Chapter 15

Win / Loss Analysis

Ch15. Win/Loss Analysis

- Short Description
- Background
- Strategic Rationale & Implications
- Strengths & Advantages
- Weaknesses & Limitations
- Process for Applying Technique
- Case Study: Microsoft Business Solutions
- FAROUT

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Short Description

- Cost effective, insightful, and ethical method for gathering information about your market, customers, and competitors.

- WLA identifies your customer's perceptions of specific sales situations and how you compared to your competitors.

- The analysis provides information about the performance of both your firm and your competitors.

- This information can then be used to focus sales staff more effectively in the marketplace and also to inform research and development of products.

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Background

- WLA is direct feedback from a client or potential client about why you won or lost a specific sale or contract.

- The wins highlight your firm's strengths and your competition's weaknesses.

- Losses highlight your firm's weaknesses and your competition's strengths (Ritchie, 1992).

- Feedback obtained from a number of interviews is analysed.

- More detailed than post-mortem.

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Background

- Key elements suggested by Schulz (2002) include:
  - Ongoing (not a temporary event around a particular client, product or sales representative).
  - Customer feedback (rather than or in addition to sale representative feedback).
  - Timing (within a reasonable time following the buying decision).
  - A consistent methodology.
  - Defined users.

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Strategic Rationale and Implications

- WLA brings together information about customers, competitors, and your own firm – within the buying decision.

- Implications of WLA are highly dependent on the quality of the raw data.

- Analysts have the opportunity to learn about customers' perceptions.

- Should be an independent evaluation and conducted regularly.

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Tactical benefits	Strategic benefits
• Helping the sales team win more business. • Improve client retention. • Identify regularly why/how you lose against each of your competitors. • Establish an action plan to address gaps in perceptions. • Change behaviour and culture to improve client service. • Identify traits of your successful sales people. • Predict likelihood of winning/losing a sale more accurately. • Change the sales mindset from one of making excuses for sales loss.	• Increase firm profits and revenue. • Forecast revenue streams more accurately. • Enhance the product/service offering and mix. • Influence more timely product /service development. • Alter the firm's culture to a more client service/needs focus. • Select appropriate market alliances. • Support the firm's early warning system. • Identify competitor trends over time to enable action.

Source: Adapted from Naylor, E. "Increasing sales through win/loss analysis," *Competitive Intelligence Magazine,* 2002 5(5) pp 5–8.

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Strengths and Advantages

- WLA establishes a market listening and positioning tool with consistent analysis allowing for improved and informed decisions making in an organization by:
    - Helping decision makers understand the customer's perspective.
    - Providing objective input into sales and marketing strategies.
    - Identifying opportunities including target markets, key sales propositions and winning attitudes.
    - Improving business performance at the expense of competitors.

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Weaknesses and Limitations

- Must use good mix of sales results.
- Interviews are only as good as the interviewer conducting them.
- Value of WLA is only as good as the system set up to inform interested parties of the results.
- Delay in interviewing may result in inaccurate recall by interviewee.
- Sales team may be reluctant to co-operate if they feel they are being singled out.
- Other parts of the firm may try to ambush the process to push their own agendas.
- The team running WLA must be very carefully chosen and trained to ensure the members fully understand the WLA process and are prepared to implement it properly.

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Process for Applying the Technique

- Steps are shown in Figure 15-1 below:

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Process for Applying the Technique

- **Step 1:** Determine the target segments and identify prospects:

  – Look for accounts that generate the most revenue.

  – May also choose desirable target market.

  – Interval over which WLA is conducted can be monthly, annually, or whatever fits firms requirements.

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Process for Applying the Technique

- **Step 2:** Understand internal cultural issues:
  - Fit information gathering to firm culture.
  - Involve all stakeholders with cross-functional teams.
  - Need upper management support.
  - Educate those affected by information obtained to increase buy-in.
  - Decide whether to use third party or sales team to conduct interviews.

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Process for Applying the Technique

- **Step 3:** Develop the questionnaire:
- A WLA questionnaire needs to cover a number of broad areas. Naylor (2002) suggests four:
  - **Sales attributes** —professionalism of sales team and quality of the relationship.
  - **Company reputation** —perception of your firm's and your competitors' image, reliability as a supplier and the quality and performance of your products.
  - **Product attributes** — this is a wide area basically covering whether your products actually perform as promoted.
  - **Service issues** —delivery and implementation, maintenance/after sales service and training provided to clients.
- Also consider sophistication of analysis required.

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- **Step 4:** Preparation for the Interviews:
  - Interviewer must be aware of all relevant details and sensitivities of the sale/non-sale being investigated.
  - Where an interviewer does not fully understand the background of a particular sale negotiation they are unlikely to be able to stray from the questionnaire.
  - Specific and detailed information can greatly enhance the overall value of the WLA process.

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Process for Applying the Technique

- **Step 5:** Conducting Interviews:
  - Use of an independent third party will avoid results being skewed by any pre-existing relationships.
  - Telephone interviews are time and cost effective.
  - Face to face interviews provide more opportunity to for in-depth information.
  - Interviews should be conducted as close in time to the actual sale/non-sale so to avoid memories of the negotiations fading.

