Want to Dig Deeper on Competitors?

Consider Win Loss.

by Carolyn Galvin

When I first began my career, there was no Internet, no cell phones, and no world wide web. Intelligence was captured the old fashioned way—by spies and sleuthing. We were lucky to get tidbits of competitive intelligence when interviewing buyers about markets, products, and growth trends the old fashioned way—over the telephone.

Today, all of that has changed. Information about competitors is easier than ever to find, usually with just a few clicks of a mouse and strokes of a keyboard. But one source of competitive intelligence isn't used nearly as much as it should be—Win Loss Analysis.

Win Loss Analysis Defined

Win Loss Analysis explains why buyers choose the winning vendor in competitive sales opportunities, and why they don't choose the losing vendors. Typically, product considerations are the most important factor in buyers' final selection decisions. However, other factors also come into play, such as sales rep performance, company reputation, service and support, and pricing.

Win Loss Initiatives are Leveraged by Many Internal Teams

Win Loss programs are initiated and used for a variety of reasons by numerous internal teams in Enterprise and Small and Medium Business (SMB) settings:

Sales Managers utilize Win Loss programs to understand what their sales teams are doing well—and what they're doing poorly. Win Loss programs answer the following types of questions for Sales managers:

- How effective are my reps in presenting and demonstrating our company's solution?
- How responsive are account teams to buyers' needs?
- Do my sales personnel genuinely understand the needs of our buyers, including different buyer roles and personas, such as procurement and line of business buyers?

Product Managers look for feedback about product and service effectiveness. Product management leaders utilize Win Loss initiatives to answer the following questions:

- What features and functionality are most critical to our target buyers?
- What configuration types are priorities for different customer segments?
- How will our product roadmap influence win rates in the medium and long term?

Pricing Teams benefit from Win Loss programs. Pricing questions answered by Win Loss programs include:

- Is the solution priced appropriately compared to market expectations and competitor pricing?
- Is our pricing too complex for typical buyers?
- Do buyers ask for, and receive, too many discounts? If so, how is this impacting profitability?

Competitive Intelligence Teams utilize Win Loss initiatives to support internal stakeholders. While new product introductions or strategic directions may just be hinted at by buyers, researchers often learn significant intelligence from buyer feedback. Key questions answered by Win Loss efforts relating to Competitive Intelligence include:

- What selection and non-selection reasons have buyers shared about our firm, as well as competing firms?
- What new competitive initiatives can I uncover to help my stakeholders compete and position our offerings

more effectively?

- What details of competitor financial distress can be uncovered about competitors who are repeatedly passed over by buyers in selection decisions?
- What rumors persist about product development slowdowns or stoppages?
- What can be learned about our newly emerging competitors?
- What patterns exist of repeated engagements by competitors in specific markets relative to the strategic direction and long-term pivots competitors are taking?

Win Loss in Practice

As a Program Consultant at Primary Intelligence, I frequently encountered first-hand evidence of Win Loss programs that were instrumental in aiding Competitive Intelligence teams:

