

Optimizing NetSuite Quoting with SKU Rationalization

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NetSuite and the SKU Quoting Challenge

Modern manufacturers and distributors often struggle with **SKU proliferation** – an excessive number of slightly different Stock Keeping Units – which clutters product catalogs and slows down operations. In practice, sales reps can spend a large fraction of their time searching through convoluted item lists, and quoting becomes slower and more error-prone. In fact, one analysis found that “sales reps spend over a third of their time on administrative and miscellaneous tasks” because unwieldy catalogs and corrupted price books “drag down quoting velocity” (Source: www.simplus.com). In NetSuite environments, this problem is magnified as complex or redundant item records pile up, requiring clean-up or smart workarounds. At the same time, many companies use NetSuite’s **Configure-Price-Quote (CPQ)** tools to speed quoting – but even the best CPQ systems work best with a well-structured catalog. By rationalizing the SKU list first, organizations can truly unlock NetSuite’s quoting efficiency potential.

What is SKU Rationalization?

SKU rationalization (sometimes called product rationalization or SKU optimization) is the process of reviewing a company's product catalog to decide which SKUs to keep, consolidate, or retire. In essence, it "reduces the number of SKUs in a company's inventory" by eliminating low- or no-value items (Source: katanamrp.com). This typically involves [detailed analysis of sales, inventory levels, profitability, and customer demand](#) for each SKU. For example, companies may apply ABC or XYZ classification to rank products by revenue and turnover, identifying the 20% of SKUs that contribute 80% of sales. In one case study, Nestlé found that only 11% of its 100,000 SKUs generated 80% of revenues (Source: metricscart.com), which led to a major "Project Tasty" initiative to cut back slow-moving products. The goal of rationalization is to trim the "long tail" of underperforming items, simplifying the catalog so the remaining SKUs are those that truly add value.

The process can be iterative: businesses **"decide on retaining, expanding, reducing, or discontinuing SKUs"** based on value analysis (Source: metricscart.com). Often retailers remove obsolete lines or items with very low turnover, focusing resources on best-sellers. The main goal is to reduce complexity and waste – saving money and time – while still meeting customer needs. As one inventory management guide explains, SKU rationalization "aims to streamline the product catalog, making it simpler and easier to manage while reducing costs (Source: katanamrp.com)." In practice, it involves evaluating sales data, classifying each product (e.g. by demand or profitability), planning which products to eliminate, and then updating the inventory records to reflect those changes (Source: katanamrp.com).

Benefits of SKU Rationalization

Rationalizing SKUs delivers multiple business benefits, many of which indirectly accelerate quoting and sales:

- **Reduced Costs.** Eliminating slow-moving or duplicate SKUs frees up warehouse space and working capital. Businesses can "save money by reducing the number of SKUs" and cutting warehousing and carrying costs (Source: katanamrp.com). Less inventory sitting idle means less markdowns and fewer logistics headaches.
- **Improved Inventory Management.** A leaner catalog is easier to keep accurate. With fewer items, forecasting becomes more reliable, stockouts drop, and the chance of order errors falls. For example, streamlining SKUs leads to "more accurate forecasting, better space utilization, and reduced stock-outs" (Source: katanamrp.com). This also means the finance team can better predict when to reorder and avoid obsolescence.
- **Greater Efficiency and Focus.** Sales, engineering, and operations teams can work faster when they aren't juggling hundreds of marginal SKUs. Rationalization clears away "obsolete items [...] gathering

dust,” which simplifies manufacturing and fulfillment (Source: katanamrp.com). Sales reps spend less time navigating product trees and more time selling. In fact, simplifying the product catalog supports a more [streamlined sales process](#) – one analysis found that cleaning up the catalog can yield *shorter sales cycles* and even *larger deal sizes* (Source: www.simplus.com) (Source: metricscart.com). (For instance, after reducing complexity, one company doubled its deal sizes and cut cycle times by 28%.)

- **Enhanced Product Focus.** Fewer SKUs mean marketing and development can concentrate on the products that matter. By “allocating more resources towards high-performing SKUs,” companies can strengthen their core brand offerings (Source: metricscart.com). Customers benefit too: a simpler portfolio often makes it easier for buyers to find what they need without confusion or choice overload.

Overall, regular SKU rationalization keeps the catalog from bloating. As one expert notes, unchecked “SKU proliferation... makes it nearly impossible to navigate or maintain [the catalog] effectively” (Source: www.simplus.com). Periodic cleansing – removing redundant items, merging variations into configurable models, retiring obsolete lines – leads to a cleaner system that inherently feels faster to use.

