

What critical sales and accounts are you at risk of LOSING?



2015

# AskForensics Sales Analysis



Find out the top reasons Fortune-level B2B companies retain or lose accounts, based on \$2 BILLION worth of transactions.

AskForensics

[www.AskForensics.com](http://www.AskForensics.com)

# 2015 AskForensics Annual Sales Analysis

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# You Win Some, You Lose Some

Think back to the sales deals and strategic accounts you lost in the past year. Do you know why you lost them? Where are the vulnerabilities in your current accounts that you are at risk of losing *this* year?

While every business is unique, there are often common causes of lost sales and vulnerable client accounts. Since 2004 AskForensics has been performing SalesForensics and AccountForensics investigations for Fortune-level companies to find out why major sales or accounts are won or lost. Each investigation includes in-depth interviews with executives at prospect and client companies to uncover what they truly think of their provider. The qualitative data is coded and then compiled in the AskForensics Knowledgebase™, which contains sales and account data of more than \$14 billion worth of client and prospect accounts of large, often Fortune 1000-level, business-to-business (B2B) companies.

This year, AskForensics is releasing the second annual AskForensics Sales Analysis to provide real-world statistical evidence of sales and account trends. This data provides executives with insight into what might be happening behind the scenes with their own sales deals and client accounts. The data in this analysis represents B2B sales and account transactions from 2013 to 2014, totaling more than \$2 billion in total contract value. Data from 2014 is compared to data from 2013 to show shifts in buyer behavior.

## How to Use This Analysis

In this analysis, you will find statistical data on the top reasons B2B enterprise companies are winning or losing multi-million dollar accounts. You will also learn what buyers are looking for from providers, as well as gain insight into the top ways providers are falling below or exceeding buyer expectations. We will also shed light on what's ahead for 2015 and beyond. Most importantly, each section includes key action items and recommendations that you can use in your own business to win more deals and strengthen your existing accounts. At the end of the analysis, you will also find a resources section, as well as a glossary. All graphs and infographics in this analysis are available for download at: <http://askforensics.com/annual-sales-analysis/>.

# Levels of Risk

A critical component of maintaining and enhancing value for buyers means you must have a deep understanding of what buyers really want (including unarticulated needs), as well as uncover cracks in customer relationships before they morph into relationship-damaging problems. Executives often rely on account managers and sales teams to be their eyes and ears, but this does not always provide an accurate picture of the state of a customer relationship. Sales and account teams may be unaware of possible problems, or they may be hesitant to shine a spotlight on problems since account managers and sales professionals are evaluated by how well they perform. Meanwhile, the customer account relationship might be suffering behind the scenes.

While some account losses are unavoidable, data from AskForensics reveals that most account losses are preventable if you identify and address problems long before a rebid is on the horizon. AskForensics categorizes all customer accounts into one of three categories of account risk—strong, vulnerable, and damaged.

## STRONG

In strong accounts, your corporate and frontline teams are fully in sync and aligned. They are on the same page with each other and the client. They know what needs to be done and they focus on improving the customer's business. Your account team has successfully become part of your client's internal team.

## VULNERABLE

In vulnerable accounts there are percolating issues that, if left undetected and unresolved, can escalate and become festering and growing concerns. These issues hurt your chances for expansion and renewal. Many, if not most, of the qualities that exist in a strong account are absent in a vulnerable account.

## DAMAGED

If your customer account is damaged, you are susceptible of losing the account, perhaps even before the contract expires. Immediate triage is needed to salvage the account. There is no time to waste.

If your company is like most businesses, you likely have accounts that are vulnerable or possibly even damaged. In fact, 90% of all accounts AskForensics evaluated in 2013 and 2014 were found to be “at risk,” meaning they were either vulnerable or damaged. If even a portion of your customer base is unsatisfied or has unresolved concerns, it can have a significant impact on your company's sales and financial performance.



# The Highlights

During 2013 and 2014 AskForensics evaluated 114 accounts totaling more than \$2 billion in total contract value. As each account averaged \$17.6 million in size, becoming vulnerable at any level had significant impacts on the selling companies' sales and financial performance.

Out of the 114 accounts, 76% of the accounts were found to be vulnerable, 13% damaged, 10% were considered strong, and one client account was damaged to the point of switching providers.



While the accounts classified as damaged represent only 13% of the total accounts evaluated, damaged accounts represent 20% of total contract value. This means that larger accounts often have a higher likelihood of being damaged.