SCENARIO 1:
A Technology client with a short list of competitors initially dismissed an upstart rival, believing this firm played only in the small and medium business market. After seeing the upstart firm's name on the short list— and in the winner's column—with increasing frequency, the firm took action.
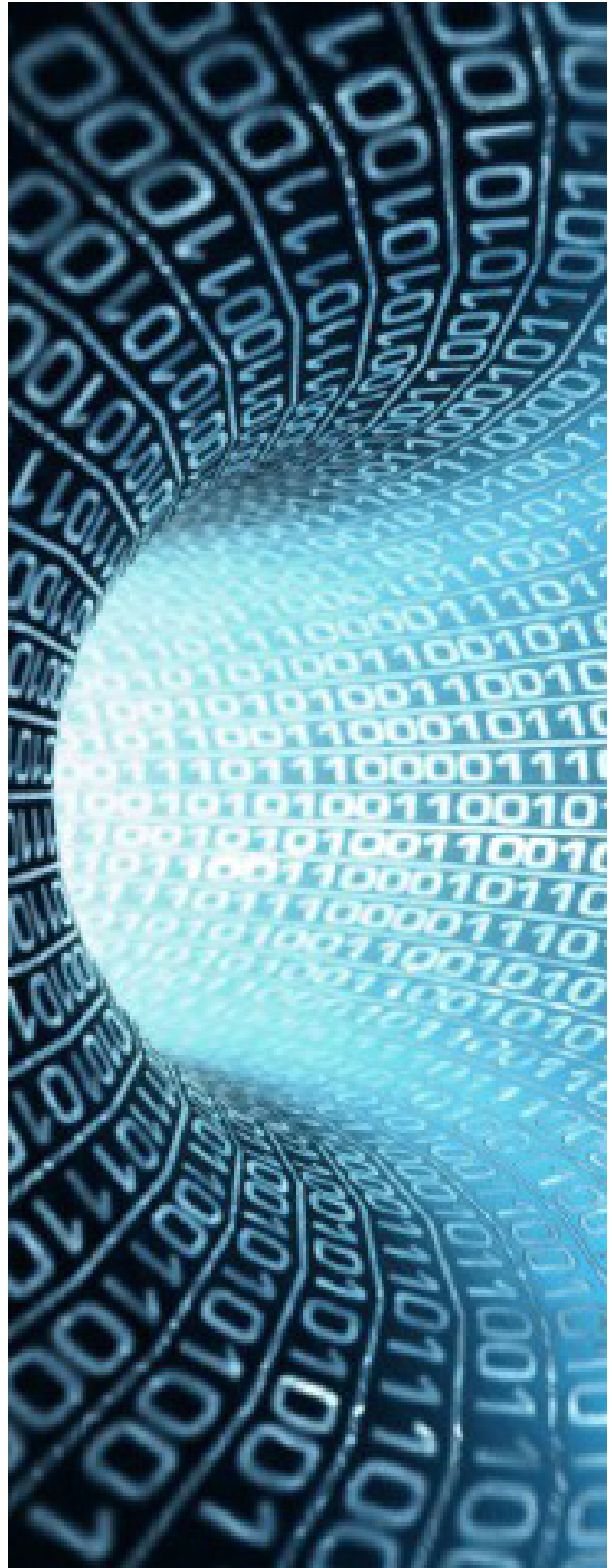
SOLUTION:
Our client developed sales and marketing tools based on buyer feedback from Win Loss interviews that its reps could use to counter its new nemesis.

OUTCOME:
Our client was able to beat back the competitor in its home turf, the enterprise market.

SCENARIO 2:
A Financial services firm offering accounting software started hearing from buyers that it was not selected because it lacked tight integration with Salesforce. This, in fact, was untrue. After we asked more probing questions of respondents, we learned that our client's biggest competitor was engaging in a widespread campaign to introduce fear, uncertainty, and doubt (FUD) in buyers' minds relative to this critical integration capability.

SOLUTION:

The client armed its sales teams with the appropriate messaging and collaterals to counter these claims, specifically highlighting its tight integration with Salesforce.

OUTCOME:

The competitor ended its FUD campaign within several weeks of our client's actions.

SCENARIO 3:

A Transportation client learned that it was falling further and further behind its key competitors in the technology tools it offered to customers, specifically, those relating to analytics.

SOLUTION:

Receiving direct buyer feedback about specific and measurable ways it was falling behind helped middle managers at our client's organization convince senior managers and executive-level leaders of the urgency of their task of improving technology offerings, specifically those relating to analytics.

OUTCOME:

Greater resources were assigned to develop and deliver analytics and other technology tools to customers, helping this firm move to a stronger position in terms of winning new accounts, retaining existing customers, and staving off competitive advancements.

State of Win Loss Research Highlights Increased Competition

In our annual State of Win Loss research, Primary Intelligence asks Win Loss managers to share details about their Win Loss initiatives, including their perceptions of the incidence of competition in their markets. As Figure 1 shows, nearly 50 percent of Win Loss executives are seeing "more competitors" in 2015 compared to 2014. 50 percent of Win Loss executives are seeing "more competitors" in 2015 compared to 2014.
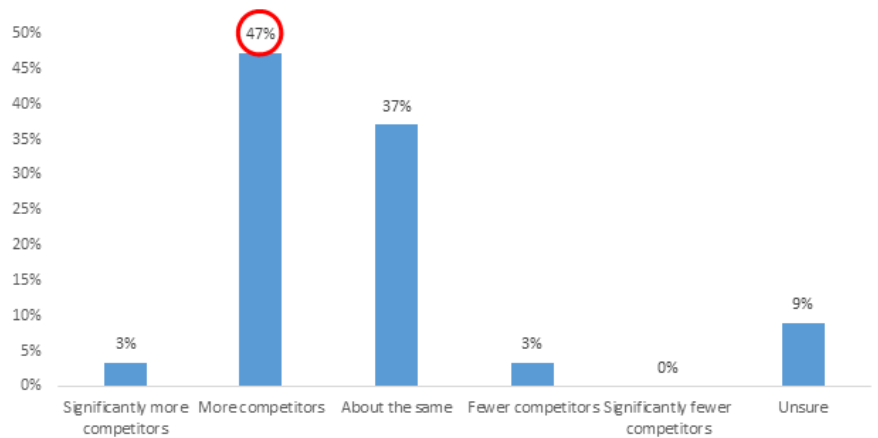
Figure 1: *Incidence of Competition*

