

Learn the top reasons companies win or lose sales, based on \$626 million worth of sales transactions of Fortune-ranked companies.



AskForensics Annual SalesForensics Report

# 2014

**ASK FORENSICS™**

Win more deals - Fortify accounts



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# Introduction

## Annual SalesForensics Report

Each year AskForensics, a sales consulting firm that uses a forensic science approach to sales, performs in-depth SalesForensics and AccountForensic investigations for Fortune-ranked companies to find out why major sales or accounts are won or lost. AskForensics has been collecting this data in the AskForensics Knowledgebase™, which now contains sales and account data of \$11 billion worth of more than 970 client and prospect accounts of 20 Fortune-ranked companies. Each SalesForensics and AccountForensics investigation includes in-depth interviews with executives at prospect and client companies to find out what they truly think of their provider. The qualitative data is coded and then compiled in the AskForensics Knowledgebase™ to provide statistical evidence of trends and findings.

This year, AskForensics is releasing the first Annual SalesForensics Report to share the statistics and findings with the public so executives of enterprise companies can gain insight into how they can win more multi-million dollar deals and fortify their existing client accounts. The data in this report represents more than \$626 million worth of sales transactions. Data from 2013 is compared to data from 2012 to show trends. In this report, you will find statistical data regarding why Fortune-ranked companies won or lost multi-million dollar sales, prospects' most strategic requirements, as well as insight into what's ahead for 2014. At the end of the report, you will also find a glossary that defines key terms used in charts and graphs. All graphs and infographics used in this report are available for download at: <http://askforensics.com/salesforensics-report/>.

## About AskForensics

AskForensics assists Fortune-ranked companies in winning and retaining multi-million dollar accounts. Using a forensic science approach to sales, AskForensics has been delivering objective insight into what's really happening behind the scenes with prospects and customers for nearly a decade. AskForensics has evaluated more than \$11 billion worth of prospect and client accounts for world-class Fortune-ranked companies, identifying more than \$3.3 billion of vulnerable accounts and generating millions of dollars in ROI for its clients. Clients include FedEx, ARAMARK, Equifax, Marriott, and Coca-Cola. Follow [@AskForensics](#) on Twitter and [LinkedIn](#).

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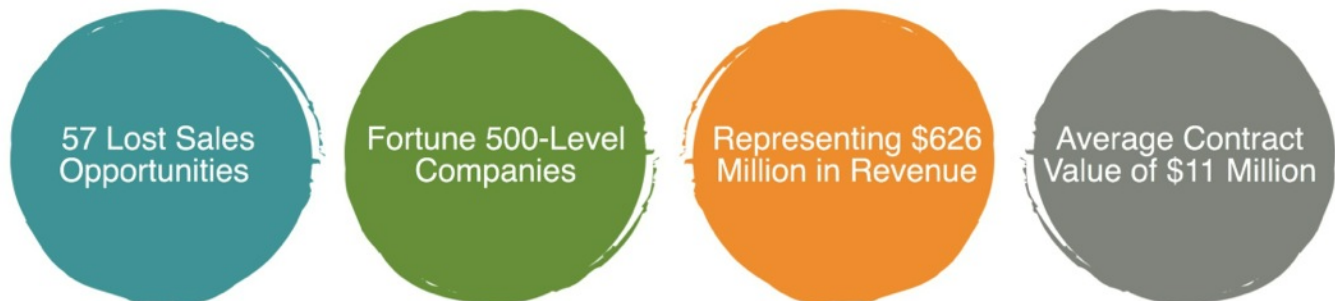


## What Happened in 2013

In 2012 and 2013 AskForensics evaluated 57 lost sales opportunities for Fortune 500-level corporations, representing \$626 million in revenue. Since each sales opportunity averaged \$11 million in total contract value, losing these contracts had a significant impact on the selling companies' sales figures and financial performance.

While strategic-level prospects had essentially the same needs and requirements in 2013 as they had in 2012, service quality, account support, and culture played heightened roles in losing sales during 2013. Price and the overall financial model, while important, was less of a factor in 2013. In fact, competitors did not use price as a top strategy to win in 2013. To a certain extent it fell off the radar.

Some of this change could be attributable to the economy. While U.S. GDP growth slowed from 2.78% in 2012 to 1.56% in 2013 (IMF World Economic Outlook), Gallup's end of year Economic Confidence Index for the U.S. improved from -21 in 2012 to -16 in 2013, and Gallup's Job Creation Index increased from 17 in 2012 to 20 in 2013. All of this data points to more consumer confidence and a better overall business climate in 2013 than in 2012. As a result, corporate customers were likely more willing to invest in 2013 and not focus as heavily on price as they did in 2012.





