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TIPS FOR RUNNING YOUR OWN WIN-LOSS RESEARCH PROJECT



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LISTEN

So, you've decided to run your own win-loss research initiative! While the team at Thirdside would have loved to bring you on as a client, perhaps we can still provide some value through this handy reference guide.

WIN-LOSS INTERVIEWS: DOS AND DON'TS

Let's get some basic do's and don'ts out of the way first. Conducting interviews is part art and part science. Here's how to do it right—and what to avoid.

Don't open up a sales conversation

For just about anybody conducting the interviews, there will be a fairly strong temptation to revive a supposedly lost account. Don't let them do it. No matter what. The more you can get the person to trust that you're not still trying to make a sale, the more they will open up and share

valuable insights that will pay dividends with new prospects going forward.

Don't get defensive

On the other end of the psychological spectrum, don't get defensive either. Take both the positive and negative feedback in stride. It is okay to probe with follow-up questions to really make sure you understand what they are trying to tell you, but don't try to correct their views. Nobody likes to hear that their baby is ugly, but you're going to have to suck it up and accept the fact that at least some part of your baby is uglier than you thought.

Don't rely on surveys

Management loves charts, and surveys and the quantifiable data they provide might seem like an obvious option during win-loss analyses. And for those worried about imposing anymore on their targets, the surveys probably take just 10 minutes to complete. But here's the rub: They only take 10 minutes, which means that's all the consideration your former prospect is putting into it. You miss the opportunity to really explore what's causing lost deals. What's more, during our years of win-loss work, we've discovered a common stumbling block: There is a

good chance your survey questions aren't the right ones to ask. And a survey based on the wrong hypotheses is not going to be helpful.

Do ask probing questions

Ask follow-up questions until you have something tangible to take back to your team. The first answer you get may “check the box,” so to speak, but keep digging until you have something you can work with. Being told you lost because of price is not as helpful as learning that you were three times the cost of the chosen vendor.

Do cover a wide range of topics

While you have the person on the phone, take advantage of the opportunity to learn something new about your market. We'll cover more on this point in the section that follows, but, for now, know there is almost no limit to what you can ask.

Do set aside enough time

It can take between three and five hours to fully execute a single successful win-loss interview—from the pre-work with the interview guide to outreach, scheduling, conducting the interview, writing the interview notes, and the eventual

summary report. When done properly, the results are pure market intelligence gold. Over time, you will come to know more about your market than any of your competitors. You may even find that so-called industry experts and analyst firms will be calling you for market insight one day. We've had that happen on a number of occasions.

WHAT DO YOU WANT TO KNOW?

Win-loss interviews or any research-oriented conversation with current, past, or future customers is a golden opportunity to dial in your sales and marketing strategy to the needs, wants, and desires of the market. Once the interviewer gets an interviewee on the phone and establishes a level of trust and rapport, they can dive deep on just about any topic, such as future purchase decisions or notable impressions made by your competitors.

In a loss interview, you are obviously going to ask them about the reasons for not selecting your solution. But what else do you want to know? What else would help your organization beyond the typical win-loss interview questions?

Here are some important areas to consider:

Competitive Intelligence

Most interviewees will not throw your competition under the bus, nor will they share information about their chosen

vendor that they think is inappropriate. But you can ask fairly broad questions about things they've seen during the evaluation process that they particularly liked. It's a great way to learn more about the sales, marketing, and product strategies of your competitors.

Product Features/Fit

You'll obviously want to probe into product features and functions that may have contributed to the win or the loss. You also can probe for future product ideas and areas of competitive differentiation. This line of questioning is a great way to break through the dysfunctionality of conflicting opinions and groupthink that often occur in organizations. The loudest voice at the table will actually be the voice of the market.

Sales Processes

Believe it or not, we actually uncover a lot of sales 101 mistakes during these calls. The intent of the research is not to throw people under the bus or to place blame, but it is to find ways for the company to improve. Sometimes that may mean coaching salespeople to be more collaborative problem solvers. You also can learn the soft skills and tactics your competitors may be using against

you and take corrective action. When Thirdside has conducted interviews, we've uncovered many ways our clients can improve the sales process, including tailored solution demonstrations, transparent pricing, collaborative problem-solving, and low-risk trials.

Marketing Alignment

Find out what your target audience really wants from a vendor. What are the topics they actually care about? How can you map your solution to those needs? (Pro tip: It is often not related to what your product people list as benefits.) Find out what your competitors are doing that your audience likes. Inform your marketing investments with the needs, wants, and aspirations of the people you hope to sell to.

