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# Process Summary

The purpose of this document is to provide a detailed explanation of how Sales will utilise SAP C4C Sales Quotations to manage the lifecycle of a customer quote.

Sales quote processing is used to offer products to customers according to specific terms with fixed conditions. The seller is bound by the sales quote for a specific period of time. The sales quote is usually created by a sales representative or commercial operations user of the company. The quote supports pricing capabilities.

# Key Master Data

* Account
* Contact
* Organisational Structure
* Products
* Pricing (ERP)

# CRM Process

## Create Quotation

A quotation is either created directly in C4C against the account, or as a follow on document to a preceding opportunity, or lead. When created as a follow on document, the source will be copied through from the preceding document.

The business partners and their role in the quotation process are captured. The role of the business partner is usually defined as whether they are the sold to party, ship to party or payer and are as already used in ERP. These include:

* Account – this could represent a customer or a prospect who wishes to purchase goods or services
* Ship to party (or the address of where the goods will be delivered to)
* Bill to party (or the address of where the invoice will be sent to)
* Payer (or the debtor account responsible for paying the invoice)
* Primary contact person at the company
* Owner of the quote. The owner is usually the person who has territory responsibility for the customer but could be defined as any other user. A validity period of three months is set as default

The responsible ”Sales Office”, which is used in determining the profit centre and pricing, is determined automatically based on the sales territory of the prospect/customer.

Shipping and billing data is copied through from the account’s master record, or is manually entered:

* Payment terms
* Incoterms
* Shipping instructions (Air freight, sea freight)
* Document Currency

The customer’s requested delivery date can be entered. However, ATP is generally not used on sales quotations as there is no commitment from the customer to purchase at this stage. Generally, a generic lead time is offered to the customer.

Internal and external notes are recorded as free text to capture any discussions and agreed terms. The external notes can be presented on the quotation document which is sent to the customer.

Products and quantities are added in. The product description can be overwritten as required. When dummy products are used, the description will be updated to reflect what is being sold and made visible on the quotation document sent to the customer.

Once the products have been added, the pricing is requested. The valid pricing conditions for that customer and product combination are returned e.g. base price, discounts, freight etc. Discounts given to a customer can be either value based or percentage based.

In order to provide quotes for prospects, the following data elements will be defaulted:

* Price list (which is derived from the customer/prospect record)
* Sales organisation / Distribution channel
* Material group (Material record)
* Material Pricing Group (Material record)
* Customer Pricing Group (Customer record)
* Document Currency (Quotation)
* Volume Rebate Group (material record)

An automated credit check is also initiated with the pricing request where the account is a customer in SAP (otherwise no credit check will be performed). The credit limit check identifies if the credit status of the quotation e.g. credit limit is okay, or has been exceeded by this quotation value and also whether the country where the goods are being sold or shipped to currently exist on an embargo list.

## Approve Quotation

The sales representative submits the quotation, which initiates the approval process where an approval process is part of the local sales/commercial operations process.

A system notification will be sent to the Approver to action

For the scenarios below, a system notification will be sent to the Approver to action upon when the following rules have been met by the system.  The quotation document will also be physically printed and signed by the Approvers.   The signed version of the document can be scanned and uploaded as an attachment against the quotation, where required.

|  |  |  |
| --- | --- | --- |
| **Country** | **Approval Rule** | **Approver** |
| Germany | If discount <=5% | Sales Manager |
|  | If discount > 5% | Director |
|  | Up to 40K Euro | Commercial Operations |
|  | If between 40-80K Euro | Director |
|  | If > 80K Euro | Director 1 (plus signed copy)  Director 2 (plus signed copy) |

|  |  |  |
| --- | --- | --- |
| **Country** | **Approval Rule** | **Approver** |
| Sweden | Up to 700K SEK | Commercial Operations |
|  | If between 700K-1.5M SEK | Regional Sales Manager |
|  | If > 150KSEK | Managing Director |

## Change Quotation

Once the quotation has been approved, a notification is sent to the owner of the quotation. The owner reviews the PDF quotation documents:

* Detailed quotation with all prices
* Summary quotation with total price

By default, the quotation email will be sent to the primary contact person. The body of the email message will be personalised and any attachments selected. The quotation documents will be sent as PDF attachments to the email message.

