

Resolved Broken Lead to Cash Implementation at Philips

Client

Philips, The World's Top 5 Medical Devices Company

- Sells MRIs, ultrasound, pacemakers, x-ray, surgical machines, and similar products
- Contracts with multiple GPOs and IDNs that supply equipment to hospitals



“Speed of quote generation is just one aspect of this solution. Most important part is the confidence the error-free quotes gave our Sales personnel.”

– Business Process Owner, Philips, The World's Top 5 Medical Devices Company

Background

The customer began their lead to cash implementation which consisted of CRM, CLM, CPQ, and Order Management.

Challenges

- Pricing Calculations took over 3 minutes or they crashed
- Contract entitlement updates took up to 40 hours
- 15 million price list items choked the system

Solution Requirement

Philips required a solution that:

- Automated pricing and discount workflows
- Customized discounts based on factors like GPOs, Order Values, and others

Business Values of Lead to Cash Implementation

- 49% higher proposal volume
- Error-free pricing
- 360-degree revenue visibility
- 10x faster quoting process
- Accurate and fast financial reconciliation

Solution Implementation Timeline at Philips

- 2016 – Began their digital transformation journey
- 2018 – Started customization and implementation of vendors' products
- 2018 – Promised delivery (in 6 months)
- 2020 – Customization and delivery were not close to completion
- 2020 – Approached CommerceCX based on CPQ implementation at Pure-Play Coffee Company

CommerceCX Comes Onboard

After 6 years of unsuccessful efforts, Philips approached CommerceCX for assistance on implementation corrections. This referral was based on the successful lead to cash implementation at World's Leading Pure-Play Coffee company.

With its thought leadership and advisory capabilities, CommerceCX:

- Introduced CommerceCX's Products for maintainability and scalability
- Provided a roadmap with predictable implementation timelines

Solutions were implemented in multiple phases:

Phase 1

CommerceCX:

- Brought down price list items from 15 million to under a million
- Brought down pricing and discount calculations from 2.5 minutes to less than half a second

Benefits

This implementation resulted in:

- Accurate selection of prices, contracts, and **provided the best contract price in seconds**
- **Shortened sales cycle** and improved **revenue recognition time**
- Zero margin-leakage across the supply chain and with better revenue visibility
- Increased **customer confidence** in the organization
- Provided a **great buying experience**

Phase 2

Replaced existing pricing engine with a customized Contract Pricing Operations Manager, an advanced pricing engine from CCX Labs at CommerceCX. This pricing engine enables a Single Version of Truth by:

- Reducing price & discount configuration and computation time by 92%
- Consistently generating prices without the system crashing
- Brought down quarterly pricing updates by 80% (from 40 hours to less than 8 hours)
- Upgrading asset-based ordering / service

Benefits

By implementing the new Contract Pricing Operations Manager:

- Achieved above 98% accuracy in contract pricing
- Generated error-free quote in minutes
- Created the agility to introduce promotions outside of the entire marketing cycle
- Enabled organizations to:
 - administer accurate pricing and chargebacks
 - guarantee compliance to price-tier commitment
 - mitigate rebate overpayments
 - Ensured that contract commitments are met and all margins are improved
- Monitored daily contract net prices or on-demand prices to identify and prevent possible regulatory compliance issues to effectively reduce risks
- Coordinated the detailed information to create beneficial contracts that ensured compliance
- Accurately calculated all chargebacks, rebates, distributor commissions, fees, and accruals to reduce the churn rate and protected provider revenue stream.

Why CommerceCX?

CommerceCX helps organizations:

- Fix CPQ, CLM, and Q2C implementations
- Create predictable sales cycles through automation
- Make Quote-to-Cash(QTC), Configure-Price-Quote(CPQ), Contract Lifecycle Management(CLM), Billing Management, and Pricing Management solutions error-free.

About CommerceCX

We are Salesforce and Conga's preferred partners. We fixed broken QTC, CPQ, CLM and CRM implementations for:

- 10 of the top fortune 500 companies
- 4 of the world's top 10 system integrators
- One of the top 5 Medical Devices Company
- Largest Pure-Play Coffee Company in the World
- World's Largest Clinical Trials Company