# Top Reasons for Vulnerable & Damaged Accounts



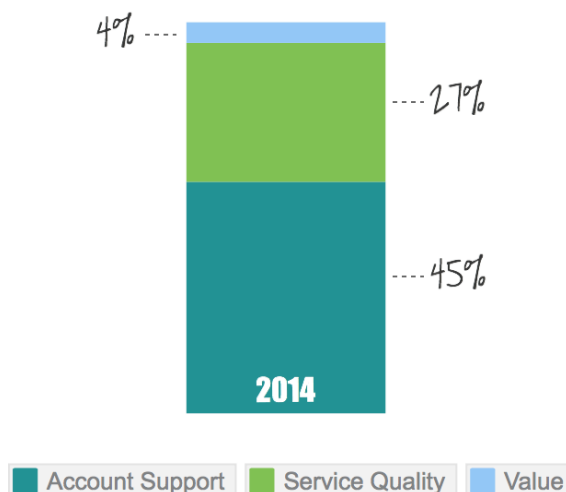
Data shows a lack of account support is the top reason accounts become vulnerable or damaged.



While a single major incident can damage a client relationship beyond the point of repair, most client relationships become vulnerable or damaged over time through a series of seemingly small cracks in the relationship. Our data found that a majority of these cracks develop as a result of a lack of account support from the provider. In fact, the top reason for accounts becoming vulnerable and damaged in 2014 was lack of account support, which impacted 45% of accounts. This far outweighs the next top issues, which are service quality at 27%, followed by value at 4%. Account support was also the top issue in 2013, impacting an astounding 65% of accounts.

Account support encompasses the total support from the service provider's account team to the buyer, including both corporate and direct client-facing teams. However, data shows that corporate teams took on a significantly pronounced role in causing client accounts to shift from strong to vulnerable in 2014. When buyers mentioned account support as an area of concern in 2014, 58% cited an insufficient level of corporate involvement from the provider as the main reason for their disappointment.

**Top Reasons for Vulnerable or Damaged Accounts**



Accounts made the shift from strong to vulnerable when senior executives from the provider company were no longer engaged or proactively sharing recommendations with the buyer. This is a common scenario that occurs when senior executives invest a great deal of time and effort during the sales process, only to step out of the picture when the deal closes. Meanwhile, buyers have developed a false expectation that the executive involvement they experienced during the sales process will continue. When those expectations are not met, cracks begin to develop in the client relationship that, if not addressed, can result in losing the account altogether.





## Take Action!

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### TAKE ACTION

To prevent account support from becoming a client relationship wrecking ball, set realistic expectations of future executive involvement upfront and continually gauge the involvement of senior executives in strategic accounts. Consider implementing the following best practices:

#### **1) Build senior executive involvement into the account plan.**

Schedule senior executive client meetings and make these part of the account plan. Your company's senior executives should visit strategic accounts at a frequency that is most appropriate given the client's total contract size, growth potential, and overall strategic importance. Providers should establish and adhere to the annual visitation plan.

#### **2) Share the load.**

It might make sense for multiple executives at your company to share the load when it comes to developing key touch points with your client. For example, it may be advantageous for the senior vice president of sales to visit your client during one quarter and the chief financial officer during another depending upon the message you need to communicate, executive availability, and the overall coverage you want to achieve. This will not only broaden your company's involvement with the client, but it will also open additional opportunities to meet and interact with client stakeholders.

#### **3) Establish a system to archive and share ideas.**

It is difficult to proactively communicate ideas to your client if you don't have a system in place to store, organize, and share ideas. By developing a system to archive and share ideas with your client, both executive-level and client-facing teams are able to systematically see what ideas have already been shared, as well as determine where gaps may exist so you can provocatively make recommendations on a regular basis to strengthen client relations.

# Top Buyer Requirements



Data shows buyers' top requirements are service quality, effective program management, financial performance, and account support.



Client demands in 2014 were far from unreasonable or unrealistic. In fact, customers simply wanted to receive the level of support that enables them to focus on their business and not yours. Service quality, effective program management, financial performance, and account support were the top buyer requirements in 2014.

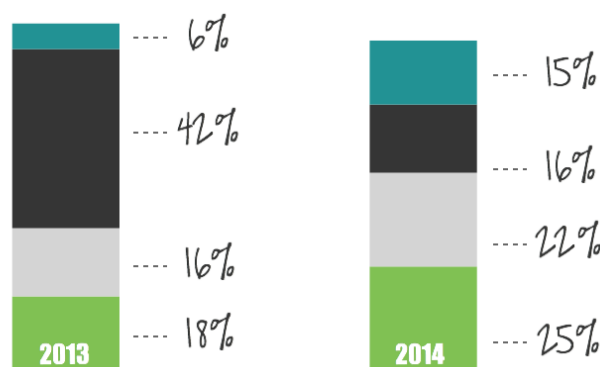
## SERVICE QUALITY

Service quality was a pronounced need in 2013 with 18% of buyers citing it as a top requirement, and it remained the top priority in 2014 at 25%. Service quality boils down to how well a provider is able to help a client improve their performance. In 2013 service quality encompassed providers helping clients achieve strong operations and results, but in 2014 it primarily meant delivering timely service.

