THE DEFINITIVE GUIDE TO

WIN-LOSS ANALYSIS

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INTRODUCTION

WHAT IS WIN-LOSS ANALYSIS?

Win-loss analysis is the practice of systematically capturing and analyzing the reasons why you win and lose sales opportunities.

Rigorous win-loss analysis can help an organization confirm and prioritize the strengths and weaknesses of its overall product or solution offering, thus enabling its leaders to improve product strategy, increase marketing effectiveness, boost sales productivity, and foster org-wide strategic alignment.

According to *The Pragmatic Institute*, a well-known authority on product management and marketing, fewer than 20% of organizations conduct formal win-loss analysis, which is "an alarming oversight."[1]

Companies that neglect formal win-loss analysis are forced to make critical business decisions based on assumptions, anecdotes, and conjecture. In contrast, companies that invest in effective win-loss analysis benefit from org-wide clarity about and alignment around why they win and lose. It enables them to capitalize on proven strengths and address critical shortcomings.

WHO NEEDS WIN-LOSS ANALYSIS?

Organizations that invest in rigorous win-loss analysis experience wide-ranging benefits across multiple teams and departments. This section outlines some of the teams and roles that benefit from effective win-loss analysis.

Executives

Many executives rely on anecdotes and conjecture to answer the question, “why do we win and lose?” Boards and executive teams with access to accurate, real-time win-loss data make more informed decisions, make them more quickly (less debate), and act on them with more confidence.

Sales Leaders

Knowing why key sales opportunities have been won or lost helps sales leaders coach and train their teams more effectively. Win-loss data also helps them prioritize and defend the requests (e.g. new content, new features, revised pricing, etc.) they make of other functions and leaders.

Sales Representatives

Win-loss analysis equips sales representatives with valuable insight about what works (on wins) and what doesn’t (on losses). It helps them replicate the successes of their peers, improve their personal win rates, and ramp to quota attainment more quickly after being hired.

Marketers

Win-loss analysis exposes gaps in marketing content and messaging that may be impacting win rates. It deepens a marketing team’s understanding of buyer preferences, needs, intentions, and buying criteria. As a result, marketers can develop content and messaging that truly resonates.

Product Marketers

The emergence of the product marketing function has fueled the popularity of win-loss analysis. Product marketers are the early adopters of win-loss analysis at many organizations because they recognize the importance of win-loss data for optimizing product messaging, product strategy, and sales enablement.

Market & Competitive Intelligence Leaders

Win-loss analysis, when done right, becomes the organization's richest channel of competitive and market insight. It equips leaders with unprecedented visibility into their competitive landscape by exposing critical insights about competitors' products, services, pricing, messaging, etc.

Product Managers

Win-loss analysis helps product leaders hone product strategy and prioritize roadmap with more confidence by exposing the real strengths and weaknesses of their solution. It helps them to avoid wasting time/resources developing unnecessary capabilities and to minimize product investment risk.

Pricing Managers

Pricing is often the most cited reason for losses, but what does that really mean? Win-loss analysis uncovers the truth about how customers react to your pricing and reveals opportunities to improve your pricing model, packaging options, terms and conditions, total cost of ownership, etc.

Client Success Leaders

Win-loss data reveals the decision drivers that matter most to buyers during the sales process, so client success teams can deliver more impactful solutions. Many programs also encompass losses to "churn," revealing the root causes of client attrition and enabling higher client retention rates.

WHAT IS THE POTENTIAL ROI OF WIN-LOSS ANALYSIS?

Companies that invest in rigorous win-loss analysis always achieve a measurable return on their investment. Respected firms, including Gartner and Aberdeen Group, have studied and confirmed how win-loss analysis enables higher sales win rates.

Todd Berkowitz, Research Vice President at *Gartner* reported that:

> “
>
> A formal and rigorous win-loss analysis program enables better segmentation, product strategy, and sales enablement.
>
> Those that take a more comprehensive approach have seen a 15% to 30% increase in revenue and up to 50% improvement in win rates.[2]

Clearly, the business case for win-loss analysis is strong. The insights and outcomes of a rigorous win-loss analysis program are closely tied to revenue generation and the return on investment is measurable.

Even a small improvement to sales win rate will drive a significant return on investment for most organizations.

Consider, for example, a company with $1 million in quarterly sales bookings and a historical win rate of 20%. A small win rate improvement of just 10% (from 20% to 22%) would result in additional bookings of $100,000 per quarter. Thus, the annual ROI from their win-loss investment would be at least $400,000 minus the cost of the program.

Other ways that win-loss analysis drives value include:

- Decreasing the average ramp time for new sales hires.
- Limiting the frequency and scale of product development misses.
- Decreasing time to market for crucial product enhancements or fixes.
- Surfacing lost opportunities that are actually still in play.
- Increasing client satisfaction and retention rates.
- Surfacing win-back opportunities (lost prospects with buyer's remorse).

To ensure maximum return on investment, apply the best practices outlined in this guide. Then, monitor key metrics over time such as sales win rates, average time to quota attainment for new hires, incremental revenue attributed to new product or solution capabilities, and more.

PART 1

SECURE EXECUTIVE & CROSS-FUNCTIONAL SPONSORSHIP

The first step in establishing a transformational win-loss program is to secure the support and buy-in of the executive team and key functional leaders.

Win-loss programs that are sponsored by the C-suite are more likely to receive the funding they need, drive change across multiple departments, and achieve a meaningful ROI for the business.

