

**NUCLEUS**  
RESEARCH

# CPQ TECHNOLOGY VALUE MATRIX 2021

## ANALYST

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## THE BOTTOM LINE

While we are returning to some semblance of normal, we are far from out of the woods. The global economy is still plagued by supply chain issues, labor shortages, convoluted regulations, and the looming threat of new variants. Configure, Price, and Quote (CPQ) is a critical solution to help businesses mitigate these disruptions and even open the doors to new business opportunities. The adoption of CPQ is at a fever pitch across virtually all industries; businesses leverage the solution to accelerate sales cycles, maximize revenue, and improve customer satisfaction. Nucleus attributes much of this market growth to service industries' adoption of the subscription economy and manufacturers implementing complex self-service product configurators. Users can also expect their CRM and ERP providers to offer CPQ functionality baked into their platform, if not already.



## OVERVIEW

As brick-and-mortar stores closed and in-person meetings stopped during the pandemic, we saw businesses’ success implementing CPQ solutions to enhance sales team performance and enable e-commerce and self-service sales channels. In 2021, CPQ

momentum has only increased because of the proven value and ROIs that companies achieved in both product and service sectors. (Nucleus Research U128 – *CPQ returns \$6.22 for every dollar spent* – September 2020) Businesses continue to adopt CPQ products to adjust to ongoing market fluctuations and combat the disruption of labor shortages and supply chain issues.

Last year we noted the proliferation of CPQ point-solutions given the vertical expertise required to serve specific industries. While still a saturated market, we have seen increased M&A activity as CRM and ERP vendors purchase and integrate CPQ products to extend their platforms' functionality. Notable examples include Salesforce's acquisition of Vlocity in July 2020 and Epicor's acquisition of KBMax in May 2021. Users of product-centric ERP platforms stand to benefit from a natively integrated CPQ to streamline the production process, invaluable to make- or engineer-to-order products. Benefits include accelerated production cycles, decreased material wastage and rework, and improvements to customer satisfaction by automating the data streams from self-service configurators directly to the factory floor. CRM integrations provide customer data for cross-and up-sell recommendations and enable AI-driven deal analysis and pricing optimizations. Integrating the CPQ into billing systems streamlines the account receivable processes, reduces transaction matching, and enables revenue recognition and performance analytics.

Since last year's Value Matrix, Nucleus observed shifts in customers' CPQ buying behaviors. E-commerce integrations and self-service portals are table stakes. Customers in physical asset industries often cite advances in 3D visualizations and AR/VR technology as primary selection factors and differentiators. Users often report up to 50 percent increases in annual sales for products that have newly deployed visualization capabilities. There is a clear correlation between the increase in sales and the extent of the visual configurations employed, where engineer-to-order products with 3D customization and AR functionality see the most significant boosts.

As digital transformation becomes a necessity for businesses small and large, the administrative ease-of-use of a given CPQ solution is another critical selection factor. Companies prioritize reducing their IT burden; therefore, they prefer CPQ solutions that do not require professional developers to maintain the system, implement new products, and configure product and pricing rules. Since businesses adopt CPQ to impart greater agility into their sales processes, the back-end system must also be flexible and easy to use. Nucleus has observed CPQ users leverage low/no-code customization frameworks to great success over the past year. Speed of implementing new products and supporting new sales channels from an administrative perspective is imperative to business agility and to remain competitive in today's fast-paced economy.

For this Value Matrix, Nucleus evaluated CPQ vendors based on their usability and functionality, as well as the value that customers realized from each product's capabilities

(Nucleus Research s142 – *Understanding the Value Matrix* – September 2018). The research is intended to serve as a snapshot of the CPQ technology market, help inform customers about how vendors are delivering value, and take stock of what can be expected in the future based on present investments.

## LEADERS

Leaders in the Value Matrix include Conga, Infor, Oracle, PROS, and Salesforce.

