management (CRM) software to manage end-to-end business processes like Quote-to-Cash (QTC) applications – deliver 4.2 times the return on investment (ROI) of core CRM implementations. When considering implementing an edge application, Nucleus recommends that companies consider its breadth and repeatability, or the number of processes it will touch and the frequency of that touch, as that will help prioritize projects which have the greatest ROI (Nucleus Research q103 – Edge CRM Delivers 4.2 times more ROI, June 2016). For many companies, the functionality of QTC software has significant breadth and repeatability, and will bring quantifiable benefits when prioritized.

THE SOLUTION

Apttus is a Quote-to-Cash (QTC) software-as-a-service provider whose solutions – including Configure Price Quote (CPQ), contract management, revenue management, and e-commerce – run on the Apttus Intelligent Cloud. The Apttus Intelligent Cloud is built on Salesforce App Cloud and Microsoft Azure, and
combines QTC functionality, machine learning, and an intelligent agent – Max – to optimize QTC operations and increase effectiveness across the sales cycle. It also houses a suite of enterprise level applications that go beyond standard QTC process automation, including promotions, incentives compensation, rebates, and X-Author – an application which enables quoting, pricing management, budgeting and contracting to be done using Excel and Word as front ends.

Apttus’s machine learning capabilities make recommendations that improve revenue management, and Max helps organizations optimize deals, prepare quotes, update contracts, and manage discounting and pricing. Apttus’s QTC platform connects to any customer relationship management (CRM) platform including Salesforce and Microsoft.

By deploying Apttus’s Quote-to-Cash solution, customers can maximize their sales, contract, billing and ordering, and customer relationship lifecycles. Key functional areas of the solution include:

- QTC process automation applications – CPQ, contract lifecycle management (CLM), billing, deal management, order management, and omni-channel e-commerce functionality provide integrated end-to-end, streamlined QTC processes that increase selling effectiveness across the sales cycle.
- Behavior applications – Promotions, compensation, and rebates influence buyer behavior, align sellers’ activities with corporate goals, and drive revenue across sales channels. X-Author increases adoption by allowing Microsoft Word and Excel to function as user interfaces for CRM platforms.
- QTC machine learning – Apttus’s machine learning functionality recognizes patterns in data, predicts outcomes, and recommends relevant, intelligent actions which can be used, for example, to help sales navigate to the most optimal deal.
- QTC Intelligent Agent – Max is designed to manage all aspects of the QTC process, allowing sales organizations to create optimal deals, configure complex solutions, prepare quotes, update contacts, manage discounting and pricing, and manage other user functions. Users can interact with Apttus applications in different ways, like talking to or messaging Max, or through augmented reality.

Nucleus analyzed the experience of Apttus customers to understand why they chose Apttus over other solutions for QTC.
WHY APPTUS QUOTE-TO-CASH?

Customers considered several vendors before selecting Apttus, the short-list often consisting of Zuora, Big Machines and Apttus. Ultimately, customers selected Apttus for reasons pertaining to ease of implementation, functionality, and platform.

IMPLEMENTATION

Customers cited the ease with which Apttus is implemented as being one of the primary reasons for selecting it. On average, customers implemented Apttus within 3 to 6 months and most were able to do so without a third-party implementation partner, which cut costs. One customer mentioned Apttus’s out-of-the-box functionality as being a deciding factor for their business, as competing vendors were not able to demonstrate how their solution would meet its specific needs without prior configuration, stating “We had four vendors short listed, and each received a questionnaire with use cases. Everyone tried to demo their product with the use cases. Apttus came closest to meeting each use case. Due to its out-of-the-box nature, we were able to demo it ourselves which brought our confidence levels high.”

FUNCTIONALITY

Industry-specific and mobile functionality were also among the reasons customers selected Apttus. Apttus targets specific industries, delivering QTC solutions for the communications, financial services, healthcare, high tech, life sciences, manufacturing, and media & entertainment industries. One customer said, “In doing research we realized how many other telecommunications companies leveraged the Apttus platform. It delivers a solution geared toward not only the enterprise space, but us specifically. We needed that industry-specific functionality.”

