VEDRAI OBSERVATORY

The Hidden Cost of Commercial Quotes

How the artisanal quoting process erodes margins, slows growth, and why AI is the decisive strategic lever.

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Over the past three years, Vedrai has analyzed the commercial processes of approximately 100 Italian companies in the manufacturing, retail, and consulting sectors. One figure emerges with almost irritating consistency: the quote-building process is the most systematically ignored bottleneck in the entire commercial machine.

The issue is never on the board meeting agenda. It does not appear in the Commercial Director's KPIs. And yet it is precisely there, silent and pervasive, that millions of euros in eroded margin, lost opportunities, and human resources locked in low-value activities are consumed every year.

The premise is straightforward: most Italian mid-sized companies manage the quoting process exactly as they did ten years ago. Manually updated Excel sheets, price lists scattered across different systems, salespeople working on their own logic without shared standards or historical memory. The result is a slow, unscalable, and financially inefficient process.

Changing it is not an IT issue. It is a strategic decision.

THE IDEA IN BRIEF

THE PROBLEM

The commercial quoting process is structurally artisanal: slow, unstandardized, and incapable of scaling. Every day of delay in responding to a prospect has a measurable economic cost.

THE RESEARCH

Analysis conducted on a sample of Italian SMEs and mid-market companies in the manufacturing, retail, and consulting sectors, with 2022-2024 data. Estimates validated against European industry benchmarks.

THE FINDING

Companies that structure the quoting process with a decisional layer reduce time-to-quote by up to 70%, increase average margin by 4-7 percentage points, and improve win rate by 12-18 points.

THE PROBLEM: A COMMERCIAL PROCESS STILL ARTISANAL

When a client requests a quote, what really happens? In many Italian companies, the salesperson opens a copy of a proposal sent months earlier to a similar client, manually adjusts the figures, sends a message to a colleague to find out what they quoted last time, and waits. Meanwhile, they check prices on an Excel price list that may have two versions in circulation, asks the technical office for confirmation on a specification, and waits again. If the quote is complex, it involves the purchasing department for a supply cost, then the production manager for lead times. Everyone responds when they can. The quote is picked up again, revised, sometimes left pending for an entire day because a new priority arrives. Eventually it goes out, with a delay that no one has actually measured.

This process carries five structural dysfunctions that repeat themselves in an almost universal pattern.

TIME-TO-QUOTE: TIME IS MONEY, AND WE LOSE A LOT OF IT

Generating a commercial quote requires, on average, between 2 and 6 hours of active work for simple, standardized proposals. For medium-complexity quotes, the figure rises to 8-20 hours, often spread over two or three calendar days because the process is not continuous: waiting for a response from the technical office, searching for the correct price list, resuming the next day when the manager is available. For complex quotes, particularly in job-order manufacturing or project-based consulting, total elapsed time can reach 2-3 person-days of involvement, multiplied by the number of functions participating. In some contexts, between first drafts, internal revisions, delays, and rework, a full calendar week may pass before the quote is sent.

The problem is not only the direct cost of this work: it is the delay in responding to the client. Every additional day of waiting increases the risk that a more reactive competitor has already closed the deal.

> 35-50% of B2B sales go to the supplier who responds first in a convincing way. Not the cheapest. Not the best. The fastest.

Translated into management metrics: every day of delay in responding carries a calculable Cost of Non-Decision, one that cannot be estimated retroactively. This is the metric on which to build the assessment of any intervention, not the cost per quote generated.

FRAGMENTED INFORMATION: KNOWLEDGE IS DISPERSED AND NOT ACTIONABLE

The data needed to build a solid quote, from negotiation history to margin by product line, from client purchasing behavior to previously granted discounts, is distributed across CRM systems, ERPs, personal Excel files, and the memory of individual salespeople. Retrieving this data takes time, when it is at all possible. Often, some of it is never retrieved: the salesperson does not know where a piece of information is, lacks access to the right system, or simply does not have time to search while the negotiation is open.