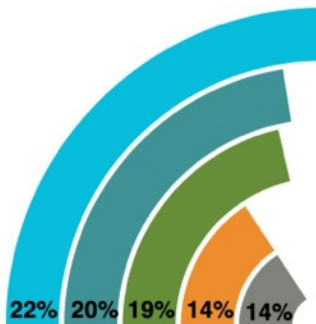
## Prospects' Most Strategic Requirements

**Bottom line – Prospects' top requirement shifted from financial performance in 2012 to service quality in 2013.**

Prospects' requirements in 2012 and 2013 were similar, but there was a noticeable shift from financial performance as the top priority in 2012 to service quality in 2013. In 2012 prospects were more interested in how a provider could help improve their financial performance, while prospects in 2013 were more interested in a provider's level of service quality. The requirement to improve financial performance trailed off significantly from 26% in 2012 to only 14% in 2013, although it still remains an important requirement.

Overall, in 2013 prospects were most interested in measurably benefiting from providers' capabilities and expertise. This was reflected in their comments about service quality, program management, account support, and financial performance.

### 2013



Service Quality Program Management Account Support  
Financial Performance Communications / Reporting

Prospects' Requirements

### 2012



Financial Performance Service Quality Account Support  
Program Management Communications / Reporting

Prospects' Requirements

### Key Takeaways

- Don't assume you know what a customer wants. Fully understanding a prospect's needs is only possible when you remove all of your own biases and assumptions.
- Provide sales teams with sufficient time and resources to fully identify and understand prospects' needs.

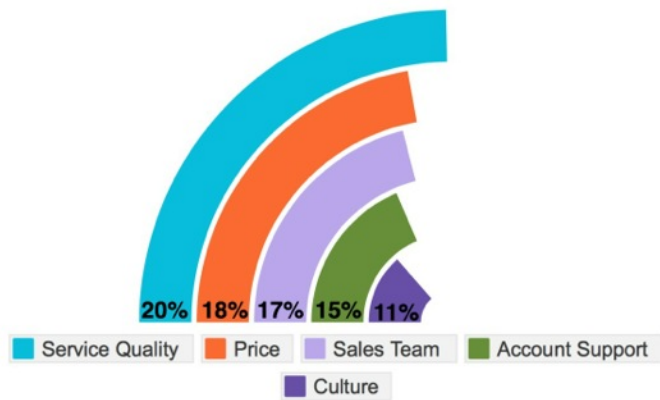


## Primary Reasons for Losing

**Bottom line – Service quality, account support, and culture took on more significant roles in 2013. Price, while important, was less of a factor.**

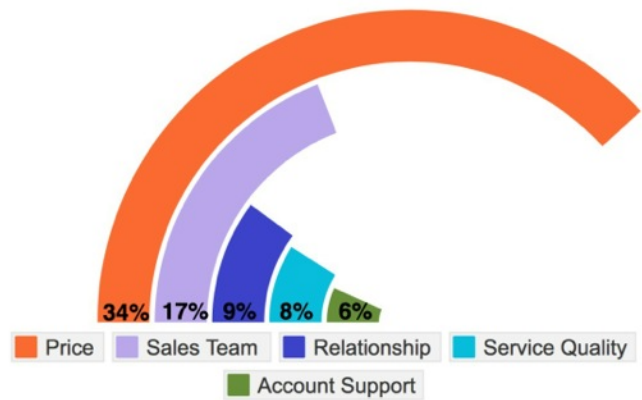
Prospects' perceptions of the bidding company's service quality, account support, and culture played a significant role in why companies did not win deals in 2013. Price, while important, was less of a factor in 2013. However, when price was cited in both years, the losing company's financial bid was significantly off from what competitors offered and prospects were seeking.

### 2013



Reasons for Losing

### 2012



Reasons for Losing

### Key Takeaways

- In new sales, realize that your reputation likely precedes you. How you are performing in your existing or past accounts may influence your prospect's decision.
- If your price is significantly off from other bidding companies, it means you did not fully ascertain the prospect's needs.



## What Losing Companies Could Have Done to Win

**Bottom line – Sales teams could have turned some losses into wins by proactively injecting more innovative ideas and by providing more value.**

In both years the sales teams could have initiated actions to win. The sales team, while not having the same level of impact in 2013, continued to play a key role in potentially changing the outcome. The top factors influencing sales team success in 2012 were understanding prospect requirements and presentation skills. However, in 2013, the top factors influencing sales team success centered around offering more innovation, value, and proactive recommendations.