Strong Desire for More Win Loss Intelligence

Because of the prevalence of greater competition, nearly two-thirds of respondents (62 percent) indicated they need more Win Loss data when asked if they have enough Win Loss intelligence to be effective in their roles *(Figure 2)*.

Only about one in five (22 percent) say they have enough Win Loss information today and no respondents believe that they don't need access to Win Loss intelligence.
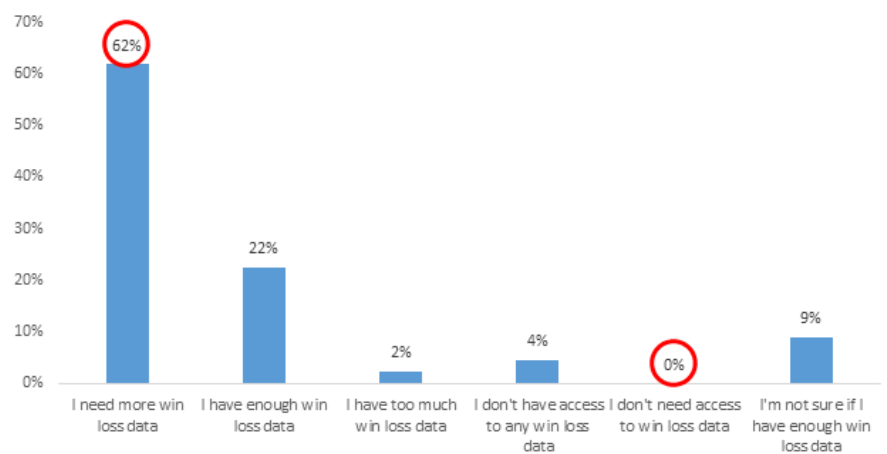
Figure 2: *Win Loss Data Sentiment*

Win Loss Programs Capture Competitive Intelligence

Competitive intelligence is seen as a major benefit of Win Loss programs in terms of responding to greater competitive threats. As Figure 3 shows, nearly 50 percent of respondents cited a "better understanding of competitors' products," "improved competitive positioning," and a "better understanding of competitors' sales strategies and tactics" as important benefits of Win Loss programs.

Figure 3: Benefits of Win Loss Programs

Win Loss Feedback Promotes Accurate Pricing

Organizations with Win Loss programs are generally better able to appropriately price their products relative to the competition compared with firms who lack Win Loss initiatives. As highlighted in Figure 4, nearly 80 percent of managers without Win Loss programs or those who were unsure if they had Win Loss programs are pricing their solutions higher than their primary competitors. In comparison, only about half of organizations with Win Loss programs have solutions that are priced higher than competitors.

Additionally, a smaller percentage of firms with Win Loss programs in place are leaving money on the table—pricing their offerings lower than competitors—compared with organizations that don't have Win Loss programs in place (four percent versus 18 percent).
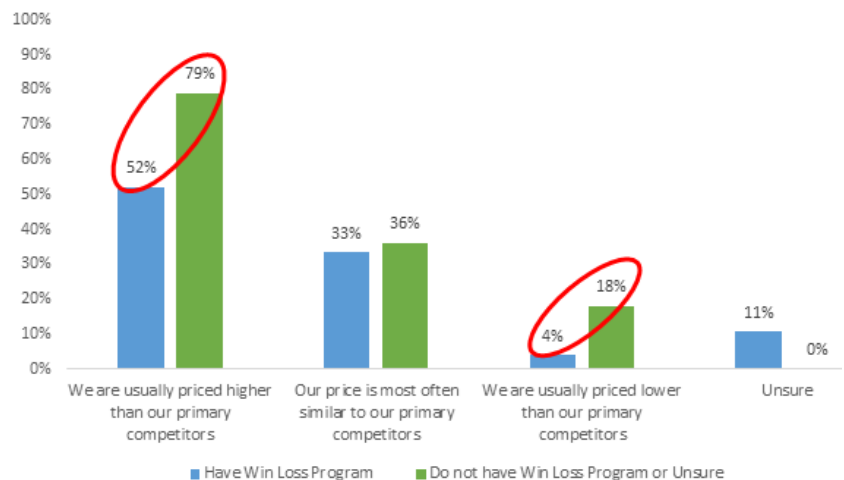
Figure 4: Pricing Strategy Segmented by Organizations With and Without Win Loss Programs

Strategies for Leveraging Win Loss Initiatives Within Your Organization

So how can you leverage Win Loss feedback for your Competitive Intelligence program? As Competitive and Market Research Managers, it's sometimes difficult to convince executives of the benefits of Win Loss programs.