This fragmentation has a direct consequence: pricing decisions are made with incomplete information. And incomplete pricing decisions almost always mean compressed margins.

ABSENCE OF STANDARDS: EVERY QUOTE IS AN ARTISANAL WORK

In the absence of shared standards, every salesperson builds their own quotes following their own logic. Two clients with identical purchasing profiles may receive structurally different proposals: different in format, different in pricing, different in terms and conditions. This variability is not a sign of personalization. It is a signal of lost control over the commercial process, with a direct economic cost that almost no company has ever quantified.

> Three clients with the same purchase volume. Three different margins. This is the real cost of the absence of standards.

DEPENDENCE ON INDIVIDUAL EXPERTISE: THE CONCENTRATION RISK

In Italian SMEs, commercial know-how is often concentrated in one or two key figures. When these figures change roles or leave the company, the organization loses not just a person: it loses historical memory, pricing logic, relationships, and intuitions that are difficult to transfer. The company's commercial resilience depends on a few individuals. This is an operational and strategic risk that almost no board truly monitors.

ECONOMIC IMPACT: TRANSLATING THE PROBLEM INTO NUMBERS

To guide management decisions, quantification is essential. We have translated the five dysfunctions of the quoting process into concrete economic estimates, calibrated to the Italian SME and mid-market context.

Dysfunction	Estimated Impact	Source
Average time per medium/complex quote (total person-time)	8-20 hours (2-5 calendar days)	Direct observation
Opportunity loss due to delayed response	15-25% of prospects	European B2B benchmark
Margin erosion from unstructured pricing	3-7 p.p. per quote	Vedrai internal analysis
Variability between quotes for similar clients	Up to 20% price difference	Sample of 50 companies
Senior salesperson hourly cost (Italy)	EUR 60-90/hour all-in	CCNL benchmark + overhead

The math is direct, even if almost no one does it. A sales team of 10 salespeople handling on average 4 complex quotes per week, each requiring two people for a total of 15 person-hours across drafts, delays, revisions, and coordination, spends over EUR 300,000 per year in person-hours alone just to build proposals.

To this must be added the indirect impact: every hour spent manually building a quote is an hour taken away from client relationship management, opportunity development, and new business identification. And then there is the cost that never appears in analyses: quotes left half-finished, resumed days later with information that has since changed, or abandoned because the time to complete them simply ran out.

> This is not an operational efficiency problem. It is a problem of wasted commercial capital.

Added to this is margin variability. In a sample of 50 Italian manufacturing and service companies analyzed by Vedrai in 2023-2024, the difference in margin between the best-structured and worst-structured quotes, for the same client and product, averaged 4.8 percentage points. On commercial revenues of EUR 10 million, this represents up to EUR 480,000 in additional recoverable margin every year, achievable without acquiring new clients and without raising prices.

SECTOR ANALYSIS

MANUFACTURING: THE PRICE ARRIVES LATE AND COSTS DEARLY

In manufacturing, particularly in companies with job-order production, variable product configuration, and variable component sourcing, building a quote requires the convergence of technical, cost, and commercial data that are rarely found in the same system or in the same hands. The time-to-response on RFQs for customized products almost always ranges between 5 and 15 working days, not because the work genuinely requires all that time, but because waits, priority queues, and coordination steps accumulate invisibly. A Veneto-based industrial automation company measured the loss of 8 out of 30 negotiations in a single quarter, directly attributable to delayed responses. Average value of lost negotiations: EUR 85,000. Annualized impact: over EUR 1 million in missed revenues.

RETAIL: CATALOG COMPLEXITY AND DISCOUNT MANAGEMENT

In B2B retail, meaning distributors, wholesalers, and franchise chains, the problem is not slow responses: it is the consistency of commercial terms. With catalogs of thousands of SKUs and discount structures negotiated client by client, the risk of inconsistencies is high and difficult to monitor. A salesperson granting an off-policy discount to close a deal erodes margin without the company having immediate visibility of the impact. In an analysis of a company distributing electrical materials with 15 agents and over 1,200 active clients, Vedrai found that 23% of quotes issued in the first half of 2023 contained discount terms not aligned with the approved commercial policy. Impact on margin: -2.3 percentage points on the revenue handled in that period.