KEY PRINCIPLES

- Get buy-in at the top, then make it a top-down initiative.
- Make it a coordinated, cross-functional effort. Eliminate functional silos.
- Involve key stakeholders early on to ensure their adoption later.

GET BUY-IN AT THE TOP, THEN MAKE IT A TOP-DOWN INITIATIVE

The fundamental first step to building a world-class program is to secure buy-in and sponsorship at the executive or senior leadership level. This will ensure adequate funding for the program and will drive accountability for stakeholders at every level of your organization.

As you prepare to meet with your executive team, consider this statement from a recent report on win-loss analysis by Jeff Chamberlain at *Gartner*:

> Insight into why a company is winning or losing deals can inform overall strategic business planning.
>
> The audience for the program results should be the executive team.[3]

He goes on to say that, “the insight gleaned from the analysis can inform business model aspects such as value proposition, route to market, target segment, customer relationship and revenue model.”

Unfortunately, many win-loss programs are bottom-up (instead of top-down) initiatives. Too often an individual contributor or middle manager recognizes the glaring need for win-loss analysis at their organization. With persistence, they persuade a VP or functional leader to support a limited win-loss initiative that addresses needs for one part of the organization. These efforts are better than nothing and can be used to establish momentum and buy-in for a full program. But, business transformation is only possible when senior leaders are closely involved.

Use the information from the *Introduction* section of this guide to engage your executive team and build a compelling business case for why they should sponsor a rigorous win-loss program.

> Visit our blog for more articles and webinars about building a successful business case for win-loss analysis:
>
> **WWW.CLOZD.COM/CLOZDBLOG**

MAKE IT A COORDINATED, CROSS-FUNCTIONAL EFFORT. ELIMINATE FUNCTIONAL SILOS.

Once you have executive sponsorship, start working with the leaders of each relevant department to educate them, gain their support, and solicit their input.

Educate these leaders about the value of win-loss analysis for their part of the organization. Clearly communicate the role they must play in making the program a success. Explore what they hope to learn.

For example, your sales leadership team may need to be educated about the benefits of win-loss analysis for sales coaching and enablement. And, you may need support from the sales operations team to gain access to relevant CRM data. Engaging sales leadership will ensure that you have access to the sales resources you need to make the program a success.

Working with each functional leader – the head of sales, product, marketing, operations, etc. – in this manner will help you design and execute a comprehensive and transformational program. It will ensure that each department's needs are addressed and that everyone is on the same page. These efforts will eliminate any redundant or siloed efforts that stem from multiple people or teams trying to solve the same problem. Consider this observation by *Clozd* founding partner, Andrew Peterson:

> It's surprising how often we discover multiple teams trying to implement win-loss analysis simultaneously at the same company.
>
> These redundant efforts are wasteful and counterproductive. They are the result of poor communication between departments and a lack of executive sponsorship.

INVOLVE KEY STAKEHOLDERS EARLY ON TO ENSURE THEIR ADOPTION LATER

Leaders who are educated and involved during the program design phase are more likely to adopt the findings later. This is another benefit of open communication and cross-functional collaboration. As you work with department heads to inform them and involve them, you will forge a commitment on their part to consume the findings and act on the insights. The more leaders you get on board at the commencement of the program, the stronger your return on investment will be.

PART 2

CHOOSE THE RIGHT WIN-LOSS DATA CHANNELS FOR YOUR BUSINESS

The second step is to determine the right sources of win-loss data to incorporate into your analysis. For most organizations, there are 3 sources or channels of useful win-loss insight: CRM data, sales team feedback, and buyer feedback.

The richest insight always comes from buyer feedback. However, each channel has something unique to contribute. The best programs usually incorporate all three.

KEY PRINCIPLES

- CRM data tells you *what* is happening (i.e. win rates are higher in EMEA).
- Sales team feedback tells you *why* it's happening, from an *internal* perspective.
- Buyer feedback tells you *why* it's happening, from an *external* perspective.

CHANNEL 1: CRM DATA

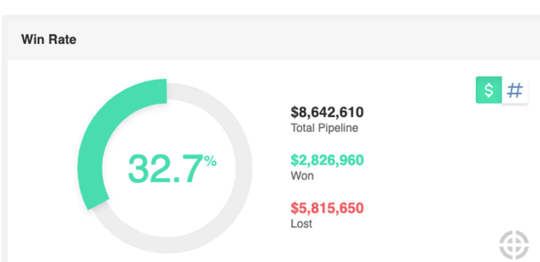
The most basic source of win-loss data is your CRM.

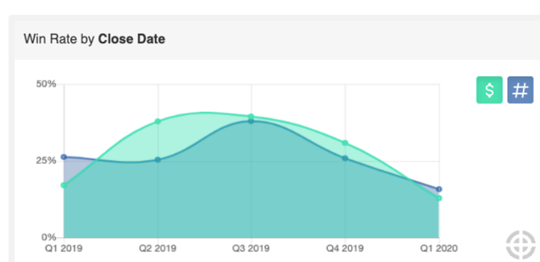
If your sales organization practices decent CRM hygiene – such as inputting key fields, logging each sales opportunity, marking opportunities as won or lost, etc. – then CRM data can act as a useful starting point for win-loss analysis.

