

Win/Loss Debriefs

Today you got a call from a client and she told you that you won a new project or product purchase with them. Yesterday you got a call from a client with the opposite news – the client decided to go with another firm.

So, what do you do? If you are like many executives in business development, you move on to the next opportunity. Time is short, and there is no sense standing on your laurels or licking your wounds. Right?

Strategic Challenge

If this is your mode of operation, you may be making a significant mistake. If you have ever played serious sports, and you won or lost a game, what did you do? You probably watched the game video to see what you did well, and what that you could have done better. So, why not in business?

Reasons abound for not reviewing proposal wins and losses in business: shortage of time, waste of time, lack of constructive outcomes, and lack of really knowing why the customer decided as she did, among others. Let's focus on the last reason in this Thoughticle.

As we have written in numerous Thoughticles, customer decision making is based on a host of factors, including both head and heart considerations – cognitive perceptions like value and quality and emotional reactions based on trust, fear, coolness, etc. Also, sensory factors may play a role in some product and service experiences (ever walk past a bakery that was piping fresh-baked aromas outside; tell me you could resist! Context also matters (like a company's

procurement policy), and switching barriers, like habit and switching costs.

We can speculate on the role of any of these factors till the cows come home, but the rub is at some point we just have to ask the customer – why did they buy/not buy from us?

There are many ways to ask customers this question, including surveys of customer value drivers, competitive comparison feedback, customer focus groups on what is expected from vendors, and others. Let me tackle a thorny one, however: Customer Win/Loss Debriefs.

Win/loss de-briefs are often used in B2B buying situations where there are significant monies involved. (Of course, there are umpteen variations on this technique for consumer and other transactions.) In the B2B context, suppliers are often reluctant, however, to ask customers why they won or lost. And customers are often uncomfortable having this dialogue.

Suppliers may feel, "what's the point, we'll just get back a standard line that the client carefully assessed

all bids and selected the one that offered the best value, and perhaps if we lowered our price or offered more value, we could have won. But, they'll keep us in mind in the next opportunity." And the story ends there.

Clients may feel, "Ugh, I hate these things; if I offer real feedback, the supplier will get defensive and I don't want to have that kind of conversation." Or, I can't tell them why they really lost, that would be jeopardizing the unique or perhaps proprietary aspects of the winning bidder."

For winning situations, suppliers may feel, "Look, I know why we won, let's just get on with the business," or "What do you expect the client to say, other than, we had the best value?" There may be discomfort on the supplier side, feeling that asking the client why the supplier won is like asking the client to stroke the supplier's ego, telling them how good they are. The client may feel, we have spent all this time evaluating vendors, do we now have to spend time telling the winner why they won? They won didn't they, isn't that enough? If we didn't like what they offered, we wouldn't have selected them, do we need to remind them of what they offered?"

You can spin your own dilemmas and reasons not to do win/loss de-briefs. But, if you are of the mind that like playing sports, you can actually learn something from these, and that your business will benefit from them, then they can be of immense value. I have been amazed at how many times I have heard something from clients of what they saw as valuable or differentiating that came as a surprise to our clients. Moreover, clients will benefit because you can replicate or enhance your value proposition to provide more value to them. Let me thus share a few

points to consider in formulating a win/loss process for your company.

Organizational

One question is whether to do a win/loss survey internally or have an external party do it. Either way might work.

For an internal approach, one strategy is to have account reps who are not involved with the client conduct the win/loss debrief. For example, have sales executives/relationship managers who were not involved with the client do a phone interview with the client. In turn, the sales executives from the immediate proposal situation would do win/loss conversations with others' clients. This helps get the client to speak more freely, given that people sometimes have difficulty choosing their words when talking directly to their sales rep on sensitive issues. Nonetheless, it would be understood that the feedback would be given to the sales executive/team responsible for the client relationship.

Having an outside vendor like a research or consulting firm do the debriefs also has this benefit, but provides even more freedom for clients to say what they really think. It also avoids having to train sales professionals on how to do the debriefs, and yes, there are skills and art involved. I have been asked to "listen in" on conversations conducted by sales professionals on behalf of their organization. One of the bits of constructive feedback I often have to share is, "Don't lead the witness." So often, the sales executive is so sure about the factors that led to the win or loss, that he or she ends up inadvertently guiding the conversation toward these factors, without giving the client a chance to more freely or deeply share thoughts in other areas. Put another

way, I tell them, “You talked about what you wanted to talk about, what did the client want to talk about?” “Ah, well, I guess we would have to go back to the client and ask.” “Sorry, too late, you don’t get a second chance at this.”