## PROGRAM MANAGEMENT

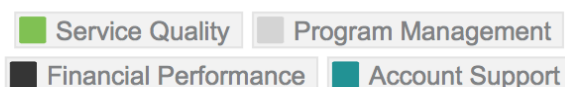
Program management moved up in importance from 16% in 2013 to 22% in 2014. Program management includes the overall supervision of the services provided to the client, most often provided by the customer-facing team. Buyers wanted continuous innovation from their provider, which all comes back to helping the client improve their total performance and bottom line.

## Top Buyer Requirements



## FINANCIAL PERFORMANCE

Financial performance experienced a significant drop from 42% in 2013 to only 16% in 2014. Financial performance encompasses the degree to which a provider meets the customer's financial requirements through an overall financial model that provides competitive pricing, helps the client achieve competitive operating costs, and improves the client's profits.



Financial performance in 2013 primarily encompassed providers helping companies decrease their operating expenses, while financial performance in 2014 was needed



more for scaling the scope of services to meet buyers' specific requirements. In both instances financial performance was not about low price; it was about improving a customer's total effectiveness and financial results.

### ACCOUNT SUPPORT

Account support is a major reason providers lost accounts in 2014 so it makes sense that account support shows up as a requirement for buyers. In fact, it increased in importance from 6% in 2013 to 15% in 2014. Remember, account support encompasses the total support from the service provider's account team to the customer from both corporate and direct client-facing teams. In 2014 clients valued providers who offered account support in the form of providing best practices, proactive recommendations, and partner-level support.



### Take Action!

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#### TAKE ACTION

##### 1) Periodically audit your clients.

Whether you audit your client accounts yourself or recruit the help of an outside, objective third-party, it is important to solicit candid feedback from your clients on a regular basis and then immediately *act* on what you learn.

##### 2) Listen to your client at all levels.

Your client's needs can be driven from many levels within their organization, and these may be in areas where you are not routinely engaged. It is important to understand all direct and indirect needs your client has relative to your product or service, and this can only be accomplished by asking questions and listening to stakeholders from multiple levels, not just senior executives, to get a boots-on-the-ground perspective of your client's overall needs. You need to understand not only what is important from a tactical level but also what is critical at the strategic level.

# Top Ways to Exceed Buyer Expectations



Data shows top ways to exceed buyer expectations are through effective account support and service quality.



In 2013 34% of clients reported that providers never fell below expectations; however, performance levels dropped in 2014, with only 13% of providers never falling below expectations. When providers did exceed expectations in 2014, it was largely due to effective account support and a high level of service quality.

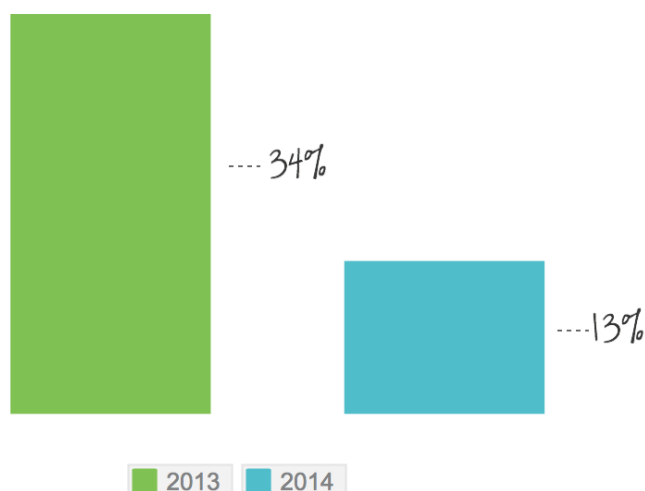
## Account Support

Account support played a role in 23% of providers exceeding expectations.

