INTERACTIVE SESSION: ORGANIZATIONS

Fujitsu Selects a SaaS Solution to Simplify the Sales Process

If you surf the web, stream video on your phone, or watch cable TV in North America, equipment from Fujitsu Network Communications most likely keeps you connected. Fujitsu Network Communications Inc., based in Richardson, Texas, provides optical and wireless networking equipment, including servers, storage products, client computing devices, scanners, printers, and displays. It is a leading patent-holder in optical networking.

Fujitsu network equipment provides optical transport solutions to major telecommunications carriers across North America. There are more than 450,000 Fujitsu network elements, including shelves and cards that house connectivity hardware, signaling and routing setup, and management provisioning. The company's numerous products contain thousands of parts and innumerable configuration scenarios. A single product, for example, might be priced differently for 600 separate customers because pricing is determined by a customer's unique configurations concerning network sites, geographic locations, and distances between sites. Additionally, each of the various sites in a network involves a multitude of setup configurations concerning power supply, labeling, and rules for communication. Just think how difficult the process of configuring, pricing, and quoting orders for products and services might be for a 40-site network, which is not uncommon.

For many years, Fujitsu sales teams had trouble handling all this complexity in the sales and ordering processes. They had to use individual spreadsheets to configure, price, and quote (CPQ) solutions for their customers. The company had no centralized repository for price quotes, records of offerings, or capability for integrating quotes with the ordering process. Even though Fujitsu had an ERP system to maintain its enterprise-wide master pricing and materials master data, the CPQ process still took days and resulted in quoting errors and countless hours of corrections and rework.

A system solution was in order. Dave Hawkins, Fujitsu's Vice President of Sales Engineering, Sales Operations, and Commercial Management, and his team issued a request for proposal (RFP) for a solution that would produce quotes quickly and reduce quoting errors and rework. The most critical requirements were the ability to centralize and control all of the quoting that was going on, ensure accurate pricing, and ensure that the parts being configured were all available.

A rigorous selection process identified FPX's software as a service (SaaS) CPQ quote solution as the best choice. FPX is a leading vendor of cloud-based configure-price-quote (CPQ) software and a certified SAP Independent Software Vendor (ISV) partner. Only the FPX solution had the ability to integrate with Fujitsu's front-end Salesforce lead management and forecasting software and also with data from the company's back-end ERP system—and it ran on a cloud computing platform.

FPX CPQ automatically configures all sales orders, even when they are based on extremely complex business rules. The software validates all selections of products and services to eliminate costly rework and helps preserve profit margins by requiring approval for discounts that exceed preapproved levels.

For Fujitsu, FPX CPQ automates all of the company's complex pricing rules and requirements and integrates them in nearly real time with the quoting system so that quotes and orders are able to immediately capture any change to product and materials master data. Pricing that used to take Fujitsu's sales teams days to calculate now just takes seconds. And by centralizing this information, one does not have to pore through individual spreadsheets to see how pricing is being done. When a change is made, it no longer is buried in one or a handful of spreadsheets maintained by individual sales staff.

FPX CPQ can also automatically recognize additional opportunities based on changing the placement of a product in a specific location. This feature eliminates the cumbersome manual process of cross-checking a configuration against a promotion list and eliminates the need to make post-sale concessions to customers who did not initially receive the lowest-cost option. Within six months of implementing FPX CPQ, Fujitsu was already achieving business benefits. A single cloud-based platform for CPQ replaced multiple quoting systems for configuring multishelf and multislot networking platforms. Pricing errors were reduced 80 percent, which in turn significantly reduced rework and write-downs (reductions in the value of an asset). The overall cycle time (total time from beginning to end of a process) decreased as well. Moreover, automating the CPQ enterprise-wide

made it possible to see more important information about sales, services, and what customers were requesting.

Every time a change is made, such as a new price, new product availability, or a change in a product description, all users can see that change as soon as they access the system and look at their quotes. If a quote is in the process of being generated, Fujitsu can also update that quote with such changes. End users can be out in the field with customers and show them real-time visual representations of solutions, make changes to configurations, and instantly obtain accurate-up-to-the-minute prices.

The new CPQ system enables Fujitsu to streamline the sales process by placing a significant portion of the product data and configuration rules directly within the quoting application. The sales team is able to operate more independently and to focus on selling.

Sources: Ken Murphy, "Fujitsu Untangles Sales Complexities," SAP Insider Profiles, July 6, 2015; "FPX: Single Application Platform for Multi-Channel Management," cioreview.com, accessed February 20, 2016; www.fpx.com, accessed February 20, 2016; and www.fujitsu.com, accessed February 20, 2016.

CASE STUDY QUESTIONS

1. What were Fujitsu's problems with its existing systems for the CPQ process? What was the business impact of these problems?

2. List and describe the most important information requirements you would expect to see in Fujitsu's RFP.

3. Why was the FPX CPQ solution selected? Was it a good choice? Why or why not?

4. Why would software as a service be an appropriate solution for Fujitsu? Should Fujitsu have built its own CPQ system in-house?

5. How much did FPX CPQ change the way Fujitsu ran its business?

If an organization has unique requirements that the package does not address, many packages include capabilities for customization. **Customization** features allow a commercial software package or cloud-based software to be modified to meet an organization's unique requirements without destroying the integrity of the software. If a great deal of customization is required, additional programming and customization work may become so expensive and time-consuming that they negate many of the advantages of software packages and services.

When a system is developed using an application software package or a cloud software service, systems analysis will include a formal evaluation of the software package or service in which both end users and information systems specialists will participate. The most important evaluation criteria are the functions provided by the software, flexibility, user-friendliness, hardware requirements, database requirements, installation and maintenance efforts, documentation, vendor quality, and cost. The package or software service evaluation process often is based on a **request for proposal (RFP)**, which is a detailed list of questions submitted to software vendors.

When software from an external source is selected, the organization no longer has total control over the systems design process. Instead of tailoring the systems design specifications directly to user requirements, the design effort will consist of trying to mold user requirements to conform to the features of the package or software service. If the organization's requirements conflict with the way the package or software service works and this software cannot be customized, the organization will have to adapt to the package or software service and change its procedures.