

What critical B2B sales and accounts are you at risk of LOSING?

2016

AskForensics B2B Sales Analysis

Find out the top reasons Fortune-level B2B companies retain or lose accounts, based on \$2.3 BILLION worth of transactions.

AskForensics B2B Sales Analysis 2016

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Strategy for Increasing Sales

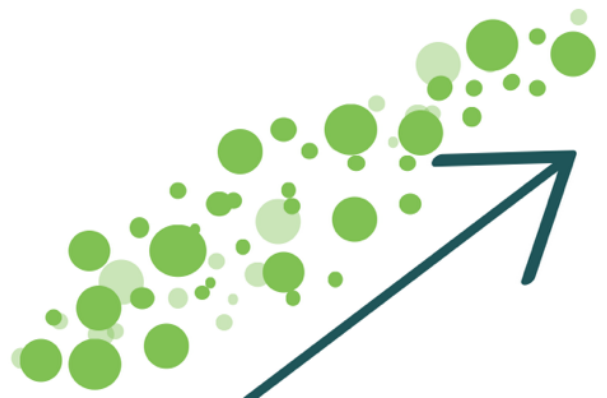
As a business-to-business (B2B) executive sales leader, what is your plan for increasing sales this year? When attempting to generate a sustained increase in sales, often the most strategic place to start is with existing customers.

Strengthening your relationship with your existing customer base is one of the most efficient, cost-effective, practical strategies for increasing sales. Your company's account management and operating teams play a critical role in making this happen. However, cracks in customer relationships (which often go unnoticed at first) have the potential to grow into sizable fissures that lead to lost accounts—the *antithesis* of increasing sales.

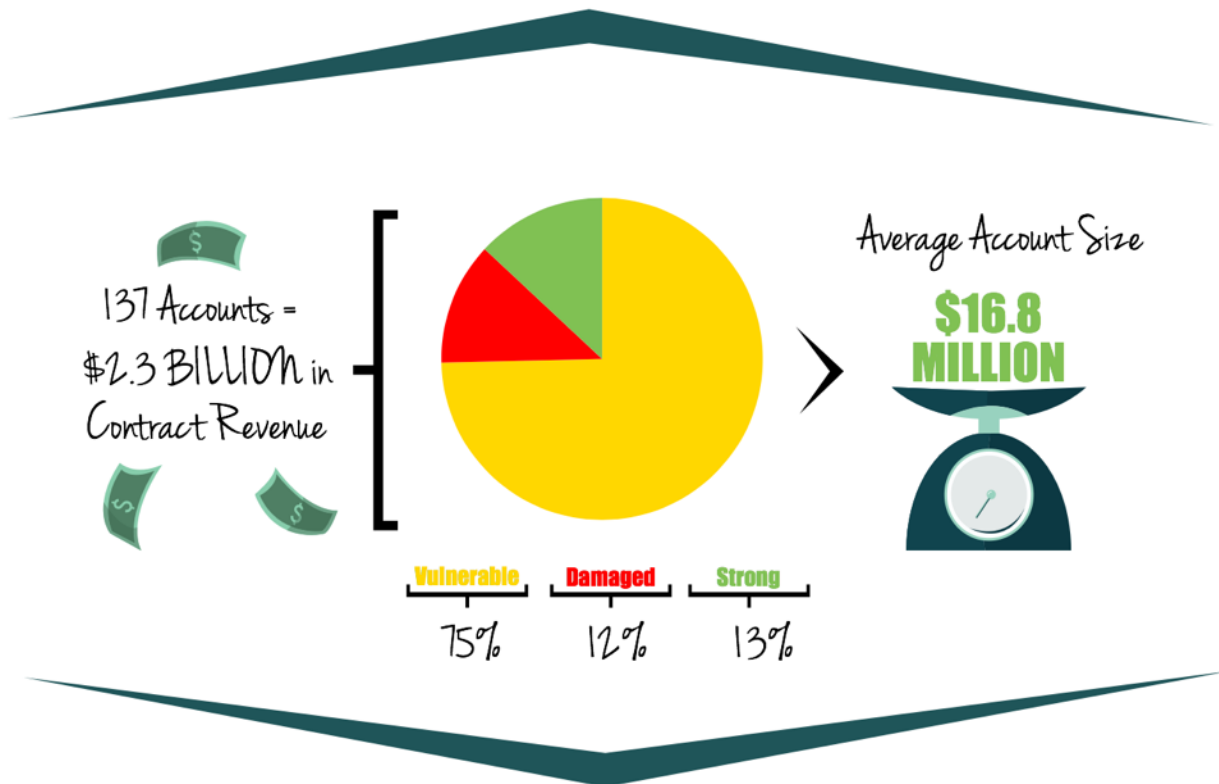
If you want to win more deals and retain existing accounts, you need to be on the lookout for the early warning signs of customer dissatisfaction and create a plan of action to address issues before they cause irreversible damage to a customer relationship, but how do you find out if there are cracks in your relationships with customers or prospects?

How do you find out if there are cracks in your customer relationships?

While every business is unique, there are often common causes of lost sales and vulnerable customer accounts. Since 2004 AskForensics has been performing SalesForensics and AccountForensics investigations for Fortune-level companies to find out why multi-million dollar sales or accounts are won or lost. 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 customer and prospect accounts of B2B enterprise companies. The data in this analysis represents a compilation of data from 2013 to 2015 from accounts totaling more than \$2.3 billion in total contract value, revealing the top reasons B2B enterprise companies are winning or losing multi-million dollar sales and accounts.