SKU Rationalization and Quoting Efficiency

The connection between rationalization and quoting speed is direct: **a simpler catalog means faster quotes**. With fewer items to review, sales reps can locate products quickly and avoid costly mistakes. Systems like NetSuite CPQ (Configure-Price-Quote) work best when built on a well-structured item master. In fact, analysts observe that CPQ tools become far more effective once the underlying catalog is pruned. According to Simplus (a sales automation consultancy), CPQ can provide powerful assisted selling **“only when navigating a well-structured product catalog”**, and it cannot work effectively if “SKU proliferation has taken hold” (Source: www.simplus.com). In other words, unless you tame the catalog first, even the best quoting system won’t reach its potential speed or accuracy.

NetSuite’s own CPQ offers features to mitigate SKU bloat – for example, a **“base generic” product template**. This allows users to pick a single master SKU and configure custom versions on the fly. As one case study explains, NetSuite CPQ’s base-generic capability means “one predefined assembly item is used as a template to be reused repeatedly,” helping the company “avoid ‘item bloat’” (unnecessary variant SKUs) (Source: www.bryantparkconsulting.com). In practice, the configurator pulls costs, labor, and pricing for the base assembly and applies it to each quote, so a customized item can be generated without creating dozens of static SKUs. This not only reduces maintenance but ensures quotes are generated quickly: in a manufacturing example, NetSuite CPQ enabled quotes to be built and sent in **minutes instead of hours or days** (Source: www.bryantparkconsulting.com). Another customer, Platinum Stairlifts, reported that after implementing NetSuite CPQ (with a rationalized catalog), sales reps produced quotes *twice as fast* as before (Source: www.netsuite.com), while errors dropped.

In short, SKU rationalization trims the fat so that quoting – especially with automation – becomes swift and accurate. With fewer options to sort through, guided-selling rules can steer reps directly to relevant products. And the quote templates or bundles in NetSuite will be leaner, preventing reps from picking unintended combinations. All of these contribute to a faster [quote-to-order cycle](#) and happier customers.

Rationalizing SKUs in NetSuite

How can a NetSuite user perform SKU rationalization? The platform offers several tools to help analyze and clean up inventory. For example, the **Inventory Turnover Report** in NetSuite shows how quickly each item sells through by listing cost of sales, average inventory value, turnover rate, and days on hand (Source: [docs.oracle.com](#)). By scanning this report, a company can flag SKUs with very low turnover (perhaps just a few sales per year) as candidates for discontinuation. NetSuite also supports **ABC analysis** (not shown above) and other saved searches or SuiteAnalytics reports to highlight slow-moving or unprofitable items.

Once candidates are identified, the rationalization steps typically include:

- **Analysis.** Review sales and usage data for each SKU. Look for patterns (e.g. some items sell only once a year, or overlapping products serve the same need (Source: [katanamrp.com](#)) to decide which SKUs are truly needed.
- **Classification.** Group items into categories (e.g. A-B-C classes, active versus obsolete, parent-child relationships). This helps pick “umbrella” products and their variants, and spot pure duplicates (such as identical parts entered twice).
- **Planning.** Create a plan for rationalization. This might involve consolidating several similar SKUs into a single item with options, phasing out end-of-life products, or merging redundant part numbers. All changes should be documented.
- **Implementation.** In NetSuite, you would update the item records accordingly: deactivate or archive discontinued SKUs, update bills of materials, set up product bundles or matrix-items for variant products, and adjust any open orders. Ensure all changes flow through the system (e.g. sales orders, BOMs, pricing rules) so no legacy SKU slips through unchecked (Source: [katanamrp.com](#)).

Above all, change management is important: Sales, inventory, and operations teams need training on the new, trimmed catalog. Governance (e.g. controls on creating new SKUs) should prevent future proliferation.

Tools and Practices in NetSuite

NetSuite’s cloud platform provides some features that facilitate a rationalized catalog:

- **Matrix Items and Options.** For products that differ only by attribute (size, color, etc.), use Matrix Items. Instead of dozens of separate SKUs, you have one parent item with variant options, making both inventory and quoting simpler.
- **Item Groups and Assemblies.** If certain parts are always sold together (or alternatives to each other), use child/bill-of-material structures or kits/bundles so that quotes can reference a single logical product rather than multiple line items.
- **Saved Searches and Reminders.** Create saved searches for “no sales in 12 months” or “high inventory, zero demand” and schedule reminders. This keeps the team alerted to SKUs that may need review.
- **CPQ Configuration.** Within NetSuite CPQ, make use of guided-selling rules and templates. For frequently quoted configurations, pre-build them as “favorites” or templates so users don’t recreate them from scratch each time. The CPQ base-item feature (mentioned above) is especially useful: it essentially lets you generate a custom SKU on-the-fly from a standard template, avoiding permanent proliferation.