Another possible reaction is to get defensive, not necessarily combative, but nonetheless falling into a mode of offering explanations on why you did what you did, or proposed what you did. That usually results in the client clamming up – “If they are going to respond that way to everything I say, then what’s the point?” Far better to listen and probe for understanding: “Tell me more about that,” or “Do you have thoughts about how this might have worked better?”

Above all, don’t wear your emotions on your sleeve. Don’t get so wrapped up in client praise that you come away with no clear understanding about what exactly the client perceived as value. Conversely, don’t get caught in your own mental rationalization for why you did what you did but that the client thought could have been done differently.

Set a Valued Purpose

I like to tee up the interview context as gaining feedback so that the company can better serve the customer; the client then has the feeling that sharing information will be worthwhile. It puts the client at ease, and obviates natural concerns that the client might have of being put on the spot to defend his or her decision. Being able to demonstrate changes in the on-going relationship or next procurement is a moment of truth for the company from the client’s perspective – if the client does not see improvements or follow-through on valued aspects, then willingness to do another win/loss conversation will decline.

Format

I like to have a discussion format for the win/loss debrief interviewer to follow. Questions in general should be more open ended, rather than “How would you rate us on X?” There can, of course, be a couple rating questions if you want to keep track of how well the company was perceived overall when losing/winning, for example. This could be useful in compiling cross-company results or as a yardstick for tracking improvement (in addition, of course, to sales results). But the key is to get the person talking, get him/her to open up. This is enabled by making the interview more conversational. Have a conversation, don’t do an “interview” where the client feels she is being grilled or marched through a preordained list of questions. Those approaches simply leave the client feeling that this was all about the vendor, not about them.

I have used a basic, simple interview structure of “What did the company (team) do well,” followed by “What could the company (team) have done differently?” “Did well” should be a conversation first before moving to “do differently.” This usually benefits from some setup at the beginning of the interview to explain to the interviewee that you would be covering the “did well” first. The reason to set this expectation is to avoid getting into the “do differently” too early, before the “did well” is covered. People tend to drift toward the “do differently” areas so being purposeful about this process helps counter that tendency.

Note, too, the use of “do differently.” You might ask, “What’s the difference between that and simply asking, ‘What did we do poorly?’” The difference is one of keeping the conversation constructive.

Asking what to do differently takes both the interviewer and the interviewee into a different place of constructive dialogue – how to make things better, rather than dwelling on what did not work well. Sure, the deficiencies will come out, but with the added benefit of feedback on what to do about them.

Background Understanding and Questions

I would recommend that before interviewing the client, there first be an interview with the internal account reps to gain the background on the client situation, need, and proposal. This interview would include the team's perspective on what they did well/should do differently. It yields hypotheses to explore as probing areas in the client interview, and specific questions the internal team might want to get answered. It also provides important context on the situation so that the interviewee feels more comfortable, that he/she is talking to someone knowledgeable. Simply put, do some homework; don't walk into the client interview cold. Clients might tend to think they're not being respected or time is being wasted if they have to step back and explain the situation that the interviewer otherwise could have known.

The Pervasive Challenge: Sensitivity and Openness

Getting the client to open up and say what the "real" factors or issues behind the decision is the key. Sometimes interviewees will simply adhere to the company line so to speak, not wanting to say something they might regret or perhaps even be against policy. A classic example would be if all along they intended to give the business to one vendor, and just wanted to get some other bids as a sanity check to see if their pre-selected vendor was in

the competitive range. Probing around this type of situation cannot be done, even if it is suspected; it will shut down the conversation.

Beyond the above example, there could be other situations where the interviewee just doesn't want to say something bad about the account executive or team, fearing that there might be repercussions. The interviewee should be sensitive to this and not press beyond comfort levels. One technique to use when sensitivity seems to be rearing its head is to step back from requesting feedback on the company, and talk instead about, e.g., "What have you seen other best-in-class companies do (or avoid doing) that you really liked?" That can diffuse what the client might feel is a direct attack. It can give the interviewee some freedom to talk without feeling he/she was hurting someone's career.

Other ways to get the true story circle back to the point about having a conversation and going with the flow, being generally interested in how to keep up those things that are going well and improving those things that could be done differently.

There are many ways to slice the win/loss watermelon. Indeed, the above strategy is only one of many that might be employed. What is a right strategy for an organization depends on its type of business and how it wants to manage its customer experience. If you would like to share thoughts about win/loss techniques or discuss how Hansa can help, please feel free to contact us.

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