PRO TIP: If your junior staffers will conduct the interviews, be prepared to do a lot of coaching to ensure they are successful.

WHO SHOULD DO THE INTERVIEWS?

We're a service provider of win-loss research, so it would seem disingenuous to simply give you a list of reasons why none of your internal stakeholders could possibly conduct the interviews. Of course, we believe that to be true in most cases, but it doesn't stop many companies from working to do it internally.

Below is a list of the things to watch out for as you think about having your employees from different departments conduct win-loss interviews on behalf of your company.

Junior Staffers

Many companies assign junior staffers to conduct the win-loss interviews, but be careful. This is not a task well-suited for people with little business experience. They lack the context for interviewing because they have not been in sales, nor have they run marketing departments. Often, companies will give these junior staffers very simple forms to fill in or online surveys to fill out while they have the

target on the phone. You wind up with check-the-box answers without the depth or the richness that would give you insight into the actions that will drive growth for your company.

Inside Sales People

Inside salespeople or sales development reps are another group of people that often get assigned win-loss research. This also is not an ideal fit. First of all, their primary responsibility is to help drive revenue. In their view, spending time on the phone with people who have already decided not to contribute to your revenue goals is a considerable waste of time. In addition, most inside salespeople have been trained to get on the phone, get information, and get off quickly. The act of trying to dig deeper to expose underlying reasons for a loss with carefully considered interview questions is an unnatural fit. Once again, the company is left with a lack of depth and richness of information.

PRO TIP: If you decide to use inside salespeople, help them change their mindset, so they know it is okay to keep the participant on the phone for an extended period of time.





Product Managers

To the extent you want to capture product feature-function reasons for sales losses, it certainly makes sense to at least consider product managers for the interviewer role. The problem is, nobody likes to hear that your baby is ugly. Even with the best intentions, emotions and pride of ownership creep into the interviews—and skews the results. In addition, project managers tend to be somewhat myopic in their interpretation of things like their product's features and benefits. It is the nature of their position.

PRO TIP: If you use product managers for win-loss research, watch out for false-affirming biases of product feature superiority.

Sales Reps

Some companies assign the sales executives or account managers to conduct the win-loss interviews. We generally disagree with this approach. If you use your salespeople to conduct win-loss interviews, it will, quite frankly, be an awkward conversation, and you're unlikely to get candid feedback from the accounts.

After all, the prospective customer has just told your people that the answer is no. And now, like a scorned boyfriend or girlfriend, your people are coming back to ask what they could have done to make it work. The target won't want to deliver bad news about the real reason you lost the sale, so they'll just blame it on price or mysterious behind-the-scenes bureaucracy. They'll also be reluctant to share information with the salesperson that might reopen the sales conversation. If they convey an objection or reason for not buying that the salesperson accidentally overlooked during the sales process, the salesperson's natural reaction will be to address it, which will only prevent an honest exchange of information.

PRO TIP: Don't use your quota carrying sales reps for win-loss research. Wrong tool for the job.

Marketing Staff

Depending on the organization, marketing managers and directors could either be a good or very bad fit for the task. In many organizations, marketing does not have the political clout to effect change. It's often the CEO, sales team, or engineering staff who represent the loudest voice at the table. In these environments, marketing isn't taken seriously when it brings back feedback that contradicts the CEO's vision or strategies to improve the sales process or develop better products.

In addition, with new product launches, trade shows, and lead generation campaigns, marketing tends to be a fairly interrupt-and-deadline driven department. It is sometimes too easy to de-prioritize win-loss projects because, while important, they seldom are considered urgent. ...and as mentioned earlier, they require a good chunk of focused work time to get them right.

PRO TIP: If marketing is the department conducting win-loss research, it should be positioned as a voice-of-the-customer project. Also, wait to review the findings with the other departments until you have enough data points to roll up some defensible trends.