Another customer cited Apttus’s mobile functionality as being its most attractive feature for their business, stating “We needed a vendor with strong mobile quoting capabilities. We are a medical device manufacturer with about 54,000 SKUs across seven different markets, with 1400 users – many of whom are in the field quoting from their ipads and mobile devices. Apttus could support that.”

PLATFORM

The most frequently referenced reason for selecting Apttus is its QTC platform capabilities. Some of the reasons customers prefer the Apttus QTC platform to those of its competitors include the fact that Apttus is both built on and integrated with Salesforce and Microsoft, has a high degree of configurability and usability, and is strong in both CPQ and CLM.
Many customers with whom Nucleus spoke were Salesforce or Microsoft customers prior to considering QTC solutions, which made Apttus a more attractive solution than its competitors which integrate with at best one of the two vendors. Since the Apttus Intelligent Cloud was a partner of Salesforce and, as of early 2016, is available on Microsoft Azure, Salesforce and Microsoft customers alike can get more out of their CRM solutions by enhancing it with Apttus’s CPQ, CLM, revenue management, incentive compensation, X-Author and e-commerce applications. Apttus also integrates with other productivity enhancing software like enterprise resource planning (ERP) applications.

- “We’re a Salesforce shop, so that was a main driver for selecting Apttus for QTC. We leverage Apttus with Salesforce for CRM Sales Cloud, and it extends us past the core CRM capabilities.”
- “We already have employees with Salesforce and Microsoft systems expertise. If we had gone with BigMachines, we would need to hire someone who understood the language it’s built on.”

Apttus benefits from the flexible architectures of Salesforce and Microsoft, which makes it highly configurable and easier to maintain than many of its competitors. It also benefits from Microsoft’s machine learning capabilities, scalability, and global support. One customer described Apttus’s configurability and minimal maintenance as a deciding factor, stating “Apttus makes us less reliant on our IT department and because it runs on Salesforce, it’s ‘click not code’ – the solution supports itself.” Prior to Apttus, the customer was performing CPQ through several home-grown apps which were costly and difficult to maintain.

Apttus’s strength in both CPQ and CLM was another feature that drew customers to the vendor. 20 percent of customers implemented CLM right away alongside CPQ, and 40 percent planned to do so after implementing CPQ. One customer said, “We liked the fact that Apttus is strong in both CLM and CPQ. A lot of platforms are strong in one and not the other. We really needed functionality in both, and they blend nicely together.”

**KEY BENEFITS**

Nucleus also analyzed Apttus customers to determine the benefits they experienced by deploying Apttus QTC. Benefits included increased employee productivity, accelerated QTC processes, cost savings, improved business outcomes, and increased compliance and standardization.
INCREASED EMPLOYEE PRODUCTIVITY
100 percent of Apttus customers with whom Nucleus spoke said they experienced increased employee productivity after deploying Apttus QTC. Customers experienced a 12 to 18 percent increase in sales rep productivity on average, as well as significant productivity boosts across other departments. Contributing to increases in employee productivity were the automation of formerly time consuming processes like quoting and approvals, the integration of QTC applications with CRM, mobile functionality, and Apttus’s analytic capabilities which enable managers to track team performance and optimize strategies to maximize productivity.

Customers typically experienced a 12 to 18 percent increase in sales rep productivity.

ACCELERATED QUOTE-TO-CASH
Customers Nucleus interviewed found that Apttus accelerated the time it takes their employees to deliver quotes by 68.5 percent on average. Customers experienced improved closing rates since reps were able to deliver more quotes per day, and saw improvement in the success rate of reps, as accelerating the QTC process frequently increased customer satisfaction in turn increasing the likelihood of closing the deal.

Apttus accelerated time to quote by an average of 68.5 percent.

