



## **Win/Loss Analysis (Part 2)—A Process for Taking Revenue Up a Notch** by Laura Patterson

This is the second part of a two-part article about using win/loss analysis to bolster revenue. In the first article, we explained that win/loss analysis is something any company can do to gain clarity and insights into customers' perceptions of its product, experience throughout the sales cycle, and expectations created by company messaging.

Part 1 of the series examined the purpose, definition, and metric associated with win/loss analysis. This final part discusses getting started, questions to include in the discussion, when and how to conduct the analysis, and using the findings.

### **Getting Started**

One of the first decisions to make is whether to conduct the analysis yourself or use a third party. Relying on an outside organization is a good idea because it allows for more candid and detailed responses. Often, companies have Sales or Marketing perform the win/loss analysis; that approach can result in skewed data.

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We have found that when a company itself asks win/loss-related questions to customers and prospects, the responses are surface level only, citing reasons such as price, feature set, or lack of budget.

It takes an experienced interviewer to glean the underlying reasons for customers' and prospects decisions; moreover, it then takes proper analysis to identify the strengths and weaknesses of your competition (beyond their product) and the patterns that you can use for setting strategic and tactical direction on sales; marketing; and product-development hiring, training, and management.

While using an outside party may appear more expensive, the benefits outweigh the cost. Prospects and customers tend to be willing to openly speak with a third party who is expected to protect the individual's confidentiality. Third parties don't have a vested interest in a particular answer; their goal is to seek the truth. As a result, they bring the perception of objectivity to the process. An additional benefit is that an experienced third party brings expertise, including framing the questions, analyzing the results, and identifying the patterns that will affect key decisions.

## Questions to Include in the Discussion

Regardless of how you decide to proceed—on your own or with outside experts—you want to keep the purpose of the effort front and center. Remember, you are conducting the win/loss analysis to understand what you are doing right and correct what you are doing wrong. Therefore, you'll want to be sure your analysis answers the following questions:

- How did they find out about your company and the product category?
- What problem were they trying to solve with your product or service?
- Whom did they listen to or go to for advice during the buying process?
- Were there any breakdowns during the sales cycle, and if so what were they and where did they occur?
- What is the competition doing right and, if they won, why?
- What could we have done differently in terms of technology, service, selling, product, etc., to win the deal?

## When and How to Conduct the Analysis

Win/loss analysis should be performed shortly after the deal is completely closed—about two to four weeks after the deal is concluded. By "closed" we mean either you or the competition has solidly won the deal (i.e., the contract is signed, and the purchase order has been issued).

Avoid doing the analysis before this point, because you don't want to throw any wrenches into the process. And you don't want to wait too long after the deal is closed, because the buyer's memory will fade and the conversation will turn more toward what he or she is experiencing with the product/service now rather than his or her experience and thinking during the buying process. Remember, the goal is to measure what happened during the buying process.

Successful analysis rests on being able to capture unbiased in-depth information with all the key decision makers and influencers. It's ideal if the analysis can be conducted in person; however, that is often impractical, so phone interviews are the most common approach and are far better than a written survey. However, when you require more detailed help in ranking customer wants and needs, written surveys can sometimes supplement telephone interviews.

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The analysis should consist of three steps—pre-interview, interview, and post-interview—as follows:

### 1. Pre-Interview

- Define the key questions. This should be a collaborative process that includes a variety of people from your organization, such as those from Sales, Marketing, Product Development, and Customer Service, and the team conducting the analysis. The questions should cover every touch point associated with the buying process: initial contact and messaging, product qualification, product evaluation and reference check, pricing, terms and conditions, and sales-team behavior.
- Develop the interview list. Ideally, you want every win and loss included in the process; however, this is not usually feasible, so companies will either attempt to analyze a percentage of deals or focus on conducting interviews with the most important lost and won opportunities.
- Contact and schedule the interview with the customer or prospect. Provide, in advance, a list of topics that will be discussed.

## 2. Interview

If you are using a third party, he or she will know what to do. If you are attempting this solo, be sure to explain up front that the purpose of the interview is to learn as much as possible about the customer's or prospect's perceptions and experience during the recent sales process so your organization can continually improve. Also state that all the individual feedback is confidential.

## 3. Post-Interview

Thank the participants. Your company should send a thank-you note to each customer or prospect. It serves as a valuable touch point and demonstrates your commitment.

- Analyze the data and prepare a report. Some of the things to include in the report:
  - Opportunity assessment: Though only qualified opportunities should have made it this far into the process, sometimes you and the customer or prospect really weren't a good fit. The analysis should look at the degree of fit for each opportunity to determine whether there was a fit issue.
  - Competitive assessment: Who was the competition? Not just other potential providers but also any internal competition. This section should also include why these competitors were included and insight into the competitive process. It is important to understand how you stack up against the competition and what the customer or prospect regards as each player's strengths and weaknesses.
  - Buying process: Determine why your company won or lost and what the decision-making process entailed. Who was involved, and what were the key selection criteria?
  - Perceptions and patterns: Assess each customer's and prospect's perception of the players prior to entering the buying process, any changes in these perceptions, and their thoughts regarding the quality of

your and the competition's management of the relationship, messaging, proposal, presentation, capabilities, pricing/value, etc.

- Recommendations: What advice did customers and prospects offer, and what changes, if any, need to be made?
- Debrief the team. Conduct a debriefing meeting that includes the results, action items, and plan of action.

### **Using the Findings**

Conducting the analysis is one critical step, but the real value is acting on your findings. Once you have the results of the analysis, you and the team should prioritize those areas that, if addressed, would have immediate impact. Then develop and implement a plan of action for each area. The plan of action may involve training the sales team, modifying the product-development process, or altering something in your marketing efforts. You should monitor the implementation and results closely to make sure you are reaping the benefits of the plan.