### CONGA

Conga is a leader in the 2021 CPQ technology value matrix, recognized for its Conga CPQ solution (formerly Apttus). Conga CPQ enables customers to accelerate sales by configuring complex products and services across nearly all industries including, communications, energy, financial services, healthcare, high technology, life sciences, manufacturing, media and entertainment, and public sectors. Built on the Salesforce platform, Conga CPQ boasts native integration with Salesforce's cloud services and features additional integrations with Oracle Cloud and Netsuite, Microsoft Dynamics 365, SAP, and Workday. Conga provides customers with a single data platform model across multiple applications such as CPQ, claims and litigation management (CLM), digital commerce, and document generation thus avoiding potential out-of-sync data risks. Resultant from this unified data model, Conga CPQ enables users to set product and pricing rules applied across its CPQ, Partner Quoting, and Self-Service E-Commerce, all without worrying about API connectivity between different channels. Conga CPQ also provides adjustable cross bundling rules to support bundled sales, recurring products sales, and usage-based sales within one quote. Conga CPQ is ideal for handling complex quoting tasks with support for 10,000 lines and 3000 attributes in a single quote. Using Conga CPQ's guided selling framework, organizations can build more accurate quotes at a faster pace leveraging the system's recommendations for products, services, and bundles.

Following Conga's acquisition of Apttus in May 2020, Conga has leveraged the scale and resources of the combined vendors to deliver various improvements to the CPQ platform featuring:

- Various speed improvements to streamline sales processes, including accelerated quoting, 10 times faster performance for Config and Pricing Microservices and integration with Conga sign.

- Increased flexibility in configure and pricing, incorporating price waterfalls with unlimited price points, solution-level promotions, and bill planning/forecasting within Quoting.
- Extended management capabilities, such as proposal management for the commercial market with recommendations on proposal documents and advanced subscription management with consolidation and split of assets.
- Advanced configuration rules, including validation of optional products, support for up to 3000 product attributes, support for shared attributes, capabilities for promotions across bundles, and support for inclusion, exclusion and validation rules based on previous purchases.

While Conga has largely focused on servicing enterprises with complex configuration and pricing, the vendor is pushing to expand its presence in the SMB space with its 2021 launch of "Proposal Management for SMB" to help the lower end of the market automate their proposal management process. Looking ahead, Conga intends to build out its integration portfolio to make its product available across various e-commerce and commerce platforms with the goal of delivering a single commerce platform across all channels and touchpoints. As this roadmap comes to fruition, Nucleus expects Conga to improve its positioning in the CPQ Technology Value Matrix.

## INFOR

Infor is a leader in this year's CPQ Technology Value Matrix. Infor CPQ offers tailored functionalities and item configuration options to clients in the manufacturing industries, such as aerospace, defense, automotive, building products, construction, high technology, and industrial equipment, along with distribution and retail industries. Infor combines Infor OS and Infor Birst, the business intelligence and analytics engine, into a unified solution, which can be integrated with Infor's entire CloudSuite ecosystem to provide further operations planning, extensibility, AI, and financial capabilities. Infor offers comprehensive visual configuration, quoting, ordering, and integration capabilities, which drive sales revenue, reduce costly errors and increase market awareness. Organizations can share their highly customizable products across all sales channels with Infor's powerful visual configuration engine, which offers an interactive experience to customers and enables users to create 2D parametric drawings, 3D Models, and customized CAD assemblies. Users can automatically generate manufacturing information with accurate bills of material (BOMs), routings, shop orders, and order changes. Infor CPQ has standard integration with a wide range of applications, such as Salesforce CRM, Microsoft CRM, Infor ERP, Oracle ERP, Microsoft Dynamics ERP, SolidWorks, PTC, Autodesk, e-commerce platforms and more applications via API. With Infor CPQ mobile users can utilize all the main CPQ functionalities directly on

their mobile device to streamline the lead-to-order process, optimize prices, and improve customer satisfaction.

Infor recently made some new enhancements to its CPQ platform, which include real-time 3D visual configurations, augmented reality, and new integration capabilities.

- Real-time 3D visual configurations. This feature enables customers to view, customize, and confirm their product selections in an interactive UI. With each modification to the product item, the price gets automatically updated in real-time to reflect the customer's selection.
- Augmented Reality. Offers the ability for customers to project product configurations into their local environment to confirm the selection is a good fit. This reduces the amount of return orders and improves customer satisfaction significantly.
- More Integration Capabilities. Infor expanded the number of API connectors to integrate more key data points from other enterprise solutions. Infor CPQ can connect with Microsoft Dynamics 365, Microsoft AX, and Oracle EBS to provide further visibility and autonomy across all sales channels.