WATCH FOR BLIND SPOTS

No matter how much time you spend preparing for the interviews, there will be issues and topics you didn't anticipate ... at least, there should be, if your interviewers are doing a good job. Be prepared to hear about them out. Don't overreact, but be open to unanticipated feedback if you get a number of re-affirming data points. Examples we've uncovered:

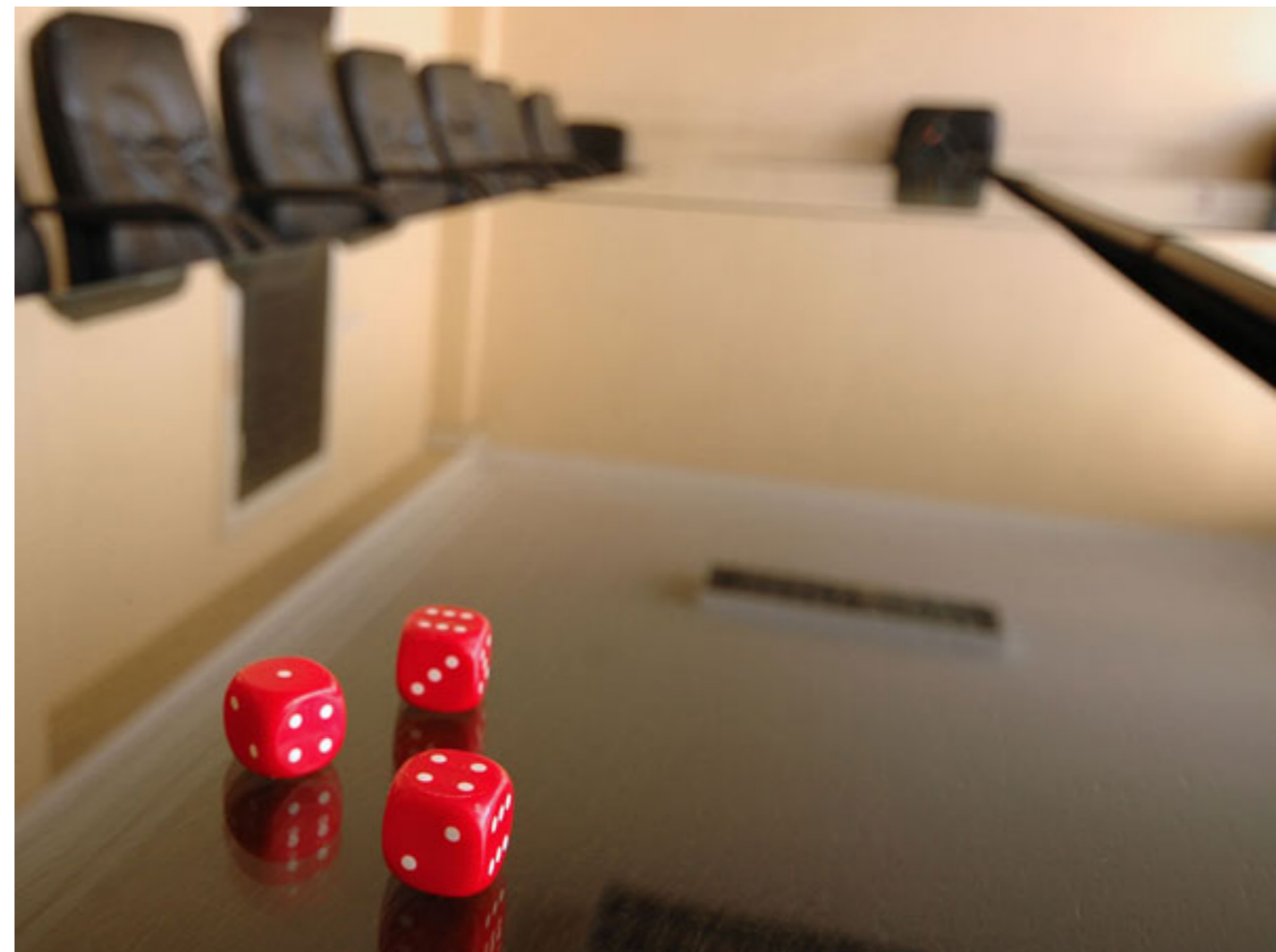
- Losing on "price" wasn't because the price was too high, but because the pricing model was too complex.
- "Won" accounts were actually flipped and became "Lost" during the legal contract review.
- An aggressive sales culture caused losses as prospects simply stopped responding and went with more collaborative competitors.

WE'RE HERE TO HELP

We'll be happy to answer additional questions as they come up during your win-loss initiative. There are a number of topics beyond the scope of this ebook that you'll also want to consider:

- What are the best practices when it comes to creating your target list?
- What level of response rate can you expect?
- How much and how frequently should you approach your targeted accounts?
- Should you offer incentives for their time?
- How many questions should you expect to cover?

Good luck with your initiative, and perhaps our paths will cross again in the future.



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