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- **Step 6:** Analysis and Interpretation:
  - Interviewer will generally summarise each completed interview and provide an analysis of key trends or issues.
  - WLA must be given priority over other duties during this stage.
  - The value of WLA is compromised by sporadic rather than regular analysis.
  - As WLA continues over time trends will emerge.

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Process for Applying the Technique

- **Step 7:** Dissemination:
  - The program team should ensure that each department receives the information relevant to it.
  - The results may be presented in different forms depending on preferences.
  - Properly conducted WLA is one of the most valuable tools for sales account strategies.
  - WLA helps firms understand the value of customers and the cost of retaining them versus acquiring new one.
  - It allows firms to capture best practice in sales and identify trends to enhance future revenue streams.

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Case Study: Microsoft Business Solutions

- MBS had strong product, a large sales force, and the potential of winning the majority of competitive opportunities.

- Challenge: Understanding the competitive environment in order to leverage its strengths and capitalize on the weaknesses of its competitors.

- Primary Intelligence conducted a WLA of Microsoft Great Plain's previous 50 wins and 50 losses.

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Case Study: Microsoft Business Solutions

- **Understanding Losses**:
- Two important, related things Microsoft Business Solutions learned from their losses were that:
  - Prospects didn't perceive that they or their partners understood their needs.
  - One of the ways prospects expressed this was in lower marks for industry experience and knowledge.
- Because WLA, MBS recently announced industry-focused strategies in four major sectors that they believe will help them and their partners be more successful in the mid-market.

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Case Study: Microsoft Business Solutions

- **Leveraging Data:**
- As part of the Primary Intelligence solution, senior analysts helped Microsoft Business Solutions to:
  - Leverage the data in the report to improve their competitive position in the marketplace
  - Provide even further insight into the competitive sales cycle that Microsoft Business Solutions' channel partners face in today's market conditions, and
  - Gain important insight into potential new strategies and programs that could be implemented to help the partner win more business.

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Case Study: Microsoft Business Solutions

- **Keeping Current:**

- Another valuable tool for Microsoft Business Solutions was the comparison Primary Intelligence provided with the previous year's Win/Loss study.

- Analysis showed that certain shortcomings had been addressed, while new potential problems had surfaced.

- It also showed the progress, or lack of progress, of the competition, making it possible to assess new threats and opportunities.

Source: web site - http://www.primary-intel.com/solutions/winloss.aspx, *Primary Intelligence, accessed March 12, 2006.*

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- **FAROUT Summary**

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Related Tools and Techniques

- SWOT Analysis
- Value Chain Analysis
- Blindspot Analysis
- Competitor Analysis
- Customer Segmentation Needs Analysis
- Customer Value Analysis
- Comparative Cost Analysis
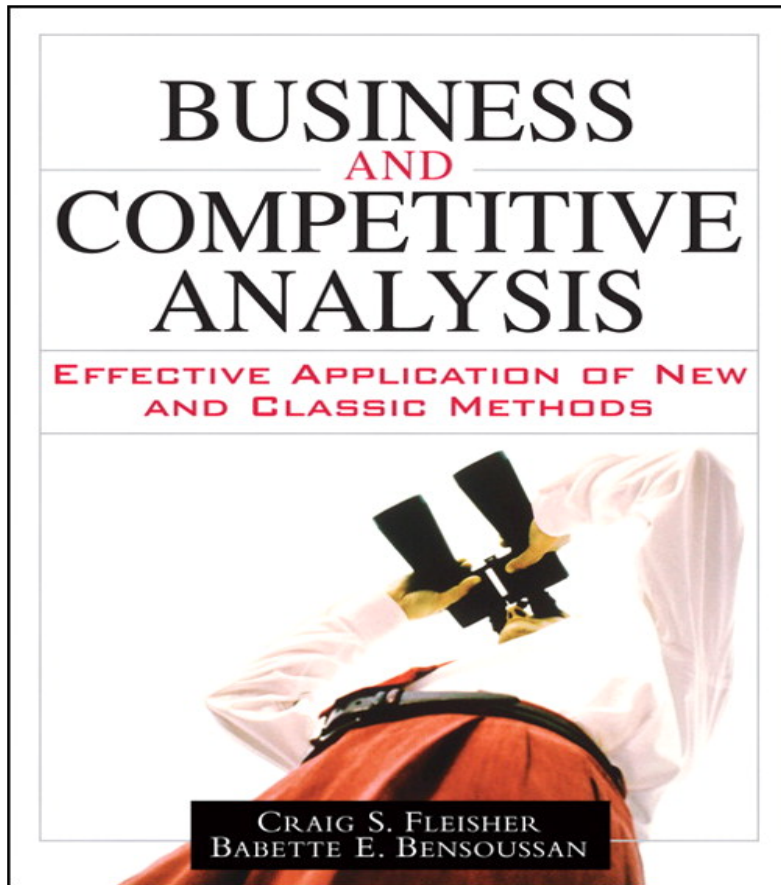- Functional Capability and Resource Analysis

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Related Tools and Techniques Cont'd

- Scenario Analysis

- Competitive Positioning Analysis

- Benchmarking

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For More About Win Loss Analysis and 23 Other Useful Analysis Methods, see:

Fleisher, Craig S. and Babette E. Bensoussan

Business and Competitive Analysis: Effective Application of New and Classic Methods

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FINANCIAL TIMES

Upper Saddle River, NJ 2007

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