

CASE IN POINT: HARTWIG DRIVES POSITIVE CUSTOMER EXPERIENCE WITH CPQ

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in 

Professional selling in the 21st century requires a far better operational infrastructure than in simpler, earlier times. Sourcing opportunities to procure new customers, especially when your solution is complex and pits your team against agile competitors, necessitates deploying all potential technology enablers that can help reduce sales cycle friction, and protect margin.

Moving Beyond a Top-Line Focus

Consider the case of Hartwig, a St. Louis-based distributor of machine tool solutions and inspection equipment. According to Seth Machlus, VP of Operations, the company recently deployed a comprehensive CPQ solution to “once and for all end the overly subjective nature of our sales process, which had begun to seriously challenge our ability to configure equipment and enhance the customer experience.” This imperative echoes a crucial discovery in Aberdeen’s recent [CPQ research](#), which found that, in a reverse of historical trends, realizing quoted margins and making product configuration simpler had become the leading goal of sales leaders and sales operations practitioners.

Machlus explains that Hartwig had, since the 2007 deployment of a traditional CRM platform, been allowing its reps to perform product-quoting tasks within the CRM solution, but entirely with manual, free-form, write-in data entry.

“There was no way to control errors in typing, let alone in part numbers, product configurations, or pricing,”

he says. As a result, while the company experienced healthy top-line revenue growth, “our errors in quoting and the opportunity for margin erosion was taking us in the other direction, and we were convinced



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that this erosion was a direct result of allowing too many errors and omissions at the rep level.”

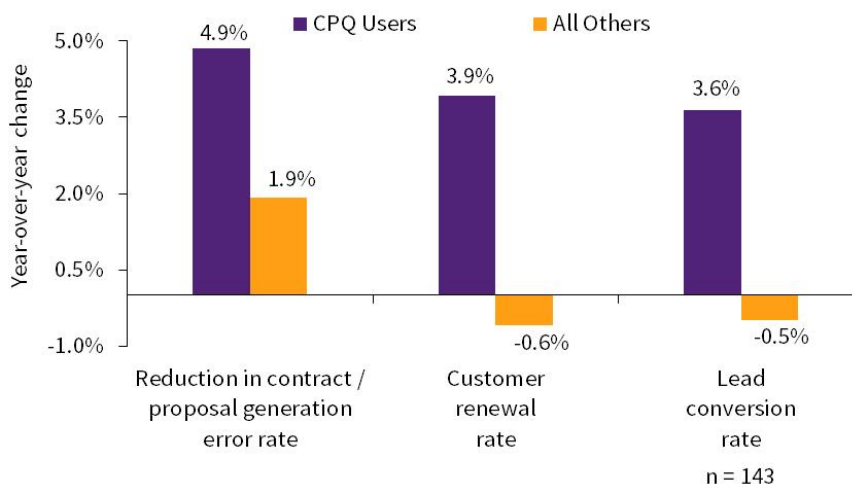
The company began exploring CPQ solutions in 2013, with an effort that coincided with the same set of product evaluations by Hartwig’s largest OEM provider, “so the timing was great to look at better handling of incoming product data while we better managed outgoing pricing and quote communications,” says Machlus. He continues, “once deployed, our CPQ platform allowed us to take a significant step forward in the evolution of our selling and business rules.”

This evolution may seem, at first glance, as if Hartwig was deliberately taking away some street-level independence among their sales team members. The CPQ solution introduced a guided selling platform that moved reps through a specific customer-facing cadence that, Machlus readily admits, “takes away the need for excessive sales rep product expertise, as well as the opportunity for sellers to “go down the wrong alleys of up-selling, cross-selling, and the like, that we already know don’t make sense.”

Hartwig Makes a Substantial Shift in B2B Sales Enablement

“Any lack of industrial expertise is more than compensated by the ‘tribal knowledge’ baked into the centralized content repository and guided selling cadence.”

Figure 1: CPQ Users Out-Perform Non-Adopters



Source: Aberdeen Group, April 2015

Taking this approach was on purpose, Machlus explains, because Hartwig’s target market – the machine tool world – has significantly evolved over the last 20 years. “The deep, industrial knowledge that benefited sales reps in this industry in the 1990’s isn’t as relevant

11%
**more sales quotes
result in closed
deals, for CPQ
adopters vs. non-
users**

today, because buyers are so knowledgeable about the products – often more than providers like us.” Instead, the company determined that relationship-management skills were more valuable to their current competitive market: “it’s more effective to teach a polished customer-facing professional the basics of machine tools, than to attempt to grow the interpersonal skills of a 20th century ‘machine tool guy,’” he explains. With the CPQ platform, any lack of industrial expertise is more than compensated by the “tribal knowledge” baked into the centralized content repository and guided selling cadence.

As a result, Machlus reports that the number of change orders and re-submits of quotes has dropped dramatically at Hartwig; that his contracts team is “re-inventing the wheel” far less often; and that quotation development and processing time have both shrunk as well. As a result, “our sellers are now expected to quote any series of products, options, or line items in fewer than five minutes. We could never have set that goal prior to our CPQ solution, and this leaves far more time to develop business, close it, and maintain healthier data integrity and customer relationships. ”

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