Depending on the quality of your CRM data, you can answer basic questions about *what* is happening with your sales pipeline, such as:

- What is our win rate?
- What is our win rate by region, segment, product line, team, etc.?
- What types of opportunities are we most likely to win?
- What types of opportunities are we most likely to lose?
- How many opportunities do we win and lose each period?
- What is our average deal size?
- What is our average sales cycle duration?
- How are these metrics trending and changing over time?

Consider developing reports or dashboards that answer these questions in real-time for key stakeholders. The insights you glean will help you be more effective in how you use the other channels of win-loss insight.





CHANNEL 2: SALES TEAM FEEDBACK

While the CRM data channel is a useful starting point, it only addresses *what* is happening with sales opportunities, not *why*.

To figure out *why* you win and lose sales opportunities, you need to capture feedback from the parties that were involved in the sales process: the sales team and/or buyers. As you consider these two channels, note the following pros and cons:

PROS & CONS	SALES TEAM	BUYER
Accuracy of Feedback	Low	High
Depth of Feedback	Low	High
Participation Rates	High	Low
Cost	Low	High
Pipeline Coverage	High	Low

Win-loss experts have long promoted buyer feedback over sales team feedback for the sake of accuracy and depth. Certain studies have shown that sales reps are often wrong about why deals are won and lost. One study found that sales reps were wrong about 60% of the time.[4]

Never stop questioning the integrity of sales team feedback; but, also acknowledge its benefits. Sales team feedback is virtually free, and the executive team can enforce it. This gives you full data coverage of your entire sales pipeline. There is also value in comparing the sales team's feedback to that of buyers. For these reasons, an ideal win-loss program incorporates sales team feedback *and* buyer feedback.

CHANNEL 2: SALES TEAM FEEDBACK CONTINUED

Some best practices to apply when capturing win-loss feedback from your sales team include:

- Require it for every closed opportunity (won or lost).
- Embed and automate the feedback process within your CRM.
- Keep the feedback form simple and brief.
- Allow reps to select multiple decision drivers for each opportunity.
- Allow reps to rate positive *and* negative drivers for each opportunity.
- Avoid multiple comment box questions. Only use one.
- Confirm the primary competitor.
- Confirm the primary contact (to facilitate buyer feedback).

The Clozd app for Salesforce CRM streamlines the collection and reporting of win-loss data for sales teams:

WWW.CLOZD.COM/CLOZDFORSALESFORCE

CHANNEL 3: BUYER FEEDBACK

The richest source of win-loss data is the buyer.

Most B2B purchase decisions are complex, with various decision drivers playing a role in the eventual outcome. Some of the decision drivers may be readily apparent (like product gaps and pricing concerns), while others are more obscure (like internal politics and risk mitigation). Soliciting feedback from the buyer is the only way to gain a holistic understanding of these drivers.

To capture feedback from buyers you can use two methods:

- Surveys
- Interviews

The following table highlights the pros and cons of each.

PROS & CONS	INTERVIEWS	SURVEYS
Accuracy of Feedback	High	High
Depth of Feedback	High	Low
Participation Rates	Moderate	Low
Cost	High	Moderate
Pipeline Coverage	Low	Moderate

The rest of this section explores nuances and best practices for each of these research methods.

Buyer Interviews

A win-loss interview is the best way to uncover what really drove the outcome of a specific sales opportunity.

The quality and depth of insight from a win-loss interview is considerably higher than any other method or channel, including buyer surveys. That's why every organization should incorporate interviews into their win-loss program on an ongoing basis.

In fact, some organizations build win-loss programs based entirely on win-loss interviews. But, depending on the volume of closed opportunities you have, it may be cost-prohibitive to interview every closed opportunity. The average cost of a third-party win-loss interview from a reputable firm is approximately $1,500 USD. For that reason, some companies choose to deploy interviews on a targeted basis to better understand key opportunities and/or key segments of their pipeline.

Some of the best practices to apply when conducting **buyer interviews** include:

- Have an unbiased and skilled third-party conduct them for you.
- Plan for interviews to last 20-30 minutes, on average.
- Develop an interview guide outlining topics and questions to cover.
- Let the buyer tell their story and adapt your questions throughout.
- Strive for recency. The sooner you conduct the interview, the better.
- Interview both wins and losses to get both sides of the story.
- Record and transcribe each interview.
- Tag and track positive and negative decision drivers for each deal.
- Offer an incentive (e.g. $25 or $100) to increase participation rates.

In the box below we provide answers to frequently asked questions about win-loss interviews:

FREQUENTLY ASKED QUESTIONS

How many win-loss interviews should we conduct?

In general, more is better; but many organizations are budget or resource-constrained. If you can't attempt an interview for every closed opportunity, focus interviews on important deals or segments of your pipeline. Then, aim to achieve *saturation.* In qualitative research, *saturation* is the equivalent to statistical significance and usually takes 25-30 interviews for a well-defined population. For this reason, many B2B organizations conduct around 25-30 interviews on a quarterly basis.

What are typical interview participation rates?

Participation rates vary widely based on factors like role, seniority, industry, recency, deal size, etc. However, average participation rates fall around 30%. Offering monetary incentives can drive a small increase, as can better messaging, multiple contact methods, leveraging a third-party, etc.

Why is it important to leverage a neutral, third-party?