By using these features in combination with the analysis tools (like Inventory Turnover reports), a NetSuite user can systematically pare down SKUs. The result is a “cleaner” ERP instance: fewer items listed on screens, simpler pricebooks, and more intuitive searches. Sales reps spend less time clicking through product lists and more time with customers, generating quotes faster.

Conclusion

In today's fast-paced markets, the speed of your quote-to-cash cycle can make or break a deal. SKU rationalization is a key part of that – it tames catalog complexity so that NetSuite (and its CPQ) can run at full speed. By trimming deadweight SKUs, organizing remaining items logically, and leveraging NetSuite's reporting and CPQ tools, companies can significantly reduce quote turnaround times and errors. As NetSuite experts note, the end result is a much faster quoting process (“quotes twice as fast”) and a smoother sales experience (Source: www.netsuite.com) (Source: www.bryantparkconsulting.com). In short, rationalize the SKUs first, and you'll find the path to a rapid, accurate quote is much clearer.

Sources: Industry best practices and case studies on SKU rationalization and NetSuite CPQ implementations (Source: www.simplus.com) (Source: katanamrp.com) (Source: katanamrp.com) (Source: www.bryantparkconsulting.com) (Source: www.netsuite.com) (Source: docs.oracle.com) (Source: metricscart.com).

Tags: netsuite, sku rationalization, cpq, quoting, inventory management, product catalog management, erp, sku proliferation

About Houseblend

HouseBlend.io is a specialist NetSuite™ consultancy built for organizations that want ERP and integration projects to accelerate growth—not slow it down. Founded in Montréal in 2019, the firm has become a trusted partner for venture-backed scale-ups and global mid-market enterprises that rely on mission-critical data flows across commerce, finance and operations. HouseBlend's mandate is simple: blend proven business process design with deep technical execution so that clients unlock the full potential of NetSuite while maintaining the agility that first made them successful.

Much of that momentum comes from founder and Managing Partner **Nicolas Bean**, a former Olympic-level athlete and 15-year NetSuite veteran. Bean holds a bachelor's degree in Industrial Engineering from École Polytechnique de Montréal and is triple-certified as a NetSuite ERP Consultant, Administrator and SuiteAnalytics User. His résumé includes four end-to-end corporate turnarounds—two of them M&A exits—giving him a rare ability to translate boardroom strategy into line-of-business realities. Clients frequently cite his direct, "coach-style" leadership for keeping programs on time, on budget and firmly aligned to ROI.

End-to-end NetSuite delivery. HouseBlend's core practice covers the full ERP life-cycle: readiness assessments, Solution Design Documents, agile implementation sprints, remediation of legacy customisations, data migration, user training and post-go-live hyper-care. Integration work is conducted by in-house developers certified on SuiteScript, SuiteTalk and RESTlets, ensuring that Shopify, Amazon, Salesforce, HubSpot and more than 100 other SaaS endpoints exchange data with NetSuite in real time. The goal is a single source of truth that collapses manual reconciliation and unlocks enterprise-wide analytics.

Managed Application Services (MAS). Once live, clients can outsource day-to-day NetSuite and Celigo® administration to HouseBlend's MAS pod. The service delivers proactive monitoring, release-cycle regression testing, dashboard and report tuning, and 24 x 5 functional support—at a predictable monthly rate. By combining fractional architects with on-demand developers, MAS gives CFOs a scalable alternative to hiring an internal team, while guaranteeing that new NetSuite features (e.g., OAuth 2.0, AI-driven insights) are adopted securely and on schedule.

Vertical focus on digital-first brands. Although HouseBlend is platform-agnostic, the firm has carved out a reputation among e-commerce operators who run omnichannel storefronts on Shopify, BigCommerce or Amazon FBA. For these clients, the team frequently layers Celigo's iPaaS connectors onto NetSuite to automate fulfilment, 3PL inventory sync and revenue recognition—removing the swivel-chair work that throttles scale. An in-house R&D group also publishes "blend recipes" via the company blog, sharing optimisation playbooks and KPIs that cut time-to-value for repeatable use-cases.

Methodology and culture. Projects follow a "many touch-points, zero surprises" cadence: weekly executive stand-ups, sprint demos every ten business days, and a living RAID log that keeps risk, assumptions, issues and dependencies transparent to all stakeholders. Internally, consultants pursue ongoing certification tracks and pair with senior architects in a deliberate mentorship model that sustains institutional knowledge. The result is a delivery organisation that can flex from tactical quick-wins to multi-year transformation roadmaps without compromising quality.

Why it matters. In a market where ERP initiatives have historically been synonymous with cost overruns, HouseBlend is reframing NetSuite as a growth asset. Whether preparing a VC-backed retailer for its next funding round or rationalising processes after acquisition, the firm delivers the technical depth, operational discipline and business empathy required to make complex integrations invisible—and powerful—for the people who depend on them every day.

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