COST SAVINGS
Implementing Apttus QTC led to cost savings by reducing employee headcount and decreasing training time. On average, customers Nucleus interviewed saved $800,000 annually by implementing Apttus, as they eliminated employees who maintained legacy systems, reduced data entry and customer service teams, and avoided the need to hire additional employees. Due to the usability of the solution and the streamlined virtual and face-to-face training services provided by Apttus, customers experienced a 75 percent reduction in training time on average compared to legacy QTC systems.

On average, customers saved $800,000 annually by implementing Apttus, as they eliminated employees who maintained legacy systems, reduced data entry teams and customer service, and avoided the need to hire additional employees.
IMPROVED BUSINESS OUTCOMES

Customers experienced improvements in business outcomes such as increased revenue, increased self-quoting, and improved data quality. Companies for whom implementing Apttus was the first time they automated their QTC process experienced the greatest revenue boosts. Companies moving from a competing QTC solution to Apttus also experienced increased revenue. For one company who relies on subscription revenue, Apttus’s e-commerce “renew me” tools have led to over 7000 renewals without requiring any touch, which has brought nearly $45 million in business.

For one company, Apttus has led to more than 7000 renewals and nearly $45 million in business.

Another company Nucleus interviewed has experienced improved business outcomes by way of increased adoption of self-quoting tools in the field. Prior to Apttus, 60 percent of the company’s field representatives used its legacy QTC system. After implementing Apttus, the company estimates 80 to 95 percent use it, equating to a 20 to 35 percent increase in adoption of QTC software.

One company experienced 20 to 35 percent increase in adoption of QTC software.

Apttus QTC software improves data capture and data quality, as well. One customer describes how the integration of Apttus with their ERP system reduces the margin for error in the data collection process, stating, “Since sales can directly submit orders through ERP due to Apttus’s integration with our system, we’ve seen a reduction in human error with regards to data entry because there is no time lag or transfer of responsibility.”

INCREASED COMPLIANCE & STANDARDIZATION

Companies also cite increased compliance and standardization as being a key benefit of Apttus. Having visibility into and control over discounting, ensuring customers get the prices to which they are entitled, avoiding revenue leakage, and pulling the correct agreements for each transaction are some of the capabilities increased compliance and standardization afford Apttus customers. One customer said, “We have more compliance controls around discounting with Apttus because we are using advanced workflows for approval processes. We are able to ensure reps are in compliance with policies when quoting, and that within specific contracts, there are specified discount rates. Before, it was the wild West.”
Nucleus conducted an in depth ROI assessment of a customer who benefitted significantly from the implementation of Apttus QTC.

CUSTOMER PROFILE

Nucleus’ case study evaluated the ROI garnered by GLOBALFOUNDRIES for implementing Apttus QTC. GLOBALFOUNDRIES, a semi-conductor foundry business, deployed Apttus to automate its manual, time-consuming quoting process. Nucleus found implementing Apttus QTC enabled GLOBALFOUNDRIES to streamline and automate the product configuration process, accelerate time to quote and time to production while reducing manual error. (Nucleus Research, p138 – Apttus: GLOBALFOUNDRIES, August 2015). Key take-aways from that case study include:

- Return on investment: 419%
- Average annual benefit: $4,121,513
- Payback: 3 months
- Cost:Benefit ratio: 1:6.9
- Customer response time accelerated by 90 percent

BEST PRACTICES

Obviously, future adopters of Apttus QTC should bear in mind the importance of effective change management. QTC applications like Apttus exert a significant impact on the day-to-day activities of many employees within the company. Employees may not see the benefits upfront, and may require education to facilitate adoption, especially when enabling new processes or capabilities. Nucleus found that customers who took a phased approach to implementation, introducing the solution to a test group prior to launching it across the organization, were most successful.

CONCLUSION

Nucleus found that Apttus QTC brings measurable value to its customers. As home-grown QTC solutions become increasingly ineffective in this fast-paced, mobile world, more companies will be looking for a solution that maximizes productivity, cut costs, and improves customer satisfaction. Nucleus finds that Apttus delivers a compelling solution, especially to enterprises with complex product sets, large sales forces, and multiple sales channels.