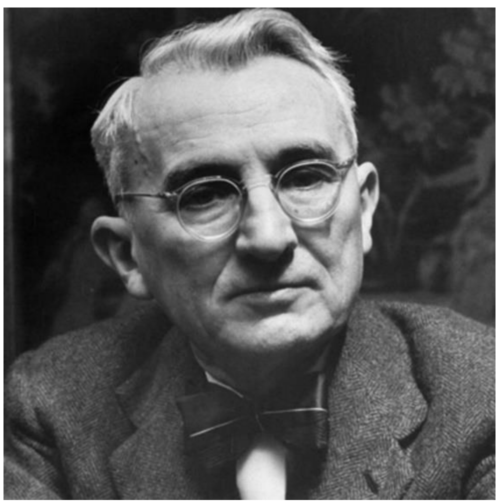
5 Things You Don't Know about Your Customer That Can Hurt You Next Year!

When it comes to winning and losing new business… companies in highly competitive industries know there is no substitute for listening objectively to the customer's perspective relative to the sales process.

Understanding what works and what doesn't work with your current sales process and go-to-market strategy is crucial to driving incremental revenue growth in the new year. The best way to obtain diagnostic insights into prospect and customer perspectives on your company is to conduct an objective win/loss study combined with statistical analysis that illustrates opportunities for growth.

The following are five reasons you should seriously consider investing in a strategic win/loss program now to help ensure appropriate growth planning for 2017.

1. Salespeople Rarely Admit Defeat



"Develop success from failures. Discouragement and failure are two of the surest stepping stones to success." - Dale Carnegie

Failure is an inevitable part of life. While no one likes to discuss losing, it's oftentimes one of the best ways to gain insight, re-evaluate what you're doing wrong, and take more intelligent action.

Anyone who works with consultative sales professionals worth their salt know they take pride in their work…and hate to admit they've lost a sale!

Many sales people will avoid closing out a sales opportunity as an official "loss" in the CRM system hoping time will turn the customer around and they will ultimately come on board. However, it is crucial to disposition all sale opportunities accurately within a reasonable length of time in line with traditional sales cycles.

Salespeople are usually hardwired to quickly move on after a loss and not dwell too long on why the sale fell through. More times than not, the status of a loss remains "pending" rather than ever filed away as a failure.

2. We Can Learn From Our Wins and Our Losses

There are always a slew of reasons as to why a deal goes awry. When a salesperson shrugs their shoulders and moves on to the next deal, they are missing out on an opportunity to learn and understand what actually went wrong during the sales process.

In order to survive in today's customer centric world, the modern salesperson needs to identify and recognize what they're doing wrong and constantly work to improve upon those weak points.

Was the loss due to a pricing issue or related to some other aspect of our new business strategy? Understanding the answer is crucial.

Strategic win/loss reviews help organizations understand where they need to refine their go-to-market approach.

They help us to spot customer perceived strengths and weaknesses relative to competition quickly, and respond accordingly.

The only way to fully understand the inner-workings of a prospects mind is to ask objective questions and combine answers with statistical analysis to understand empirically how each brand, marketing, sales, and product factor statistically impacts winning and losing new business. With this learning we can conduct follow-up conversations with customers later.

The insights gained from these post-decision interviews opens the door for attracting more customers and helping improve future new business close rates.

At the end of the day, the strongest and most resilient companies out there are the ones that hold their organizations accountable and promote a culture of transparency.

3. Companies Rarely Tell Sellers the Truth

For the most part, people have a very hard time delivering bad news.

It is human nature for us all to try to avoid hurting others feelings.

This makes the truth very hard to obtain unless provided to an objective third party with the customer reassured feedback will not be individually attributed.

Only through objective, third party win/loss evaluation, can a company actually learn what is and is not working in the customer's mind.

Done right strategic win/loss analysis isolates the specific factors that directly impact the customer decision making process.

This information is obtained by combining quantitatively obtained voice of the customer perspectives through proven best practice research methodologies. Then through statistical analysis and predictive modeling techniques that quantify the impact of adopting proven best practice behaviors going forward.