With the recent product enhancements, Infor solidifies its usability and functionality capabilities. Nucleus expects Infor will further improve its AI for demand forecasting and price optimization in the near future, which will provide further value to its customers.

## ORACLE

Oracle is recognized as a leader in the 2021 edition of the CPQ Technology Value Matrix for its Oracle CPQ. Oracle offers a highly configurable product to fit client goals and business models in various verticals, including communications, construction and engineering, financial services, high technology, healthcare, industrial manufacturing, and utilities. Operating within the Oracle Advertising and Customer Experience (CX) suite, CPQ integrates with Oracle's other services managing client sales experiences to better inform the complex product configuration and quoting needs of large enterprises. Oracle CPQ also supports subscription quoting and payment options, including managing subscription annuities, software license contracts, support agreements, renewals, and prorated pricing, through its Oracle Subscription Management integration.

Over the past year, Oracle introduced various updates to its CPQ platform, extending its functional utility and intuitive ease-of-use.

- Update 21B brought enhanced attribute mapping to Oracle Sales, REST API integration with Oracle Order Management, and notable improvements to its JET user interface.

- Update 21C included indicators for unconfigured models, support for system variables and version attributes as formula inputs, and improved end-user response time with internal parallel processing of commerce rules.
- Update 21D delivered support for delta pricing in commerce formulas and BML functions, a new Commerce Layout Editor for customization of JET and Legacy Commerce UIs, usage metrics for API licenses and disc space, and .XLSX file exports of commerce reports.

As Oracle expands its presence in B2B, the vendor continues building CPQ functionalities and improving usability to enhance general capabilities and further cater to deployments within specific verticals. With self-service functionality, Oracle CPQ can deliver an e-commerce experience for B2B sales. Oracle CPQ also connects to Oracle Commerce, bringing compatibility with e-commerce sites for B2C and B2B organizations. As Oracle pushes furth into service, Nucleus expects customers to experience smoother CPQ cloud implementations and faster return on investment. Oracle offers year-round enterprise support and product advisors along with webinar and product service classes to streamline deployments. As Oracle continues to invest in new functionalities and expanded service, Nucleus expects Oracle to maintain its position as a leader in the CPQ Technology Value Matrix.

## PROS

PROS is a leader in the 2021 edition of the CPQ Technology Value Matrix for its PROS Smart Configure, Price, Quote solution. PROS Smart CPQ delivers a personalized experience for buyers with AI-based pricing and sales intelligence to curated solutions for each individual customer. With a hybrid architecture exempt from governor limits, PROS can support large quotes, bids, and RFPs with thousands of line items. As a part of the PROS Platform, PROS Smart CPQ boasts integration with PROS Smart Price Optimization and Management to facilitate end-to-end omnichannel selling. This dynamic pricing allows businesses to reduce revenue leakage while accelerating sales cycles with AI-generated price and product recommendations. With PROS' constraint-based configuration engine, businesses can scale their product offering from simple products to highly configurable solutions. With functionalities at scale, PROS can meet the complex needs of global enterprises, especially those involved in processing, manufacturing, and distribution.

Over the past year, PROS has continued to invest in its PROS Smart CPQ solutions to extend end-user functionalities, analytics, and integrations. New features include:

- Volume pricing, which allows sales to negotiate scaled pricing structures to incentivize bulk deals. PROS Smart CPQ end-users can accelerate negotiation processes with capabilities to discount based on quantity and revenue tiers, amend

scale structures and values from the Quote interface, and publish approved price agreements as references for future transactions.

- Product bundling, featuring capabilities such as simplified assemble-for-sale usage, user-defined product structures within the Catalog, and bundle price negotiations directly within the Quote interface.
- User rules governing defined permanent value based on product attributes to ensure accurate and consistent quoting while preventing quoting errors.
- Intelligent price goal seek, which applies a discount target to any amount of line items with respect to defined user rules to enable intelligent distribution of discounts across the quote.
- Sales agreement workflow management with end-to-end support of negotiation processes from creation and amendment to renewal and extension.
- Extended integrations including ones with Salesforce and Microsoft CRMs and managed packages for Microsoft Dynamics 365 ERP.

