The AI Shift

Building a Smarter CPQ Strategy
in the Era of Smart Manufacturing

tacton

From predictive maintenance to supply chain management, AI is fundamentally changing the way that manufacturers create value internally and externally.

Over the past several years, the accelerated pace of Industry 4.0 and the adoption of innovations like AI have coincided with shareholder returns of more than 400 points higher than 15 years prior, according to research by McKinsey.

Now, manufacturers are expanding the impact of AI across their smart factories to deliver solutions seamlessly to buyers at every stage of manufacturing.

Bringing intelligence closer to the buyer

According to Tacton's 2025 State of Manufacturing Report, which surveyed over 200 global manufacturers, 48% of manufacturers are exploring AI use cases, with another 16% already heavily investing. While supply chain optimization and predictive maintenance tools continue to mature, AI-driven capabilities in the commercial function are emerging, including in configure, price, quote (CPQ) software.

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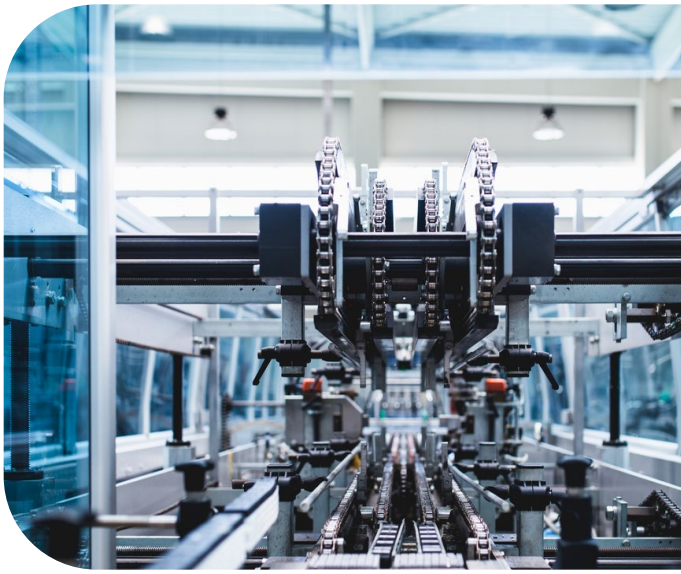
Proven & Mature

Emerging

Stage	AI Use Cases	Adoptions & Outcomes
Operational Efficiency	Predictive Maintenance Quality Control	Widely adopted across industrial manufacturing
Supply Chain & Production Optimization	Supply Chain Forecasting Real-time Production Monitoring	Common in digitally mature plants
Digital Simulation & Automation	Digital Twins Human-Robot Collaboration (Cobots)	Emerging in smart factories and greenfield operations
Cognitive Intelligence & Decision Support	Generative AI (GenAI) Agentic AI Systems	Early-stage adoption, mostly in pilot or innovation labs
Commercial Transformation & Smart Selling	AI in CPQ & Guided Selling	Nascent adoption, growing interest among commercial leaders

AI-powered quoting is still relatively young in maturity. While only 10% of manufacturers see AI as an opportunity for configuration or guided selling, use cases like AI-based predictive maintenance are set to hit $1.69 billion by 2030 with growing adoption. For manufacturers bringing AI into their commercial processes, decision makers are asking today:

"What AI features are available to help us sell more efficiently within CPQ?"



But this is where manufacturers miss a critical opportunity.

The current CPQ evaluation process focuses on checking AI features off a list rather than understanding how AI changes CPQ and sales strategy overall, missing the chance to go beyond managing product complexity to building customer-centric experiences and greater organizational intelligence.

Traditional vs. AI-Powered CPQ Strategy: *Yes, there's a difference*

While AI may seem more like a "nice-to-have" for quoting automation, it can have a profound impact on the value or ROI that you gain from your CPQ investment, as well as a profound impact on how sales, IT, engineering teams, and more approach quoting cycles.

Traditional CPQ Strategy

For many manufacturers, the strategy behind CPQ software investment centers on containing product complexity.

- ☑ *Can this handle all of our product variations?*
- ☑ *Can this handle our pricing models?*
- ☑ *Can this give us accurate quotes at volume?*
- ☑ *What data can we get as a byproduct of quoting activity?*

A formidable platform should be able to integrate well with other systems, be easy to maintain, or even offer self-service website configuration for non-technical buyers.