Whatever the reasoning, it is critical that win/loss post-purchase decision interviews be conducted by someone who has no stake in the outcome or 'skin in the game'. This ensures objectivity and encourages prospects and customers alike to provide honest and direct feedback without worry about reprisal by the company sponsoring the study.

Most buyers are more willing to open up to an objective and neutral third party when providing feedback as opposed to someone they've worked with in the past because they know what they say won't be used against them.

When a third party conducts interviews, they're less likely to inject their own bias into the questions or answers, and are the ones best equipped to helping gain objective information.

The win/loss research and interview process not only help lead to a better understanding of what happened and why, but are helpful in capturing the information required to align sales and marketing strategies going forward.

The more clarity gained within the interview process, the more that wealth of insight can be used to improve the behaviors and practices that your team uses to execute a sale.

3) Insight without Analysis Is a Waste

Once upon a time, marketing was almost fully dependent on intuition and perception. Now, the popularity of empirical precision and data analytics has shaken how we think about the world.

Without strategic data analytics, much of what we do is guesswork. With it, we are granted unprecedented visibility into the diagnostic "truths" of our customer relationships.

In today's data-saturated world, success relies heavily in the ability to make data and analytics a central part of our business strategy.

You need to know the insight side of the equation (the context), as well as have quantitative data and metrics that support your business decision making process.

Having one without the other leads to the danger of having either: 1) an analysis with too much detail and information without content or 2) an analysis with too much content without the facts and figures to back it up.

Qualitative prospect/customer feedback coupled with statistical analytics are necessary to understand what customers/prospects are thinking and saying to provide context and depth to your marketing and sales programs. Numbers alone don't provide us with the insight of how clients are evaluating our products and service/support.

What the numbers do provide is the metrics necessary to understand trends and aggregate data and insights across a large pool of past new business wins and losses.

Data is at its most powerful once you're able to identify what you're trying to gain from it.

Ideally, win/loss analysis is conducted within 3-6 months of the final sales disposition while the experience is still relatively fresh in the customer's mind. Beyond 9 – 12 months people tend to forget the details of the sales process and find it difficult to be precise in win/loss evaluations.

The best customers (for wins) or prospects (for losses) to interview are usually the ones that were deeply involved with a sales rep in terms of time, attention and detail. That way, the amount of information gained can be more readily measured.

Developing effective win/loss research questionnaires requires probing the specific customer-evident aspects of the full sales and decision making process. Well-constructed win/loss questionnaires contain both open and closed-ended questions to help provide context to customer decision making.

5) Consistent Win/Loss Analysis is Key

"Success is neither magical nor mysterious. Success is the natural consequence of consistently applying basic fundamentals."
- Jim Rohn

Strategic win/loss analysis has unprecedented potential to yield valuable insights - but only if measured effectively and consistently.

Obtaining maximum impact from strategic win/loss analysis requires that we measure our performance on a regular, recurring basis.

Conducting this type of research/analysis program at least once-a-year provides an adequate benchmarking and tracking mechanism most companies find invaluable to their annual business planning process.

Unfortunately, this is where most companies tend to fall short believing a one-time assessment will provide an adequate and forward looking metric to assist in future planning.

Decide on whether or not a report should be created on a monthly, quarterly, or bi-annual basis. The information gathered from the report should be shared in real-time so as to quickly identify pain points and how they can be improve on.

Once win/loss measurement time intervals are agreed upon, make sure to regularly implement monitoring, measuring and reporting so as sales data is always accurate, relevant, and consistent.

Actionable Win/Loss Insights – Ascension Revenue Predictor℠

Revenue Predictor℠ is a proprietary Ascension assessment offering that strategically identifies the specific sales behaviors that lead to new business wins and losses. It uses your company's data from past prospect and customer interactions to identify the best and worst sales practices that directly impact your company's revenue performance.

We use strategic factor analysis and marginal revenue contribution modeling to:

- Identify best practice drivers of new business "wins"
- Isolate the negative factors that cost your company business
- Determine the likelihood of winning/losing relative to a range of business factors
- Estimate revenue potential if best practices can be adopted in future execution

By identifying the best and worst business related factors that impact revenue you can influence your top line revenue performance though training, coaching, and process improvement.

Contact Jip Inglis at jinglis@ascensionstrategy.com or 404-250-4547 to learn more.