Prospects provided feedback on the action items sales teams could have taken that would have turned the tide and shifted a loss to a win. Below are the top six actions mentioned in 2012 and 2013:

- Incorporate more innovation / technology into the solution
- Better understand prospect's requirements
- Offer value-added programs
- Improve presentation
- Offer more proactive ideas
- Respond to questions and requests in a more timely manner

## What sales teams could have done to WIN THE DEAL...

Prospects said...



Incorporate more innovation / technology into the solution

Better understand prospect's requirements

Offer value-added programs

Improve presentation

Offer more proactive ideas

Respond to questions and requests in a more timely manner



## Winning Actions by Competitors' Sales Teams

**Bottom line – Competitors won deals in 2013 by instilling confidence in their capabilities.**

Competitors' ability to effectively sell their company's account support capabilities worked in their favor in 2013. Providers were able to instill more confidence in their prospects' minds about how well they would service needs and requirements. This became the primary focus of prospects in 2013, while selling on the financial model, which was effective in 2012, pretty much fell off the radar screen in 2013.

### 2013



Account Support (33%)   Service Quality (15%)  
Communications / Reporting (11%)

Competitor Actions

### 2012



Financial Performance (27%)   Account Support (18%)  
Proposal (12%)

Competitor Actions





## What's Ahead in 2014

### What Companies Need to Do to Win More Deals.

The economic outlook is brighter for 2014. Growth in U.S. GDP is forecasted to pick up this year, increasing from 1.56% in 2013 to 2.49% in 2014 (IMF World Economic Outlook). Though the current Gallup Economic Confidence Index for the U.S. is -18, a slight decline from -16 at the end of 2013, Bloomberg analysts purport that the economic climate has a lot of momentum heading into 2014. Further, according to senior economist Ryan Sweet of Moody's Analytics Inc., "The missing pieces for a stronger economic recovery are falling into place." With increased economic momentum ending 2013, it is expected that 2014 will be a year of economic growth.

What does this likely portend for business-to-business sales? The economy still has some headwinds. Corporations are facing increased expenditures that will affect their budgets, particularly with employee costs and benefits. While a good portion of this has been built into 2014 business models, there remains an air of uncertainty throughout the business world.

Yet this uncertainty creates opportunity. Value and results will prove crucial in order to successfully win new and renewal / expansion sales. In other words, stay the course from last year – propose innovative ideas and continue to quantify your value. It will be important to objectively and continually monitor the reasons for winning and losing and revise sales strategies accordingly. It will also be critical to constantly monitor the value you are delivering to your existing customers to make sure you are in the best position to win additional business from them.

Rick Reynolds  
CEO, AskForensics





# Resources

All graphs and infographics used in this report are available for download at:

<http://askforensics.com/salesforensics-report/>

## Graphs

Click on the links below to download the graphs included in the report.

- [Prospects' Most Strategic Requirements](#)
- [Primary Reasons for Losing](#)
- [Winning Actions By Competitors' Sales Teams](#)
- [What sales teams could have done to Win](#)

## Summary Infographic

Click on the link below to download a summary infographic (shown right), which includes all of the charts included in this report.

[2014 SalesForensics Report Infographic](#)

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# Glossary of Terms

## **Service Quality**

The total quality and consistency of the service provided to the end customer.

## **Account Support**

The total support from the service provider's account team to the end customer. This encompasses corporate and direct client facing teams.

## **Program Management**

The management and overall supervision of the services provided to the client. This most often relates to the customer facing team.

## **Financial Performance**

Degree of meeting the end customer's financial requirements through competitive pricing, sufficient profits to the end customer, commissions, the overall financial model (which can include investments), or helping them achieve competitive operating costs.

## **Communications / Reporting**

Formal and informal communications and reports that include correspondence, meetings, benchmarking analyses, and performance reports.

## **Price**

The net price of the product or service to the customer.

## **Sales Team**

The seller's team that directly interacts with the prospect during the sales, proposal, and evaluation process.

## **Culture**

Formal and informal corporate cultures and values.

## **Relationship**

The seller's and buyer's interactions and the rapport that is established. This relates to interactions between both companies' entire organizations, including corporate and prospect facing teams.

## **Proposal**

The formal document, and supporting material, that were submitted to the prospect for formal review and analysis.