As more CPQ platforms adopt AI, this will soon become a baseline and a less competitive way of strategizing go-to-market automation tools.

AI-Driven CPQ Strategy

AI-powered CPQ redefines how you manage complex data. It turns complex product data into a strategic asset and helps manufacturers continuously optimize both sales and product performance as well as CPQ adoption and implementation.

In doing so, manufacturers bring customer-centricity into their smart factory further upstream. This transformation shifts the focus from "what can be configured with CPQ" to "what does the customer need and how can we deliver the best solution possible through intelligent and frictionless selling?"

The new evaluation of CPQ then looks something like this:

Can our CPQ interpret different product or customer data formats to automate and optimize product models or configurations? ☑

Can the system learn from quote behaviors to help us improve guided selling? ☑

Can the system help us predict what will sell and why? ☑

Can it generate deeper insights to improve product, pricing, and sales strategy? ☑

This realignment matches a wider shift in AI objectives in manufacturing beyond production quality and maintenance. The Manufacturing Leadership Council states in their report "Shaping the AI-Powered Factory of the Future" that manufacturers are now focusing AI objectives on continual improvement (51%), knowledge acceleration (32%), predictive capabilities (30%), and optimization (24%), with predictive capabilities set to increase in priority by eight percent in two years, and knowledge acceleration and optimization to keep strategic pace.

The Next Generation of CPQ: AI Capabilities for Buyer-Centric Manufacturing

Many manufacturers know they want an AI-forward CPQ platform, but they're not yet clear on what is possible or how it can be used. Below are four areas where AI is evolving the role of CPQ and redefining buyer engagement for industrial enterprises.

Automated Product Modeling for Faster Time-To-Value and Speed-To-Market

CPQ implementation takes time and resources. Teams manually enter product rules line by line. Implementation timelines are measured in months to years. Product documentation must be interpreted to define configuration logic.

But what if AI could take structured and unstructured data within technical documents to create structured product logic for immediate use in your CPQ?

Suddenly, implementation speed increases significantly, reducing time and cost barriers to your CPQ strategy and innovation overall. Modeling new products or making product updates comes with assistance, increasing speed to market and helping you bring innovations to customers faster.

The Impact: AI helps you evaluate CPQ in new ways, where product complexity and scalability are not hindering factors, and being able to update complex products with agility is table stakes.

Intelligent Quote Analytics That Go Beyond the "What" to Understand the "Why"

A medtech company quoting custom surgical trays might know that one product wins half of the time—but not why. AI can analyze past deal patterns to uncover the context. Perhaps the tray wins when bundled with certain tools, but it underperforms in specific regions or at certain price points.

Instead of generic dashboards, manufacturers can use AI to zoom in on what's driving success and where they're losing margin, helping sales, pricing, and product teams make smarter, faster decisions.

The Impact: Now, your CPQ does more than provide the what behind valid configurations; it also helps you amplify those wins through deeper intelligence.

Sales Assistants That Personalize the Buyer Experience

Smart factories are built to serve complex, global buyers. Today, **28% of manufacturers** report using AI to power their configurations, according to our State of Manufacturing survey. But most guided selling typically uses static prompts to bring sellers or buyers to a solution.

Platforms are emerging with embedded AI sales assistants that adapt their outputs in real time to each buyer's needs, such as industry, geography, purchase history, manufacturing capacity, or personal requirements.

The Impact: CPQ becomes an intelligent front-end for your smart factory. It helps sales walk a user through a decision and actively interprets, recommends, and adapts to align each engagement with what's most likely to convert.

Imagine a buyer sends in a 700-page RFP for a customized truck fleet. Without AI, a sales engineer has to sift through that document manually to understand what to configure.

With AI, CPQ could scan the file, extract key requirements, and suggest a solution path based on what has worked in similar deals. It may also suggest potential cross-sells or upsells to customers based on that historical context.

The benefit here is not full automation without human insight and oversight. AI's role is to enhance human insight and performance. The true benefit is allowing sales representatives to use both structured or unstructured data quickly to personalize customer conversations and truly connect solutions to the customer's strategic goals.

Deal and Price Optimization for Aligning Margin Protection with Real-World Buyer Signals

In most CPQ systems, pricing rules are predefined, and discounting is broad, manual, and reactive. That leaves margin protection up to individual sellers or after-the-fact review.