With continued investment in its quoting engine and sales agreement lifecycle management, PROS looks to further penetrate the B2B market and is well suited to handle complex, large-scale B2B sales. Nucleus expects PROS' continued overhaul of product design and user experience to streamline end-user sales cycles and improve positioning in future editions of the CPQ Technology Value Matrix.

## SALESFORCE CPQ

Salesforce is a leader in this year's CPQ Technology Value Matrix. Salesforce CPQ enables organizations to transform their buying experience by offering a comprehensive solution that addresses a wide range of industries, from healthcare to high technology and professional services to industrial manufacturing.

Under the umbrella of the Revenue Cloud, Salesforce CPQ combines product, quotes, orders, contracts, and subscription management capabilities. Users are equipped with a wide range of automation tools, such as automatic renewal reminders, real-time price updates, and custom approval requests, which streamline the entire sales cycle. With Salesforce's library of over 5000 certified CPQ specialists, the CPQ platform can be connected to most SaaS ecosystems, enabling organizations to support multiple sales channels, revenue streams, and transaction types. Organizations can improve their revenue efficiency by utilizing the integrated AI, Einstein, which provides guided pricing and product suggestions for a tailored customer experience. The CPQ's in-depth approval customization features, accelerate the approval process, ensuring all quotes are compliant and managers automatically get notified, reducing time-to-quote, and increasing sales productivity.



Revenue Cloud's recent enhancements include new permission rules, duplicate payment prevention, and more rebate management capabilities.

- New permission rules. Enables admins to set permission rules for CPQ users and customer users, which ensures users have appropriate access to objects and fields. For example, admins can place granular access rules on who can create new contracts and edit specific sections.
- Duplicate payment prevention. Salesforce Billing automatically locks invoice payments when a user makes a charge request. The payment unlocks when the system confirms a valid response from the payment gateway.
- Rebate management. Users can integrate rebates and benefit tiers into the CPQ workflow, which provides greater visibility into revenue by calculating the accrual amounts. Organizations are enabled to make rebate payouts based on account hierarchies based on transactions from subaccounts.

Salesforce's continued enhancement in functionality and usability solidifies the CPQ platform's leadership position. Nucleus expects Salesforce to provide further improvements in the long term, such as 3D configuration, AI-based bundle, and CPQ workflow automation capabilities.

## EXPERTS

Experts in the Value Matrix include FPX, Salesforce Industries CPQ, SAP, and Tacton.

### FPX

FPX is an expert in the 2021 CPQ Technology Value Matrix for its differentiated support for traditionally underserved verticals. FPX Intelliquip Selling Cloud brings support for manufacturers of medical devices, mechanical equipment for industrial and specialty vehicle manufacturing, and fluid handling equipment such as pumps, compressors, motors, and valves. FPX Intelliquip Selling Cloud is purpose-built to evaluate complex, engineered, equipment enabling customers to sell faster with front-office selector and configure-price-quote solutions leveraging FPX's domain experience. FPX Intelliquip Selling Cloud is a B2B point solution with integrations to front and back-office solutions of Adobe, IBM, Microsoft, Oracle, Salesforce, SAP, and more. As a result of FPX's B2B focus, the vendor can deliver highly customized products with in-depth configuration options and product specifications, enabling customers to maintain brand consistency. FPX Intelliquip Selling Cloud also features out-of-the-box capabilities for location-based selling and multi-channel portals with customizable constraints and products rules for targeted selling. Using FPX Intelliquip

Selling Cloud, multiple sales representatives can collaborate to manage quotes, adjust product orders, and perform price optimization.

FPX enlists a vertical strategy and continues to pursue a best-of-breed application within the highly technical markets it serves. This focus allows FPX to provide accelerated development of new functionalities and rapid implementations with industry-specific out-of-the-box capabilities.

- In March 2021, Intelliquip announced the V.21.0 release of its SaaS Selling Cloud with notable capabilities, including adjustable NPSH based on viscosity, out-of-range alerts for temperatures beyond the defined bounds for viscosity or density values, and user specified speed limits for positive displacement pumps.
- In April 2021, the V.21.1 release of FPX Intelliquip Selling Cloud was made widely available bringing enhanced product selector functionalities to its SCPO solution. This update brings new capabilities catering to the selling and quoting of slurry pumps, such as comparisons of equipment based on specific slushy densities, concentrations, and settling velocities, along with digital performance curves across relevant ranges of parameter values.