The Pragmatic Institute said, "The odds are stacked against most organizations that are trying to internally conduct [win-loss] interviews. Several tendencies contribute to this problem: difficulty in achieving objectivity; inaccuracy of self-diagnosis; lack of continuity metrics; discretionary priorities . . . if the task is too daunting for an organization, then it must be outsourced."[5]

More questions? Request a free consultation using this link:

CLOZD.COM/TALKWITHUS

Buyer Surveys

The second method for collecting buyer feedback is surveys.

Buyer surveys are more affordable than interviews and can be applied widely across your entire sales pipeline. They are useful for tracking high-level trends that can help you determine where to focus any interviews. As a best practice, use surveys to solicit feedback from any buyers that you do not plan to interview.

Survey feedback isn't as rich as interview feedback because surveys are shorter in duration, the questions are predefined, and participation rates are much lower (3-5% for surveys vs. 20-40% for interviews). But, as outlined above, surveys can be used to complement your interview strategy.

Some of the best practices to apply when conducting **buyer surveys** include:

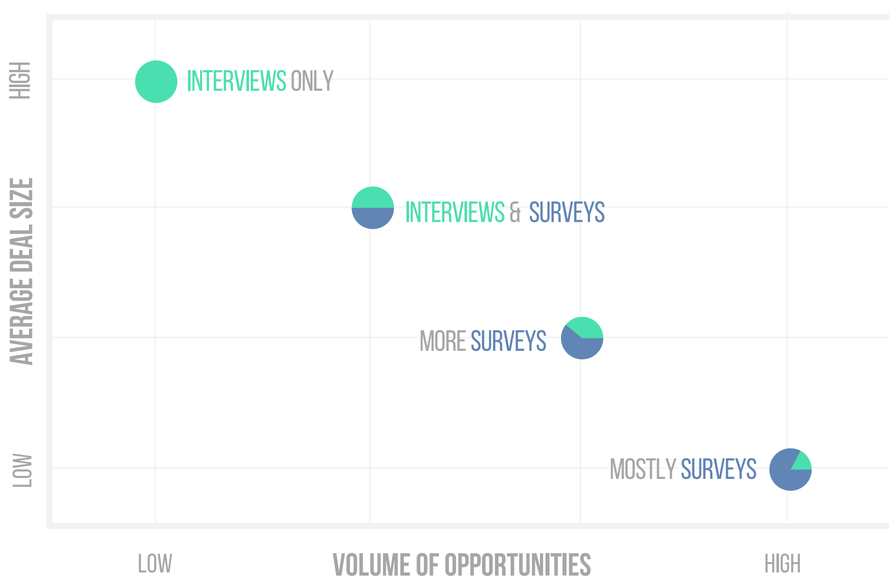
- Keep the feedback form simple and brief.
- Allow buyers to select multiple decision drivers for each opportunity.
- Allow buyers to rate positive *and* negative drivers for each opportunity.
- Avoid multiple comment box questions. Only use one.
- If lost, confirm whether you lost to a competitor or "no decision."
- Won or lost, confirm the primary competitor.
- Strive for recency. The sooner you conduct the survey, the better.
- Offer an incentive (i.e. $10 or $25) to increase participation rates.

You may have noticed parallels with the best practices for sales team feedback. This is intentional. An ideal win-loss program employs a consistent question methodology across sales team feedback forms and buyer surveys. The next section of this guide provides additional guidance on how to structure the questions in your surveys to enable comparative analysis, along with other best practices for building your win-loss question methodology.

Interviews vs. Surveys: Consider Your Pipeline

As you weigh the pros and cons of buyer surveys and interviews, to determine the right mix for your business, consider the makeup of your sales pipeline. Companies with large deal sizes, low deal volume, and/or complex transactions should rely more heavily on interviews. In contrast, companies with small deal sizes, high deal volume, and/or simpler transactions can rely more heavily on surveys. In these latter cases, surveys are more cost-effective, provide sufficient depth of insight, and enable broader pipeline coverage.

The following chart illustrates this general concept:



PART 3

DETERMINE THE RIGHT QUESTIONS TO ASK

After choosing the right data channels, your next step is to determine the right questions to ask. Good question design enables better analysis, higher data quality, and higher participation rates.

It is critical, after soliciting the input and feedback of various leaders and departments (see Part 1) to step back, redefine your goals, simplify your approach, and focus on what matters most.

This section outlines best practices to consider as you build out your question methodology for each win-loss data channel.

KEY PRINCIPLES

- Keep your question methodology simple.
- Focus on Decision Drivers.
- Use interviews to dive deep and uncover blind spots.

KEEP YOUR QUESTION METHDOLOGY SIMPLE

You will be tempted, as you consider everything your stakeholders hope to learn from the program, to develop a complex question methodology. But don't. Keep your question methodology simple and straightforward. This will ensure the long-term success of your program.

Stay focused on the core goal of the program, answering the question "why do we win and lose?"

Here are some guidelines to keep your question methodology simple:

GUIDELINES

Sales Team Feedback Form

Keep it to 5 questions or less. Make sure the form takes less than 2 minutes to complete.

Buyer Surveys

Keep it to 5 questions or less. Make sure the survey takes less than 2 minutes to complete. Mirror your sales team form as much as possible, to enable comparative analysis.

Buyer Interviews

Focus on 5-6 topics with several open-ended questions for each. Allow the interviewee to tell their story and adapt your line of questioning accordingly.

By tightening up your question methodology you may miss out on a few extra details here and there, but the tradeoff is worth it. In the long run you'll benefit from higher response volumes, better data quality for questions that matter most, and cross-channel, comparative analysis.