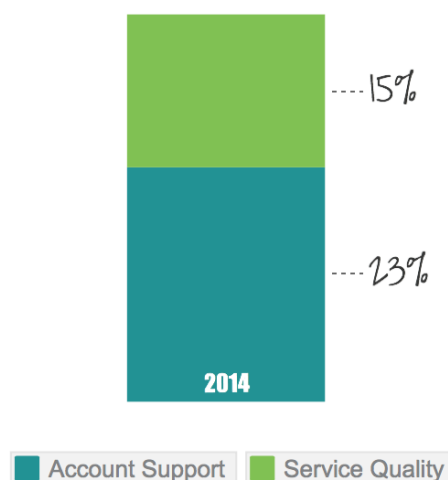
## Service Quality

Service quality was responsible for 15% of providers exceeding expectations in 2014, but affected a larger amount of business in 2014, impacting 22% of total contract value versus 17% the prior year.

Never Fell Below Expectations



Top Ways Providers Exceeded Buyer Expectations





## Take Action!

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### TAKE ACTION

**1) Do not let up on your account support.**

Be sure that at corporate, regional, and customer-facing levels your total team is in sync with each client. You cannot allow a gap to escalate as it is much harder to address issues when customer satisfaction levels are low and tensions high.

**2) Find out what is needed to exceed expectations and act on them immediately.**

Learn the gaps while interacting with your client, either formally or informally. Often times they are easy to fix, particularly when they are identified early.

# Top Ways to Fall Below Buyer Expectations



Data shows service quality, communication and poor account support are the top reasons providers fall below expectations.



The number of providers that only met or never exceeded expectations increased in 2014. In 2013 21% of all clients felt that their providers were not exceeding expectations. This jumped to 32% in 2014.

## Never Met or Never Exceeded Expectations

What were the biggest areas of dissatisfaction? Poor service quality, insufficient communication, reporting, and analysis, as well as a lack of account support are the main culprits that caused providers to fall below client expectations in 2014.

### Service Quality

Service quality was a consistent reason for providers to fall below expectations in both 2013 at 29% and 2014 at 27%.

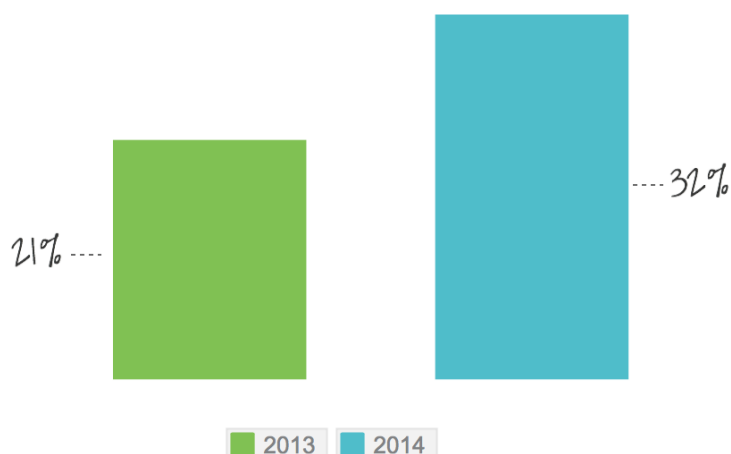
### Communication & Reporting

Communication and reporting, which includes all formal and informal correspondence, meetings, benchmarking analyses, and performance reports, became more of an issue for providers in 2014 at 17%, up from 6% in 2013.

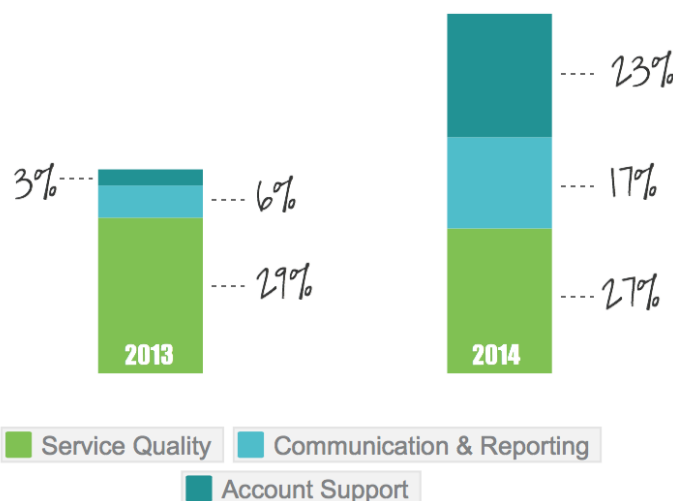
### Account Support

Account support was barely an issue in 2013, mentioned by only 3% of customers, but became a major area of concern in 2014 when 23% of clients expressed dissatisfaction in this area.

When account support was reported



## Top Ways Providers Fell Below Buyer Expectations



as a reason a provider fell below expectations, it was usually due to a provider being deficient at delivering effective account support at both corporate and customer-facing levels.