As FPX continues to bring differentiated catering to manufacturers of engineered equipment for specific verticals with its best-of-breed SCPO solution, FPX builds a moat around its niche customer base. Nucleus expects FPX to continue to lead targeted verticals in functionality, especially as FPX remains largely unchallenged.

## SALESFORCE INDUSTRIES CPQ

Salesforce Industries CPQ is an expert in this year's CPQ Technology Value Matrix. Formerly known as Vlocity CPQ, Industries CPQ is an industry-specific application within Industry Clouds that provides users with industry-specific features, product models, data models, and processes that natively integrate with Sales Cloud and Service Cloud. Industries CPQ was constructed using an industry-focused approach and is designed to combine CPQ and digital commerce for companies in a variety of industries, including communications, energy & utilities, media & entertainment, health, insurance, and government. Industries CPQ equips users with many of the same capabilities as traditional CPQ vendors but also incorporates additional specialized features without the cost typically associated with custom solutions, accelerating time to market, and reducing the total cost of ownership. The CPQ UI features a CPQ cart based on the OmniStudio FlexCards framework and digital commerce APIs that enable users to build both B2B and B2C applications to support adding, configuring, changing, disconnecting products across a customer's lifecycle. Industry-specific capabilities for managing in-flight amendments, follow-on orders, multi-site, and bulk ordering are also supported. The CPQ's Enterprise Product Catalog enables

users to offer best-fit products and services across multiple channels through guided selling workflows. Further, users are then able to manage end-to-end businesses processes regarding product lifecycle management, including the capabilities to define products, bundles, attributes, rules, pricing, and promotions. Providing tailored, omnichannel capabilities based on unique needs for specific industries while leveraging all the benefits and features of Sales Cloud and Service Cloud gives Industries CPQ users the resources to build and submit quotes and orders more accurately and efficiently, and provides the agility to optimize the business' time to value and maximize customer lifetime value.

Over the last year, Industry CPQ has made several enhancements and additions to its product offerings. Some key improvements include:

- **Product Versioning Support.** Product Versioning accelerates product update implementation and market responsiveness by allowing companies to introduce changes to existing products without disrupting ongoing transactions. It supports for lifecycle status, version effective dates, tracking lifecycle of each version of the same product, viewing version history and comparison, and version history report.
- **Loyalty Management.** This feature assists in the design and implementation of customer recognition, reward, and retention programs. Available for both B2B and B2C businesses, users can now run promotions and onboard program partners to strengthen customer engagement.
- **Enterprise Sales Management (ESM) for Communications Cloud.** Enterprise Sales Management enables large transaction quoting for B2B sales. ESM supports location and subscriber-based patterns for multi-service solutions, data loader and dynamic field mapping, bulk upload, configuration and group management, and proposal templates and orchestration plans for Mobile, Internet, and VPN.
- **Mobile Subscription Management (MSM) for Communications Cloud.** MSM simplifies digital onboarding and in-life processes by providing guided acquisition and in-life processes for consumer prepaid mobile subscribers. It supports customer interaction history, balance and usage tracking, and integrates with on-line charging systems.
- **Advertising Sales Management (ASM) for Media Cloud.** Purpose-built for Media Cloud, ASM supports campaign planning, execution, and measurement on a converged platform.

## SAP

SAP is an expert in the 2021 version of the CPQ Technology Value Matrix for its SAP CPQ product. SAP CPQ enhances customer experiences and accelerates sales by streamlining complex product configurations and pricing optimization. The vendor frequently delivers new and extended CPQ features to serve key verticals, including automotive,

communications, financial services, high technology, insurance, manufacturing, and retail. SAP CPQ is well equipped to support large-scale quoting with its ability to handle over 10,000-line quotes in minutes. SAP CPQ also differentiates itself with extensive integrations to SAP's other solutions and many third-party ERP and CRM systems.

Over the past year, SAP released various updates to its SAP CPQ product extending its functional capabilities and intuitiveness.