FOCUS ON DECISION DRIVERS

One way to maximize feedback, while keeping your question methodology simple, is to focus on *Decision Drivers*.

Decision Drivers are factors that influence a prospect's decision to buy (positive driver) or not buy (negative driver) your solution. There are often multiple Decision Drivers that influence the outcome of a deal, either positively or negatively. For example, you may find you lost a deal because your pricing model didn't scale well, even though the prospect loved your sales team and the product's user interface.

Develop a list of Decision Drivers for your business. Group them into categories (i.e. sales experience) and themes (i.e. sales process and follow up) like this:

Product or Solution

- Overall features and capabilities.
- Ease of use.
- Ease of implementation (getting started).

Sales Experience

- Sales team knowledge and expertise.
- Sales team listening and communication.
- Sales materials, marketing content, and other resources.

Pricing & Packaging

- Total cost of ownership.
- Pricing model or terms.
- Pricing clarity and transparency.

Company & Brand

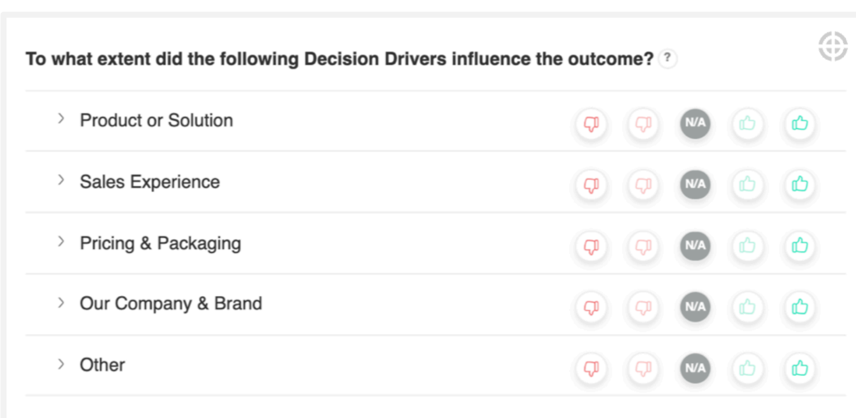
- Company reputation.
- Company presence (size, user base, geographic footprint, etc.).
- References.

Other

- Client organizational factors (M&A activity, leadership changes, etc.).
- Timing or urgency.
- Legal or regulatory compliance.

Simplicity is key. Keep your list of drivers as short as possible, ideally between 15 to 30. The list should be mutually exclusive and collectively exhaustive (MECE).

When presenting the drivers to your respondents, make it easy for them to select the relevant drivers and rate their influence (positive or negative). Default each driver to neutral so respondents can quickly skip over those that aren't applicable. Use a consistent set of drivers for sales team *and* buyer feedback to enable comparative analysis.



Your Decision Drivers can also be applied to your interview methodology. Don't specifically ask about each driver during the interview. Instead, review the interview afterward and tag/rate the relevant drivers. This approach will help you integrate the interview feedback with the data from your sales team feedback and buyer surveys.

USE INTERVIEWS TO DIVE DEEP & UNCOVER BLIND SPOTS

Unlike surveys, interviews provide an opportunity to dive deep and uncover blind spots and new drivers.

In general, buyers typically spend 20 to 30 minutes on an interview whereas they frequently drop out of a survey after just 2 to 3 minutes. Therefore interviews are a critical component of any win-loss program. They build upon the data from other channels by adding new layers of context and insight.

An effective win-loss interview is structured as a conversation, not a rigid phone survey. Before conducting interviews, develop an interview guide that outlines the key topics and questions you want to incorporate into each conversation. Consider questions like these:

Overview & Origination

- What was your final decision? Why?
- What prompted your evaluation?
- How did you structure and run the evaluation?

Product or Solution

- What specific requirements did the product/solution need to meet?
- Which capabilities were most important to you?
- What were your impressions of the overall product offering?
- What were its strengths? Weaknesses?

Sales Experience

- What was the overall buying experience like?
- What did the sales team do well? What could they improve?
- How did the sales experience influence your final decision?

Pricing & Packaging

- How did you react to the initial pricing proposal?
- How did you view the price relative to the overall value?
- How did the price compare to that of other vendors?
- Did the pricing model align with your needs and expectations?

Competitors

- What other vendors did you include in your evaluation?
- Win: Which vendor was the strongest alternative?
- Loss: Which vendor did you choose?
- In what ways did <vendor> excel? Fall short?

Conclusion

- If you were the CEO of <company>, what would you change?
- Win: How satisfied are you with the experience so far?
- Loss: What could <company> change to win your business in the future?

As you listen to the interviewee's answers, adapt your questions and probe for more details when appropriate.

After the interview, review the transcript and tag the Decision Drivers that influenced their final decision. Diligently tagging and tracking drivers will help you spot trends across interviews and integrate the findings with driver data from the other channels.

PART 4

BUILD AN OPERATIONAL, ONGOING PROGRAM

Successful win-loss programs are ongoing initiatives rather than one-off analyses or projects. Automate the continuous collection of win-loss data so that you can monitor why you win and lose over time.

Once your data channels and question methodology are solidified, it's time to start collecting the data. This section outlines the importance of building an ongoing program and principles that will make it a long-term success.

KEY PRINCIPLES

- The reasons you win and lose constantly evolve.
- Build a long-term program, not a short-term fix.
- Capture win-loss data continuously and monitor trends over time.