## Take Action!

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### TAKE ACTION

#### **1) Critique what and how you communicate.**

As clients focus more on their own core competencies, it is essential that you communicate, analyze, and report upon important issues and metrics that will help them grow and meet their own goals. Customers crave what providers can share that will help them improve their operations and results. Start by creating a system to provide a continuous stream of best practices to your client.

#### **2) Don't rely solely on email communication.**

You could be delivering the best and most succinct analyses and reports possible, but if the information is not making it to the right executives, you are wasting your time. One way to ensure that important information makes it to the right people is to follow up an email with face-to-face meetings or phone calls to ensure all important information is received.

#### **3) Make reports simple and digestible.**

Customers, particularly at the senior level, do not have the time or bandwidth to muddle through complex reports. Keep reports simple. If you don't think your client can read what you're sending on a smart phone or tablet, it's time to redesign your format.

# What's Ahead

When looking ahead to sales and account retention trends in 2015 and beyond, it is important to take macroeconomic factors into account. In viewing recent history, the economy is expected to continue growing, albeit at a historically modest pace. U.S. GDP growth slowed from 2.78% to 1.56% from 2012 to 2013 (IMF World Economic Outlook), and in 2014 real GDP grew 2.4% and current dollar GDP increased 3.9% (U.S. Department of Commerce, Bureau of Economic Analysis). Looking ahead to 2015, Goldman Sachs expects U.S. annual GDP growth to be about 3%. Gallup's Job Creation Index points upward as well. In 2012 it was 17, in 2013 it was 20, and at the end of 2014 it was 27. These indicators may prompt corporate customers to invest in growth while carefully monitoring returns.

What does all of this mean when it comes to strategic level account retention and growth? In the big picture there will likely not be much movement in terms of how clients regard their strategic relationships. In all likelihood many companies will continue to have a high number of accounts that are "at risk" next year; however, some of the underlying reasons may change. While gazing into a crystal ball is risky, we predict that:

1. Financial performance will likely increase as a top priority for buyers as ROI will be a critical client metric.
2. Involvement from senior executives will be more important and perhaps a competitive key differentiator.
3. The bar for baseline service quality will increase.

All of this, however, points to opportunity as these factors require changes in behavior and not significant capital investment (though investment in people is not to be disregarded). Smart executives will adjust their account support models to provide the necessary attention these important strategic customers require. Effectively doing this will yield measurable and long-term improvements for the years ahead.

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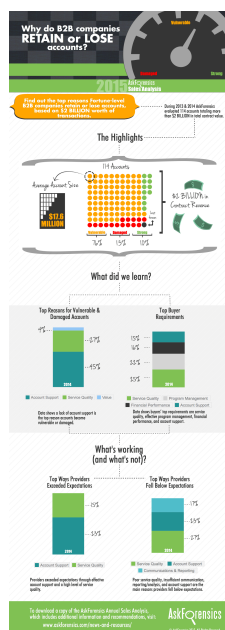


# Resources

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

<http://askforensics.com/annual-sales-analysis/>

Click on the image below to download a summary infographic of this analysis.



## ON THE WEB

Want to stay up to date on AskForensics' latest findings? Follow us on Twitter ([@AskForensics](https://twitter.com/AskForensics)) and on [LinkedIn](https://www.linkedin.com/company/askforensics)!

For questions or more information about this analysis, contact: [srichards@askforensics.com](mailto:srichards@askforensics.com)

## About AskForensics

AskForensics uses a forensic science approach to uncover the truth about why Fortune-level companies win and lose prospects and customers. SalesForensics and AccountForensics investigations provide companies with objective insight into what's really happening behind the scenes with prospects and customers. AskForensics has conducted a win/loss analysis for more than \$14 billion worth of prospect and client accounts for world-class enterprises committed to increasing client retention. Follow [@AskForensics](https://twitter.com/AskForensics) on Twitter. For more information, visit [www.AskForensics.com](http://www.AskForensics.com).

# Glossary

**AccountForensics**

AccountForensics is a propriety process AskForensics uses to conduct in-depth investigations to uncover potential areas of growth and vulnerability in existing client accounts.

**Account Support**

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

**AskForensics Knowledgebase™**

The AskForensics Knowledgebase™ is comprised of data from more than \$14 billion worth of contracts and proposals of sales and account transactions evaluated by AskForensics.

**Communications / Reporting**

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

**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.

**Price**

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

**Program Management**

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

**SalesForensics**

SalesForensics is a propriety process AskForensics uses to conduct in-depth investigations to examine why a company won or lost a sale or rebid.

**Service Quality**

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