- In March 2021, SAP delivered CPQ 2103 with new capabilities for Pricebook bulk import/export and improved logs of guided selling in the products tab of the audit trail.
- In April 2021, SAP released SAP CPQ 2105, bringing integration for the Solution Quote Object in SAP S/4HANA, pricing condition mapping for placing an order to back-end systems, integration with SAP Master Data Service for business partners, REST API for product categories, and user interface improvements.
- In July 2021, SAP rolled out CPQ 2108, featuring an SAP Commerce Cloud integration, an improved QuoteFields REST API for Quote 2.0, support for simple product attributes and scripting messages in Quote 2.0, and performance optimization for editing parent/child products.

SAP leverages both customer-generated data and out-of-box capabilities to guide sales teams with selling strategies and optimized pricing suggestions to increase opportunities for cross and up-selling. As SAP continues to invest in AI optimized pricing and guided selling for sales representatives, Nucleus expects greater adoption across the industries it serves due to the solution's flexibility and performance at scale.

## TACTON

Tacton is an expert in this year's CPQ Technology Value Matrix, recognized for its suite of cloud-based specialized tools and functionalities powered by AWS that provide manufacturing businesses in a variety of industries including medical devices, energy, industrial equipment, and automotive with the resources to sell highly customized products. Founded in 1998, the Swedish company has a customer-centric approach that offers needs-based, real-time configuration capabilities that bridge communication gaps across departments such as design, engineering, and sales teams. These features enable Tacton users to gain deeper access to actionable intelligence that will bring businesses closer to their customers, and the capabilities are easily integrated with third-party CRM solutions like Salesforce and Oracle. Tacton also improves overall company efficiency by automating mundane business processes, facilitating fast, accurate quotes, and eliminating order errors.

Recent product updates and announcements include:

- In April 2021, Tacton introduced new CAD automation capabilities that fully automate the generation of highly customized and configured CAD drawings. This automation allows manufacturers to design custom products faster with increased precision, reducing errors and boosting productivity while enabling both customers and sales reps without CAD skills to generate technical drawings based on configurations.
- In September 2021, Tacton announced improvements to its CPQ technology, empowering manufacturers to sell subscription-based services and high-variance industrial equipment in a single transaction, expanding pricing capabilities and equipping companies with an equipment-as-a-service model to provide a tailored combination of equipment and service contracts to customers.

## FACILITATORS

Facilitators in the Value Matrix include CloudSense and DealHub.io.

### CLOUDSENSE

CloudSense is a facilitator in this year's CPQ Value Matrix. The CPQ vendor primarily focuses on customers in the communications, data centers, media, and utility industries. CloudSense CPQ platform, built natively upon the Salesforce platform, offers an end-to-end solution that combines product catalog, order management, contract management, document generation, and digital commerce capabilities. The product catalog feature offers an intuitive user interface (UI), which allows organizations to roll out thousands of new products and services without any coding. Users can create static and dynamic bundles across products, services, and subscriptions and change the pricing across all offerings with just a few clicks. This empowers organizations to go to market faster and increase revenue. Organizations can drive growth and speed up the sales cycle by providing sales managers with autonomy and independence. The CPQ platform centralizes all pricing, products, and services in a single master catalog, which users can utilize to optimize deals, manage discounts, and automate approval processes. CloudSense's contract management feature can be completely integrated with Salesforce to accelerate the overall sales process. Users can create complex sales contracts utilizing the pre-built templates without waiting on the legal team to approve. Any related Salesforce data can be incorporated into the agreement. Version control lets team members collaborate with each other and tracks all contract changes. Once a final contract has been approved, it can be sent out and signed electronically to save valuable time. The CPQ platform offers a comprehensive order management feature, which streamlines the entire fulfillment process. Users can automate

workflows via a drag-and-drop UI, and track order statuses in real-time. Orders can be broken down into products, services, subscriptions, and assets to provide further context. One of the core value propositions of the CloudSense platform is that it is completely built on top of Salesforce's ecosystem, which can integrate any key data points from the CRM system, such as customer's historical data, including emails, past order history, special allowances, and other documentation.