THE REASONS YOU WIN & LOSE CONSTANTLY EVOLVE

The maxim from Heraclitus that “the only constant in life is change” clearly applies to businesses and markets.

Buyer preferences, market dynamics, and competitive pressures constantly evolve – as does the nature of your company’s products and services. Thus, the reasons why you win and lose constantly change. For these reasons, you should approach win-loss analysis as an ongoing program, not a one-off project.

BUILD A LONG-TERM PROGRAM, NOT A SHORT-TERM FIX

Sometimes, a sudden emphasis on win-loss analysis stems from a painful lost deal, a disappointing quarter, or a C-suite debate. In some cases, the executive team demands answers to why the company wins and loses *now*. But a hurried, ad hoc analysis is the wrong approach.

A recent *Gartner* report provides this guidance:

> Managers implementing a strategic win/loss analysis program must make sure valuable and sustainable flows of objective feedback are created to support the process.
>
> Win/loss analysis programs often fail when trying to deliver a short-term fix … create a survey instrument and process that are oriented toward an extended time horizon.[6]

Your win-loss program needs to act as an ongoing, real-time diagnostic of why you are winning and losing. You may start with a short-term effort as a proof of concept, but always work towards the end goal of establishing a robust, ongoing process for capturing and analyzing win-loss data.

CAPTURE WIN-LOSS DATA CONTINUOUSLY & MONITOR TRENDS OVER TIME

An article from the *Pragmatic Institute* depicts how win-loss analysis should serve as an ongoing diagnostic at the back-end of the sales process so you can “tune in” to market perception:

> Whether the reason is lack of resources, commitment or process, fewer than 20% of organizations conduct win/loss analysis with any regularity or discipline.
>
> This discipline is non-discretionary and must be learned to fulfill the promise of a “tuned in” organization … By internally adopting or outsourcing a diagnostic back-end to your sales cycle process, your firm can “tune in” to market perception. Armed with reality, you will gain competitive advantage by diagnosing your sales performance, verifying your differentiation, and aligning your selling process with your buyer’s process.[7]

To become this “diagnostic, back-end” of the sales process, each closed opportunity should automatically flow through a feedback loop consisting of sales team and buyer feedback.

In this way, win-loss data collection becomes a natural part of how your company operates, providing a continuous stream of insight about why you win and lose. This operationalized approach to win-loss analysis requires more upfront effort and investment, but yields far greater results over time.

Not only will you be “tuned in” to the current reasons why you are winning and losing, but you’ll be able to monitor ongoing trends and changes. You’ll be able to predict, with greater clarity, the negative consequences of non-action.

PART 5

PRIORITIZE GETTING STARTED, NOT BEING PERFECT

At this point, you may be feeling a bit overwhelmed. That's okay. Not all organizations are ready to implement a comprehensive win-loss program right away. It's better to start somewhere, than never at all.

This section offers practical guidance for getting started, even if you don't yet have the buy-in or resources to fund a comprehensive program.

KEY PRINCIPLES

- Some data is better than none.
- Consider starting with a single channel.
- Calibrate and expand your efforts over time.

SOME DATA IS BETTER THAN NONE

If you are resource-constrained or finding it difficult to secure executive sponsorship, don't quit. Some win-loss data is always better than none. Once you begin to expose compelling insights, you will gain support for and momentum towards a full program.

Sanjay Puri, the VP of Product Marketing for *Avalara*, gives this advice:

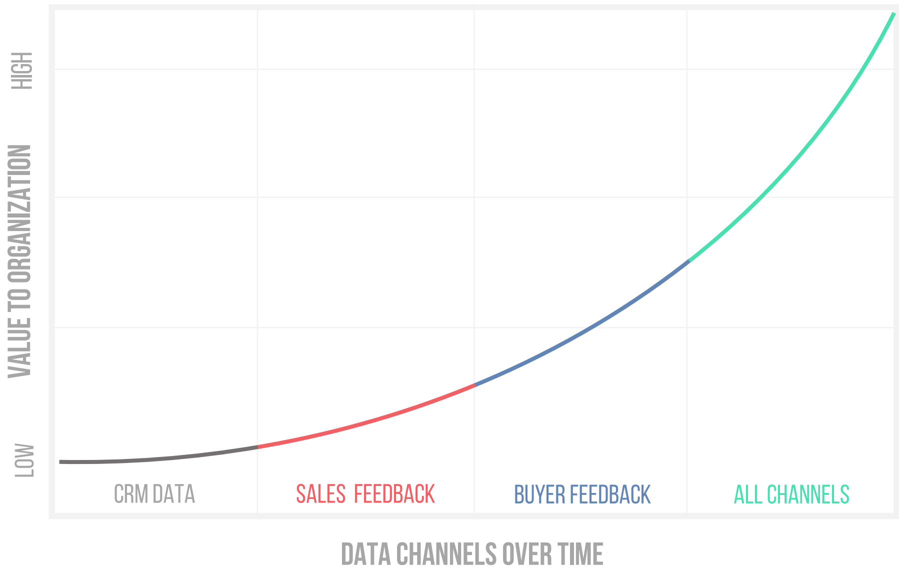
> Start the damn program. Doesn't matter how big you make it.
>
> Start with a few interviews … Look at the results and then start to hone in on exactly what you want to achieve out of the program.[8]

CONSIDER STARTING WITH A SINGLE CHANNEL

If needed, you can start with a single channel. Focus on the channel that is most accessible to you, or that you feel will add the most short-term value for your team or organization. But, always keep the end goal in mind of expanding your efforts to incorporate additional channels.