CONSULTING: PRICING WITHOUT AN ANCHOR

In the consulting sector, from management to IT, from engineering firms to professional service providers, quote-building is particularly exposed to subjectivity and distributed time. A project proposal often requires input from multiple senior professionals who must align on scope, methodology, and hour estimates. The process stretches over days, with document versions circulating by email, accumulating comments, and alignment calls that get postponed. The final pricing is often the result of an internal negotiation before an external one, anchored to the perception of the individual partner rather than a structured cost model based on historical data. A management consulting firm with 80 professionals found, after an internal review, that 30% of projects completed in the prior year had closed with margins 15% below the offer's forecasts. The primary cause: unplanned hours, not foreseen at the quoting stage due to the lack of accessible historical benchmarks.

FROM MANUAL PROCESS TO DECISIONAL LAYER: THE PARADIGM SHIFT

Artificial intelligence applied to the quoting process is not a technology topic. It is a topic of decisional architecture. The value lies not in the tool itself, but in what the tool enables: bringing the company's commercial knowledge, today dispersed across different systems and residing in people's heads, into a single point accessible when it is needed. A

salesperson building a quote should not have to search for data: they should have the data in front of them, already organized, with the right questions already posed by the system.

Concretely, a decision intelligence system applied to quoting acts on five levers.

THE FIVE LEVERS OF AI IN THE QUOTING PROCESS

1. No more searching for data across systems and people

All relevant information, from client history to updated costs, available in a single point at the moment it is needed. The salesperson stops searching and starts deciding.

2. Know the right price before guessing it

The system suggests the optimal price based on the target margin, the client's history, and comparable negotiations. Less subjectivity, more control over real margins.

3. Understand the impact of a discount on margin and close probability

Before granting a discount, the salesperson sees in real time what happens to margin and how much the probability of closing the deal changes. The decision becomes informed, not instinctive.

4. Consistent quotes across the entire network, without depending on individual discipline

Intelligent templates that guarantee consistency in structure, language, and commercial terms. Unjustified variability disappears by design, not by discipline.

5. Respond in hours, not in days

Standard quotes generated in 15-60 minutes, complex ones in 1-3 hours. The time freed up does not disappear: it shifts to client relationships and new opportunity development.

The result is not a system that replaces the salesperson. It is a system that empowers them: frees their time from administrative burden, better informs them on the variables that matter, and allows them to focus on what truly generates value: the relationship, the negotiation, the close.

AI IMPACT: ESTIMATES AND BENCHMARKS

The following estimates are based on an aggregate of Vedrai internal data, European industry benchmarks, and direct observation of a sample of Italian companies that adopted decision intelligence systems in commercial processes between 2022 and 2024.

KPI	Current Situation	With AI	Improvement
Average quote generation time (medium/complex)	8-20 hours (2-5 calendar days)	15-60 min (standard) / 1-3 hours (complex)	-80/95% (standard) / -70/80% (complex)
Average margin per quote	Baseline	+4-7 p.p.	Structural
Win rate (quotes sent/closed)	22-28%	34-42%	+12-18 p.p.
Variability between similar quotes	High (>15%)	Low (<5%)	-70%

Senior commercial time on admin	35-45%	10-15%	-65%

The improvements do not all arrive at once. The typical path follows a predictable progression: the impact on speed is immediate and measurable within the first weeks. A standard quote that used to require a full distributed day drops to 15-60 minutes. A complex quote that engaged three days of cross-functional coordination completes in 1-3 hours of actual work.

The impact on margin requires the system to accumulate sufficient data and for the commercial team to internalize the new pricing logic, typically within 6-18 months of adoption. The improvement in win rate is the slowest and most solid signal: when it arrives, it indicates that the change has become structural.