The CloudSense platform is suited to B2B businesses where the scale and complexity of the use cases served require a higher level of raw processing power to deliver fast responses. CloudSense's Heroku architecture enables the platform to drive differentiated innovation and underpins recent enhancements including, price plan recommendations, bulk subscriber management, and media integrations.

- **Price Plan Recommendations.** AI & ML offer new pricing models based on historical customer data and planned future usage, which can be used to run simulations. The price recommendations can also be scaled up to larger enterprise B2B customers with thousands of items as well.
- **Bulk Subscriber Management.** Order management improvements enable mass product upgrades and service changes for telecom and utility companies, such as new internet service tariffs to millions of customers.
- **Media Integrations.** CloudSense's integration of Magnite, a media ad exchange company, allows users to consolidate different ad-tech products from different data sources and revenue streams into one view.

With continuous improvements to its capabilities, CloudSense has positioned itself in a competitive position in terms of functionality and usability. Nucleus expects CloudSense will further take market share from larger competitors within the media, communications, and utility industries.

## DEALHUB.IO

DealHub.io is a facilitator in this year's CPQ Technology Value Matrix. The vendor offers a sales engagement platform that encompasses the entirety of a sales cycle, enabling the unification of features and tools designed to expedite sales and equip sales teams with access to heightened visibility into ongoing projects. Traditionally servicing primarily SaaS companies, DealHub now provides solutions for a variety of industries, including manufacturing, finance, printing, and professional services verticals. In previous research, Nucleus has attributed the success of DealHub to its ease of use for employees and the ability for it to be implemented quickly, with customers reporting deployment times of two to three months compared to other enterprise solutions that can exceed nine months. The no-code, scalable platform minimizes IT involvement while enabling users to easily

streamline the sales process from proposal to close, complete with ongoing subscription management.

Created using a sales-centric approach, DealHub CPQ provides users with a collaborative sales engagement platform that simplifies the quoting process, promotes straightforward adoption with guided selling, and enables businesses to experience greater control over sales operations. Some key features include real-time notifications to update sales reps with customer engagement insights, buyer progress tracking throughout various stages of the sales process, and DealHub Playbooks that offer question-based guided selling flows. Playbooks are pre-built, and customizable selling flows that automatically recommend actions, pertinent questions, products, and pricing so that sales teams can optimize closing rates and maximize up-selling opportunities.

In addition to CPQ, DealHub is also furnished with robust CRM capabilities that strengthen the relationship between the sales team and other departments. A Digital DealRoom supports user-generated websites that host both company and customer information, allowing legal teams from both sides of the deal to make necessary or desired alterations to the contract. These changes are then automatically updated in CPQ's, and once e-signatures are confirmed, both CRMs and ERPs are automatically updated as well. These capabilities reduce the overall required touchpoints needed throughout the sales cycle, further improving efficiency and eliminating the potential for user errors.

DealHub is committed to expanding upon its product offerings and capabilities and raised \$20 million in June 2021 to continue evolving and keep up with the rising demand for more complex product configurations. This Series B funding round also supports DealHub's intent to expand into new industries to capture additional customers and explore other growth opportunities. Prospective buyers can expect the continuous release of native integrations to its library of supported CRMs and ERPs as the vendor expands its value proposition to a growing customer base.

## CORE PROVIDERS

Core Providers in the Value Matrix include IBM, Model N, and Zuora CPQ.

### IBM STERLING CPQ

IBM is a core provider in this year's CPQ Technology Value Matrix. IBM Sterling CPQ is part of the IBM Sterling supply chain suite for organizations in the telecommunications, industrial manufacturing, and retail sectors. The solution streamlines and automates the lead-to-order process by enabling users to set configuration rules, update pricing, and generate quotes

across different sales channels in an instant. IBM CPQ platform consists of the Omni-Configurator, Sterling Configurator Visual Modeler, and Sterling Field Sales modules.

- With Omni-Configurator, users can customize and bundle products and services based on a customer preference across all channels, such as web store, call center, mobile, and desktop.
- Sterling Configurator Visual Modeler enables users to create configuration models with specific rules and logic for each product that can be generalized across different product categories to save time.
- The Sterling field sales module stores all relevant purchase information, such as customer details, product modifications, pricing, payment terms, and shipment data in one repository to effectively manage opportunities and quotes. Users can utilize the smart search engine, which allows users to filter information by product details, opportunities, and quotes.