In our experience, many organizations progress along a common win-loss maturity curve (illustrated on the next page). There is incremental value as you progress through each stage of the maturity curve and introduce each new data channel. Starting with a single channel is always better than nothing.

This diagram illustrates the win-loss maturity curve:



As shown, many companies tend to start by analyzing existing CRM data. Next, they start capturing feedback from their sales team. Finally, they turn to buyers for richer insight. Experienced practitioners eventually mature into comprehensive, multi-channel programs that drive transformational change across their entire business.

CALIBRATE & EXPAND YOUR EFFORTS OVER TIME

Regardless of how expansive your initial program is, look for ways to fine-tune your efforts over time. This may involve updates to your question methodology, adding additional data channels, and/or expanding your pipeline coverage.

Each organization is unique, and it will take fine tuning to optimize your program and maximize your return on investment.

PART 6 INTEGRATE & INTERPRET THE RESULTS

Up until this point, we have focused on collecting win-loss data. Now it's time to extract meaningful insight and drive action.

This section outlines tips and best practices for meaningful analysis of the data you capture.

KEY PRINCIPLES

- Surface positive and negative Decision Drivers by channel.
- Use CRM data to apply context and to filter.
- Compare sales team and buyer feedback, but don't merge them.
- Recognize that confirmations are as valuable as new discoveries.

SURFACE POSITIVE & NEGATIVE DECISION DRIVERS BY CHANNEL

As win-loss data flows in from each channel, carefully track your Decision Drivers. Pay attention to drivers that consistently influence buyers toward purchasing your solution (positive drivers) and visa versa (negative drivers). Rank the drivers according to their frequency (how often they influence deal outcomes) and their sentiment (positive or negative influence).

Pay careful attention to how the frequency and sentiment of your drivers change over time. Never lose sight of the main purpose of your program – to identify the reasons why you win and lose.

The reasons you win and lose can be defined as follows:

DEFINITIONS

Win Reasons

Consistent *positive* Decision Drivers for *wins*.

Loss Reasons

Consistent *negative* Decision Drivers for *losses*.

To extract the reasons you win, focus on the data from wins. To extract the reasons you lose, focus on the data from losses.

If multiple data channels surface the same win and loss reasons, you can be extra confident about your conclusions.

If there are discrepancies between the sales feedback channel and the buyer feedback channel, prioritize (trust) the buyer feedback.

USE CRM DATA TO APPLY CONTEXT & TO FILTER

As you analyze why you win and lose, use CRM data to apply additional context and to filter your drivers. It is likely that your win and loss reasons will vary across key segments of your business.

Consider breaking your win and loss reasons down by:

- Deal size.
- Time period.
- Customer segment or tier.
- Competitor.
- Industry.
- Product.
- Sales team.
- Geographic region.

COMPARE REP & BUYER FEEDBACK – DON'T MERGE THEM

Compare sales team and buyer feedback side-by-side, but avoid merging them. If there are discrepancies, prioritize buyer feedback. During the sales process, buyer perception is reality. If your solution excels in a certain area, but buyers don't perceive it, then you still have work to do. You have surfaced a sales messaging or training problem.

Feedback from salespeople who possess strong empathy and communication skills will align closely to the buyer feedback. Comparing the two data channels is an invaluable tool for improving sales coaching and training. Sales leaders should focus special attention on salespeople whose feedback is consistently "off" when compared to the feedback from their buyers.

RECOGNIZE THAT CONFIRMATIONS ARE AS VALUABLE AS NEW DISCOVERIES

In many cases your win-loss program will confirm hypotheses or beliefs that you and other leaders already have about why you win and lose.

The initial reaction of some leaders may be, "I already know this." But when a win-loss program confirms something that certain individuals already "knew," it can help instill confidence and get everyone else on the same page. These confirmations tend to drive alignment and lead to action. That's why they are just as valuable as new discoveries. Also, the data you have collected often adds incremental context and insight to help those leaders address the issue in an optimal way.

If additional context or clarity is needed to address an issue, consider using upcoming win-loss interviews to explore it in more detail.

PART 7

SHARE THE FINDINGS WIDELY TO DRIVE ACTION

A famous maxim says, "knowledge without action is futile." Such is the case with win-loss analysis. The ultimate purpose of your win-loss program is to drive meaningful action for your business.

To ensure that your win-loss insights drive meaningful action, apply the principles outlined in this section.

KEY PRINCIPLES

- Embrace transparency. Don't be an insights bottleneck.
- Push relevant insights to key stakeholders in real-time.

EMBRACE TRANSPARENCY. DON'T BE AN INSIGHTS BOTTLENECK.

Make your win-loss findings accessible to everyone. Promote a culture of transparency with your win-loss data.

Companies that share the feedback widely, without censoring it, achieve the best results. In the long run, the more employees that can access the findings the better. This enables many people - at various levels of the organization – to optimize their own performance, empathize more with your customers, and drive meaningful change within their sphere of influence.