USE CASES: BEFORE AND AFTER

CASE 1. MECHANICAL COMPONENTS MANUFACTURER, NORTHERN ITALY

Manufacturing company with 120 employees and revenues of EUR 18 million. Before the intervention, each job order sequentially involved three figures: the salesperson gathered requirements, passed them to the technical office for feasibility, which in turn awaited an updated cost from the purchasing manager. The process averaged 3-4 calendar days for a total effort of approximately 15 person-hours. Urgent quotes were handled by instinct, with unverified figures. After adopting a system integrated with the ERP, time-to-quote dropped to under 3 hours of effective work, with all information available in a single environment. Average margin rose by 5.2 percentage points in the first year, primarily due to more precise pricing on jobs with variable components. Win rate improved by 14% in 18 months.

CASE 2. B2B RETAIL DISTRIBUTION COMPANY, CENTRAL ITALY

Distributor with 850 active clients and a catalog of 4,200 SKUs. The main problem was discount consistency: 26% of quotes were off-policy. After implementing a commercial decision support system with automatic alerts on pricing deviations, the percentage of non-compliant quotes fell to 4% within six months. Overall margin grew by 3.8 percentage points. Estimated economic recovery in the first year: EUR 320,000.

CASE 3. IT CONSULTING FIRM, MILAN

Technology boutique with 55 professionals. Every project proposal required the input of two or three senior professionals to estimate hours, plus a revision round with the partner responsible for the account. The process stretched over 3-5 days, with document versions circulating by email, unconsolidated comments, and a final alignment often done verbally. The recurring problem was underestimating hours: without accessible historical benchmarks, each senior estimated based on personal experience, with systematic downward errors. By adopting a system that compares each new proposal with the historical project database and flags the most frequent scope creep patterns, the firm reduced by 40% the percentage of projects closing below expected margin. The impact on net margin was approximately 6% of annual revenues, without raising list prices and without hiring additional staff.

STRATEGIC IMPLICATIONS FOR MANAGEMENT

At this point, the right question is not how AI works in the quoting process. The right question is: how much does it cost us every month not to have adopted it yet?

For the CEO

For the CEO, the question has a competitive risk dimension that goes well beyond operational efficiency. In a context where margins are under structural pressure, with rising costs, prices difficult to increase, and better-informed clients, the quoting process is one of the few areas where it is still possible to extract value systematically without increasing revenues or cutting resources. The only requirement is that the process be managed with data and method, not with instinct and Excel sheets.

For the Chief Commercial Officer

For the Chief Commercial Officer, adopting AI systems in the quoting process means one concrete thing: freeing the team from low-value tasks, giving every salesperson the same access to information that today only the top performer has, and building a commercial engine that improves over time instead of depending on individual performances.

> The objective is not to sell more. It is to sell better: with higher margins, more speed, and less unjustified variability.

The risk of not acting is not stagnation. It is something more insidious: a gradual competitive regression, almost invisible in the short term. Companies that adopt these systems today build an informational and decisional advantage that consolidates over time and becomes difficult to recover. Those who wait will find themselves, within 18-24 months, competing against commercially structured organizations that are structurally more efficient. Not because they have better salespeople, but because they have a smarter system supporting them.

The change does not require restructuring the commercial organization. It does not require large multi-year IT projects. It requires a decision: to stop treating the quoting process as a secondary operational activity and to start treating it for what it is, namely one of the most underutilized strategic assets of the company, and one of the few on which it is still possible to act quickly and measure before committing.

METHODOLOGICAL NOTES

The estimates and data contained in this report are based on analyses conducted by Vedrai on a sample of Italian companies in the manufacturing, retail, and consulting sectors between 2022 and 2024, supplemented by European industry benchmarks and management literature. The use cases are real but anonymized. The percentage ranges reported represent confidence intervals observed in the sample; specific values vary based on company size, sector, and the degree of maturity of the starting commercial process.

Vedrai Observatory is the research and study center of Vedrai S.p.A. It analyzes macroeconomic data, trade flows, and market scenarios to produce actionable insights in support of business decisions.