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The Road to Winning

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As a marketer by trade who became a competitive intelligence professional a decade ago, I'm going to share something that turned out to be one of the more important "aha" moments in my career. It helped me to understand why there's often a disconnect between sales and marketing, and it identified a critical role that marketers can play to drive more success for their organizations.

In the industry of competitive intelligence and strategic consulting, we help clients fill in the gaps around their need for information regarding competitors. We also consult on how to more effectively outmaneuver and outperform them. In one area of our work, win/loss analysis, we gain insight directly from B2B purchasers about how and why they make the buying decisions they do.

Now you might ask, "What does learning about sales have to do with becoming a more powerful marketer?" For me, that grand "aha" moment in my career happened when, through win/loss analysis, I came to understand how complex the sales process is and how strategic thinkers and savvy communicators could play a role that would drive more wins.

For most sales professionals, their careers are always at risk until they make quota. This is part of why they often attribute wins to their performance and—in an attempt to shift blame—attribute losses to prices being too high. Sales teams tend to stay in the trenches because they can't sell if they aren't delivering proposals. Their focus is so intense around selling that they rarely have the chance to step back and analyze all aspects of their activities and selling environment to arrive at strategic conclusions.

Having studied several thousand won and lost sales opportunities for many of the world's most recognized B2B brands, I can assure you that sales are almost never lost because of price. In fact, the reasons for a win or a loss are far more complex and typically go beyond sales operation efforts alone.

To demonstrate how important marketing and strategy functions can be to guiding successful sales, let's take a look at how win/loss analysis is conducted. We typically look at a limited number of won and lost B2B sales opportunities (10–15) that are large in terms of revenue (\$100,000 to \$1 billion) and complex in terms of the level of competition and the purchase-decision process.

We speak to both key decision makers on the buyer's side and key sales executives on the seller's side. The research is conducted by a skilled, unbiased analyst and takes place during a 30–45-minute phone call. Questions are qualitative by design and are not canned. Our analysis is provided on both individual deals and—more importantly—on the group of deals as a whole. We're looking to identify and analyze patterns of behavior and performance.

The analyst's goal is to understand the buyer's process for making decisions. And based on what our studies have revealed are the primary motivators in B2B purchase decisions, we look to understand how each of the following impacts the outcome:

- Cultural alignment
- Economic factors
- Empowerment
- Fear of change
- Flexibility
- Reference provision
- Relationship development
- Value proposition alignment

The study also looks to segment what we refer to as buyer types, or groups of buyers that we can identify as sharing similar circumstances and, as a result, similar buying behavior patterns.

For example, in one of our studies, we identified two important buyer types: those who had previously purchased our client's type of service and those who had not. We did so because our studies have shown that first-time buyers are typically driven by fear of the unknown. Key to capturing this buyer type's business is a sales team's ability to build trust and ensure a collaborative effort involving the buyer in every step of the process.

In contrast, buyers with prior experience who have become dissatisfied with their current provider are part of a group of buyers typically more focused on the seller's solution and want proof that they can do what they say. Flexibility and empowerment are key here. This buyer type wants to know they are dealing with a group of individuals who are willing to customize and have the authority to make on-the-ground decisions. They can't tolerate being burned again. They know what they want, and an out-of-the-box solution won't suffice.

Seasoned sales executives often intuitively identify some buyer types themselves, but less seasoned sales executives rarely do. And rarely will either group have any formalized tools available to deal with specific buyer types; they make them up as they go along. Marketing has an opportunity here to build communications tools and provide advanced education to a sales force based on real-world insights gleaned directly from won and lost sales opportunities.

Let's take, for example, two global IT outsourcers who were vying for the business of a major insurance provider. This was a first-time purchase for the insurer, and they were concerned because the IT function of their business was integral to their success. Outsourcing their IT function meant transitioning their several hundred IT employees over to a new provider, potentially resulting in lost intellectual capital and damaged employee morale.

Our client's sales team attributed the sales loss to their pricing being too high. However, upon further study, it was discovered that their price was actually somewhat more competitive.

The winning provider presented a plan demonstrating their proven experience in the client's industry and a formal human resources program designed to ensure the retention of intellectual capital and employee morale. It highlighted how the buyer would be part of a collaboratively managed employee transition process, ensuring the buyer would play an active role in guiding the outcome to success.

In contrast, the losing provider emphasized the power of their brand reputation, their years in business and their impressive global client list. They articulated a sensitivity to the importance of building a work plan that does not distract the client from their day-to-day business of being an insurer. They sought to differentiate themselves

as the provider that would take care of everything so that the buyer did not have to be concerned with the business of outsourcing information technology.

In the end, the buyer expressed strong emotion about the losing bidder, describing the company as arrogant (i.e., they could do this without the client) and insensitive to their needs (i.e., fear of change), and they selected the winning bidder because of their formal processes and collaborative approach to facilitating the transition. The winning bidder's overall pricing was a bit higher as well but was seen as worth the price.

Not surprisingly, the fear and cost of change tend to rank higher than any other buying motivator across most purchase-decision processes. Armed with an understanding of what buyers—as a group—are afraid of, marketers have the opportunity to build targeted communications strategies, tools and methodologies to overcome this fear and more effectively communicate the cost of switching.

Win/loss analysis offers an opportunity for marketing to team with sales to improve the company's game. It's an exciting tool that provides factual, real-world insights gleaned from a strategic vantage point that enables you to see the full picture. As a result, you'll have the opportunity to play a pivotal role in designing tools, strategies and techniques to assist in outperforming and outmaneuvering key competitors.

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About the Author

Lisa Hicks is a Vice President for Maia Strategy Group (www.maiastrategy.com). She is a sought-after lecturer on win/loss analysis best practices and has spoken at global industry conferences, including for the Strategic & Competitive Intelligence Professionals, the Society of Insurance Research and the Association for New Product Innovation, Design & Development. Hicks has authored a number of respected publications and has served on the board of directors for the Society of Insurance Research, where she created and chaired their first conference on health insurance.

During much of her career, Hicks has held senior executive positions in marketing and communications with major global corporations, including ACE-INA, the Bermuda-based global specialty insurer that acquired CIGNA Property and Casualty Insurance in 1999. She resides in a suburb of Charlotte, North Carolina.

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About Maia Strategy Group

Founded in 2001 and proudly working with 20 of the Fortune 500, Maia Strategy Group is a market intelligence and strategy consulting firm that provides in-depth customized research and analysis on clients' external market environment. The company's excellence in primary research allows it to provide detailed insight on clients' global markets, competitors, customers and channel partners. Maia's analytical techniques transform this market intelligence into strategic action. Clients come to Maia Strategy when they have "gaps in intelligence" on their global markets. Maia fills those gaps with "hard to get" facts and develops winning strategies. For more information visit: www.maiastrategy.com.

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