The *Introduction* to this guide outlines the many roles that benefit from access to win-loss data, including salespeople, marketers, product managers, executives, and more. Make sure that all these stakeholders have easy access to the program results. Consider this statement by *Clozd* founding partner Andrew Peterson:

> "
>
> Avoid becoming an insights bottleneck due to fear, internal politics, or a desire to control the message.
>
> Don't worry about the different ways that leaders or individuals will interpret the data. These differences will spark healthy debate and dialogue that lead to better conclusions and collective action.

Data transparency and democratization are critical principles to apply to ensure a meaningful return on your investment.

PUSH RELEVANT INSIGHTS TO KEY STAKEHOLDERS IN REAL-TIME

Give key stakeholders real-time access to incoming data from each of your win-loss data channels. If possible, automate the delivery of reports through typical work streams like email, Slack, and/or your CRM.

Executives tend to process and internalize win-loss data more when it is delivered in small, consistent doses – rather than one massive data dump at the end of a year or quarter. By delivering the data to stakeholders in real-time, your program will become an active part of how those leaders operate and make decisions.

Tactics that can help drive ongoing stakeholder engagement include:

Automatically alert leaders each time a win-loss interview for a key account is published.

Roll up key insights on a weekly or monthly basis into simple, easy-to-consume formats.

Publish sales team feedback to an internal messaging system (i.e. Slack) as it's received.

Embed buyer surveys or interviews directly into your CRM Opportunity objects.

Alert the product team each time product-related keywords (i.e. a product feature) are mentioned.

Compile data about specific competitors into robust battlecards for your sales team to use.

Notify sales leaders each time an opportunity receives feedback so they can coach their team.

Hold internal debriefs or post-mortems with relevant stakeholders about key lost opportunities.

Alert the marketing team about significant wins so that they can pursue more formal case studies.

In general, try to automate the delivery of insights to the stakeholders that helped design your program. Reflect on the challenges they're facing and the insights they hope to glean from the program to develop strategies for effectively sharing the feedback with them.

Clozd offers purpose-built software for housing win-loss data and sharing it across an organization:

WWW.CLOZD.COM/TECHNOLOGY

PART 8 MEASURE YOUR SUCCESS

The value of rigorous win-loss analysis is tangible and measurable. Monitoring the success of the program can be the most exciting and rewarding part of the initiative.

This section outlines key principles for measuring the success of your program.

KEY PRINCIPLES

- Watch for weaknesses that turn into strengths.
- Measure your return on investment.
- Highlight success stories to justify further investment.

WATCH FOR WEAKNESSES THAT TURN INTO STRENGTHS

As you analyze win and loss reasons over time, watch for drivers that are trending in a positive direction. You'll know you have achieved a major milestone if a driver that was once consistently negative evolves into a strength.

Pay special attention to drivers that are points of emphasis for executives and leaders. Watch to see if the programs and tactics they implement end up having a positive impact on the data over time. In this way, win-loss analysis will become a valuable feedback loop that validates successful initiatives.

MEASURE YOUR RETURN ON INVESTMENT

One reason the CRM data channel (See Part 2) is so important is because it enables ongoing, real-time monitoring of key metrics such as sales win rates. As you roll out your program, monitor the impact on win rates over time. Even small win rate improvements translate to large revenue gains.

As you measure win rates, make sure your analysis only examines areas of the business that fall under the program's purview. Don't assume that the program will drive changes to your company's overall win rate if you don't yet have win-loss data coverage for your entire sales pipeline. As you expand your program over time, the impact on win rates will become more pervasive.

Beyond win rates, there are many other ways that win-loss analysis can improve performance and impact revenue. Some additional opportunities to measure the impact of win-loss analysis on your business include:

- Has the average ramp time for new sales hires gone down?
- Has individual sales productivity increased compared to prior periods?

- Did you revive any opportunities that were incorrectly marked as lost?
- Did you win back any opportunities where lost prospects were experiencing buyer's remorse?
- Have client satisfaction or retention rates improved?
- Is there incremental revenue that can be attributed to new product capabilities that were developed in response to the win-loss data?

For example, one study by Aberdeen Group found that companies that use win-loss analysis have 11.8% more new hires achieve first-year quotas (38% vs. 34%) as compared to non-users. They also experienced significantly higher year-over-year gains in individual sales productivity (2.9% vs. 1.0%).[9]

HIGHLIGHT SUCCESS STORIES TO JUSTIFY FURTHER INVESTMENT

As you identify these success stories, share them with the executive team and other relevant stakeholders. This will validate that your time has been well spent and that the investment has been worthwhile. It will also initiate a virtuous cycle of increased commitment to adopting the findings and greater willingness to invest in expanding the program.

This added momentum will drive even greater results in the future. Stephane Rosenwald, CEO of RV Conseil, said:

> An investment in win-loss analysis will be rapidly paid back, as it always results in increased success rates.

ABOUT CLOZD

Clozd LLC is a leading provider of win-loss analysis services and technology. We work with B2B solution providers in a wide range of industries including enterprise software, healthcare, manufacturing, financial services, education, business services, and more. Clozd's mission is to help clients win more by uncovering the real reasons they win and lose.

Our founding partners, Andrew Peterson and Spencer Dent, are veterans of the market research technology space. Prior to founding Clozd, Andrew spent 8 years at *SAP Qualtrics* where he served as General Manager for one of Qualtrics' market research software products. Spencer previously worked in management consulting as a Case Team Leader for *Bain & Company's* sales effectiveness practice. After Bain, Spencer served as the head of sales strategy and operations at *SAP Qualtrics.*

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