AI-powered CPQ brings pricing intelligence into the deal cycle. It analyzes past deals to recommend discount ranges based on buyer type, deal size, or region. In industries with complex pricing, like fluid handling or process systems, sales teams often use broad discount ranges. But one deal might deserve a five percent discount, while another could stretch to 15% without hurting margin. AI can analyze deal history to suggest the right range based on product mix, deal size, and customer type to reduce over-discounting while maintaining profitability.

The Impact: Teams can align pricing strategy with buyer expectations and market realities without sacrificing speed, control, or margin.

Changing the Way Your Teams Use CPQ: Leading with an AI-First Mindset

To unlock the real value of AI-powered CPQ, decision makers must move beyond asking, “Does it have AI?” and instead ask, “How does AI-powered CPQ change how each team works, and how we engage buyers smarter, faster, and more strategically?” That shift demands new ways of thinking, new types of questions, and the right data foundations to train, inform, and refine AI outputs over time.

We break down how AI is evolving CPQ's role across key teams, from task execution to strategic enablement within the smart factory:

Team	Before AI	With AI-Driven CPQ	Strategic Shift
Sales	Generate faster, compliant quotes.	Revenue optimization with visibility into what quotes win, what loses, and why.	CPQ becomes a performance optimization tool, guiding smarter selling and pricing and prioritizing high-potential deals.
Engineering	Validate or adjust rules when sales flags issues.	Spot recurring requests, bottlenecks, or misconfigurations across quotes.	CPQ loops in feedback from sales to product, helping shape product strategy and innovation.
IT	Maintain logic, rules, and system performance.	Oversees data flow into AI models, ensures governance, and scales architecture.	CPQ is a centralized integration point, where cross-functional insights are captured and refined and digital transformation goals align.
Leadership	Review quote volume and basic win/loss metrics.	Gain real-time insight into revenue drivers, pricing effectiveness, and customer behavior.	AI-powered CPQ is a signal source to help guide revenue, margin, and transformation strategies. .
Marketing	Develop campaigns and content based on static personas.	Understand product interest, quoting trends, and regional buying patterns.	CPQ is a data source to align messaging and campaigns to real buyer behavior and solution demand.
CPQ Specialists	Define configuration logic, maintain rules, and troubleshoot issues.	Steer how AI interprets product data, quote flows, and buyer inputs.	CPQ becomes experience-based. Owners focus on making CPQ easier to use, ensuring AI fits real workflows and drives continuous improvement.

Successfully Integrating AI into Your CPQ Process

AI helps you position your CPQ as a strategic integration point. It reinforces the smart factory's core goal: **to continuously align how you build with how your customers buy.**

But for many manufacturing teams, it still feels like a black box: *powerful, yet abstract*. Without leadership and clarity, it's too often underutilized or misapplied.

What is needed to integrate AI into your CPQ and build a CPQ strategy that uses it most effectively?

• **Data Readiness** – AI is only as good as the data it learns from. Every team should understand where this data comes from, its quality, and how it's used in the platform. The Manufacturing Leadership Council reports that a lack of useful data, data quality, and data format are the top three hindering factors for better adopting AI tools.

• **Cross-Functional Ownership** – AI-powered CPQ touches every team. Success depends on shared responsibility across sales, IT, engineering, and leadership.

• **Strategic Focus** – AI should support your specific goals, not distract from them. Define the problems you want to solve. Then choose the capabilities that help you get there and define how you will tangibly measure the success of AI.

Long-term vision requires a CPQ solution with a long-term AI framework

Ultimately, a long-term AI strategy requires a long-term CPQ solution evolves with your vision and competitive use cases in the market. Choosing a future-ready CPQ solution designed to adapt to your AI vision will offer more success than one that also treats AI as a feature.

The Tacton Advantage

Tacton is the CPQ buyer engagement platform powering the buyer-centric smart factory. We help manufacturers with complex products connect customer needs to engineering, pricing, and delivery, making every buying experience faster, smarter, and more personalized.

Recognized as a Leader in CPQ by the Gartner® Magic Quadrant™ for three consecutive times, Tacton has long embedded AI techniques in its constraint-based configuration engine and is committed to advancing the next generation of intelligent, customer-centric selling. As manufacturers look to harness AI in more strategic ways, Tacton is focused on enabling that future — grounded in experience, trusted by global leaders, and built for what's next.

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