When IBM CPQ is used in combination with IBM's ERP system, organizations can optimize their inventory, order fulfillment execution, and omnichannel delivery capabilities. The CPQ solution can also be integrated with Salesforce CRM to provide further context and greater visibility for each order. IBM CPQ provides a solid option for organizations who would like to complement their existing IBM ERP solution, as it provides basic CPQ capabilities. As IBM's most recent CPQ product updates were in 2019 and support has been discontinued since 2016, Nucleus expects IBM will soon terminate the service entirely.

## MODEL N

Model N is a core provider in the 2021 CPQ Technology Value Matrix. The vendor provides a variety of revenue management solutions built to increase sales and maximize revenue for B2B companies. Model N delivers end-to-end CPQ capabilities that natively integrate with Salesforce and SAP, and delivers price optimization and customizable approval workflows. Mainly targeting organizations in industries such as medical technology, pharmaceuticals, and high-tech manufacturing, Model N CPQ seeks to reduce quoting and conversion times through features including the 3D rendering of products, parts, and equipment with automated contract generation.

Model N's enterprise-grade guided selling functions supplies sales teams with price recommendations, deal scores, and the ability to leverage both internal and external company data resulting in greater customer intelligence and insights to sales users. Integration with existing ERP and CRM solutions assists companies with sales strategies or business models through subscription, rental, and risk-based pricing options. Equipped for both mobile and desktop use, Model N can function with out-of-box SAP Variant




Configuration, which strengthens flexibility and the communication and data exchange between sales and engineering departments.

Recent product news and announcements include:

- In April 2021, Model N announced a strategic life sciences industry partnership with Global Pricing Innovations, a leading analytics and innovative solutions vendor. This partnership is set to deliver scalable services and technologies that facilitate data-powered insights to boost pricing strategies and educated decision-making through a single integrated solution.
- In May 2018, Model N released new capabilities and features designed to improve pricing accuracy and efficiencies for Model N Revenue Cloud for Life Sciences. These new features help to simplify the complex healthcare membership management process through roster processing, smart data matching, and data transformation. A new membership management module ensures pricing accuracy is given to customers using enhanced roster processing and smart address matching. New financial insights tied to sales, rebates, and revenue projections let sales teams streamline the customer business review process. Additional platform improvements seek to ensure adherence to regulatory compliance and reduce revenue loss due to processing errors.
- In June 2021, Model N announced the availability of a new Deal Management solution within the Model N Revenue Cloud for Life Sciences. This solution provides data analysis tools that connect operations and sales teams to enable effective management and communication of pricing tiers, discounts, and equipment status to help sales teams build stronger relationships with healthcare providers, IDNs and GPOs.

## ZUORA CPQ

Zuora is a core provider in this year's CPQ Technology Value Matrix. The vendor offers cloud-based subscription management solutions for customers in a variety of industries, including healthcare, education, media, and communications. It is among the only SaaS platform that automates all subscription order-to-revenue operations in real-time and is built for quoting completely customized combinations of products, subscriptions, and services. Founded in 2007, the California-based company enables users to quote, price, and configure the entire subscription lifecycle. Zuora CPQ offers the flexibility to view custom, dynamic service terms on a single page with Quote Studio, giving users the ability to manage both short- and long-term deals that are comprised of any combination of products, price plans, terms, and conditions. The unification and automation of company



quote-to-revenue processes aligns sales, finance, and operations departments and increases insight into the financial impact of any amendments to the deal.

Zuora has made significant strides to keep up with the evolving needs of customers, and has recently announced the release of CPQ X, its newest software version for the platform. A new Quote Studio page replaces previous configuration pages and can now be dynamically into quoting flows using Zuora's Quote Wizard. Another key attribute of version X is complexity reduction for the creation of ramp deals, with features that designed to be concise, intuitive, and flexible. This release is expected to significantly reduce the amount of time and technical skills required to adjust quoting details, subscription terms, and product updates, thus optimizing efficiency of the quoting work stream. If Zuora CPQ X is successfully adopted by customers, Nucleus expects Zuora's positioning to improve as users drive value across their sales processes with the newly minted solution.