Below are 10 winning strategies to introduce or strengthen Win Loss initiatives within your firm:

1. Do Your Homework when setting up a Win Loss program. Before your Win Loss program starts, determine your program goals and desired outcomes, know what questions you want to ask buyers, and decide which customers and prospects you'll reach out to for feedback.

2. Formalize your Win Loss program to realize the greatest benefits. Implementing a structured Win Loss program provides a concrete framework, identifies a person or group to champion it, encourages a kick-off meeting, sets appropriate expectations, and provides a mechanism through which ongoing communication and pro-active program updates can be delivered.

3. Engage Sales teams early and often. It's important to ensure sales managers and reps are on board with Win Loss initiatives and that their goals and objectives are clearly understood and included within the program framework. Giving sales teams input on which interview questions to ask, along with regular read-outs of Win Loss findings, will help keep them engaged over the long term.

4. Get Leadership Buy-in to ensure long-term program success. Win Loss program success is difficult, if not impossible, without support from the organization's senior leadership team, including the CEO and senior sales, marketing, and service/support executives. Support from senior leadership will help to ensure the program becomes embedded in your organization's culture, proving sustainable over time.

5. Link Win Loss efforts to hard dollar ROI whenever possible. Demonstrating how a competitor was defeated because of intelligence learned from your Win Loss program will help to ensure continued budgeting—and showcase you as a hero within your organization.

6. Highlight the uniqueness of Win Loss information. While everyone sees the same secondary research online, your firm alone will possess details of competitive strategies, captured directly from buyers.

7. Tailor Win Loss programs to meet your specific needs by customizing the questions included in the Interview Guide. Questions can be added and removed easily and quickly, depending on competitor moves and countermoves.

8. Ensure your Win Loss program captures both strategic and tactical information about competitors, providing comprehensive feedback on everything from new features and functionality to rumors and mergers and acquisitions.

9. Capture competitive pricing intelligence from your Win Loss program by asking for percentage comparisons among different firms. By knowing your bid price and discovering the winning vendor was 10-20% higher or lower than your bid, you can determine relative competitor price ranges.

10. Accept imperfection. Starting and maintaining successful Win Loss programs can be time consuming and hard. Win Loss can also upend organizational cultures and processes. Accept that the program may take months—or years—to perfect. As one Sales Analyst in the Healthcare industry noted: "It's going to take a while to get it right, but don't let that stop you. Just because your data and your processes aren't perfect doesn't mean that there's not value in it."

ABOUT THE AUTHOR:

*As Director of Industry Insights, **Carolyn Galvin** is responsible for analyzing aggregate data to understand best practices and root cause issues surrounding Customer Experience and Win Loss programs. Utilizing primary source research and secondary information, Carolyn produces syndicated and custom client reports that help to illustrate best practices and benchmarking metrics. Prior to her current role, Carolyn served as a Program Consultant at Primary Intelligence since 2013, with direct responsibility for customers' Win Loss and Customer Experience programs.*

Carolyn has nearly 20 years of market research, customer satisfaction, and competitive intelligence experience working for large corporations and research agencies, including Alcatel-Lucent, Juniper Networks, and Frost & Sullivan. Early in her career, Carolyn worked as an Intelligence Officer at the Central Intelligence Agency.

Prior to joining Primary Intelligence, Carolyn owned her own consulting firm, where she provided custom and syndicated research to clients worldwide on disruptive IT and telecommunications technologies.

Carolyn has two master's degrees, one from the Thunderbird School of Global Management and a second from Georgetown University. She earned her bachelor's degree from Hood College in Maryland. Carolyn has also taken advanced Competitive Intelligence, Strategic Planning, and Strategic Marketing courses at the California Institute of Technology, as well as Digital Marketing classes at the University of Illinois, Urbana-Champaign. Since 2007, Carolyn has taught online global business and management classes part-time at the University of Maryland.

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