If the quote has been accepted by the customer, a follow on ERP sales order is triggered. Once the follow on sales order is created in ERP the quote progress is set to ‘Won’ and turns the status to ‘Completed’. In case a quotation should be cancelled, this is set via the action button. A specific reason must be entered for each outcome of the quotation (Won, lost or cancelled).

Quotations that are still open after 6 months will be automatically rejected in the system.

## Quotation Analysis

This process steps gives Sales quotation monitoring reports to support the process. The following reports have been requested:

|  |  |  |
| --- | --- | --- |
| **Report Name** | **Variant** | **Description** |
| Open Quotes by month | App Segment  Won  Lost  Overdue (nearly expired)  Material  Customer  Customer classification | Open quotes by month by application segments |
| New Quotes | App Segment | New Quotes by segments |
| Ratio % Lost to total number of quotes not cancelled |  | Ratio of lost to total number quotes not cancelled |
| Open quotes compared to same date last year |  | Open Quotes to same date last year |
| Turnaround time for quotations (from request to issue) |  | Turnaround time |
| Conversion of quotes to orders % |  |  |

## Gaps

* Quotation approval process: This process has now been finalised for the DACH and Nordics deployment, Future deployments will require further definition of approval processes in line with local requirements.
* There is a requirement to specify a reason for Win, Loss and cancelled (in a similar manner to an opportunity). As per standard functionality, only a rejection reason is available.
* Outputs need to be defined, including outputs for both Megger products and Water Leak detection products. – These have been defined.
* It should be possible to copy the content of quotation to another account for a new offer on the same project. – This is possible, as standard.
* The ability to add standard texts or select from standard texts is required. For example, when quoting to a prospect without a current credit facility within Megger, text (in the chosen language) such as “Orders based on this quotation will only be accepted subject to a positive credit rating established through our finance department and within the credit lines granted to you.” should appear on the footer. – This is not available as standard and would have to be copied and pasted or typed. This will be explored further in phase 2.

## Configuration Table

|  |  |
| --- | --- |
| SAP C4C Field | Configuration action to be taken |
| Product ID | Rename Product ID / External number to Material Number |
| Reason for Rejection | Map to the existing ERP reason for rejection fields. Additional rejection reasons (lost reasons) identified through Blueprint:   * Price * Technical * Timing * Relationship * Quality – Service * Product not standardised |

# Associated documents

# Assumptions / Options Considered

* The existing ERP pricing schema will be used to determine the pricing conditions for a C4C sales quotation
* The quotation document (PDF) will be created in both the users language and the language of the customer/prospect.
* The standard text is the body of the email message will have regional differences
* Products that have variant configuration will be created in the quotation solution but may not be part of the 1st deployment of phase 1, given that full variant configuration is not in use at the sites of deployment 1
* Attachments of documents to a quotation should be automatic and manual, e.g. terms of delivery, data sheets. This is achieved by the user selecting the appropriate documents. Which documents are automatic and which are manual is yet to be determined.

# Roles and Authorisations

The precise roles and authorisations are outlined in the PDD Roles & Authorisations – Final Release – v1-0.

# Interfaces/ Integration

SAP ERP integration for external pricing and replication of quotation and sales orders and automated credit checks.

# Business Changes

All quotations will now be prepared within C4C and no longer prepared in ERP or any other non-C4C related solution.

Details of other business changes will be detailed in the business process documentation which will be completed separately. When completed, an overview of the business change will be included in this document for reference.

# Outstanding Issues/Actions