From 2013 to 2015 AskForensics evaluated 137 accounts totaling more than \$2.3 billion in total contract value. As each account averaged \$16.8 million in size, becoming vulnerable at any level had a significant impact on the selling companies' financial performance. Out of the 137 accounts evaluated, 75% were found to be vulnerable, 12% damaged, and only 13% were found to be strong.



As a sales leader, you can use the data in this analysis to gain insight into what might be happening behind the scenes with your own B2B customer accounts, as well as understand more about what your customers are looking for from your sales and account teams. Most importantly, throughout this analysis you will find "Take Action" sections with key action items and recommendations that you can use in your own business to win more deals and strengthen your existing accounts.



Levels of Risk

The margin between an account that is strong, vulnerable, or damaged is surprisingly small, so it is critical to stay on top of how your sales and account teams are performing at all times. A critical component of maintaining and enhancing value for buyers means you must have a deep understanding of what B2B buyers really want (including unarticulated needs), as well as uncover cracks in customer relationships before they morph into relationship-damaging problems.

Sales leaders 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 relationship might be suffering behind the scenes. AskForensics categorizes all customer accounts into one of three categories of account risk—strong, vulnerable, and damaged.

If your company is like most businesses, you likely have accounts that are vulnerable or possibly even damaged. In fact, 87% of all accounts AskForensics evaluated from

2013 to 2015 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. While some account losses are unavoidable, data from AskForensics reveals that most account losses are preventable *if* you identify and address problems early and thoroughly.

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accounts
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Levels of Risk

STRONG ● ● ●

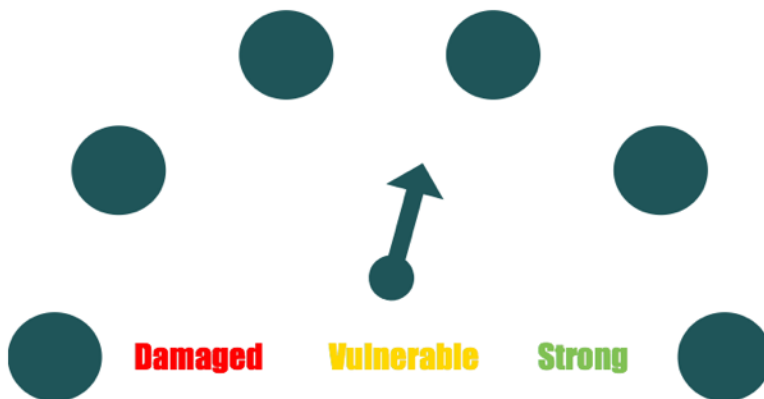
In strong accounts, your corporate and customer-facing sales and account teams are fully in sync and aligned. They are on the same page with each other and the customer. They know what needs to be done and they focus on improving the customer's business. Your account team has successfully become part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

DAMAGED ● ● ●

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



Key Findings at a Glance



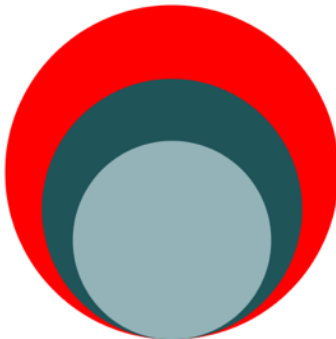
Top Predictors of Strong Accounts ● ● ●

While many factors contribute to the strength of accounts, B2B buyers value strong account support from a provider above all other factors, cited as a priority by 64% of buyers evaluated, followed by service quality (18%) and financial performance (11%). To learn more about what makes accounts strong, see page 8.



Top Predictors of Vulnerable Accounts ● ● ●

How well a company performs in the areas of account support (54%), service quality (22%), and communication, reporting and analysis (10%) are the top indicators of the health of a customer relationship. A lack of performance in these key areas often means an account shifts from strong to vulnerable. When the negatives outweigh the positives, a vulnerable account is in danger of becoming damaged. For a more in-depth look into what makes accounts vulnerable, see page 12.



Top Predictors of Damaged Accounts ● ● ●

When it comes to predicting if an account will cross from vulnerable to damaged, pay special attention to how well your corporate and customer-facing teams are performing in the areas of account support (51%) and service quality (31%). The lack of a strategic relationship between your corporate team and your customer is *the* top predictor that an account is on its way to becoming damaged. For more predictors of damaged accounts, see page 15.





How to Develop Strong B2B Accounts

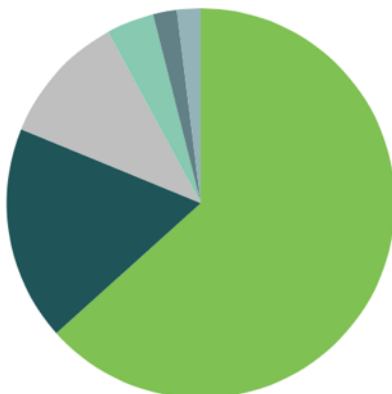
Seeking new sales without strong account management and a strong operations team is like pouring water into a bucket with a hole in it. Identifying and fixing the holes (the gaps in customer satisfaction) can help your company retain existing accounts and increase new sales. If you want customer relationships to be strong, you have to know what makes them strong. Below are the top factors that have the biggest positive impact on customer relationships, according to data from the AskForensics Knowledgebase™.

Bottom Line

Data shows that many factors contribute to strong customer relationships, but the top predictors of strong accounts are providing a high level of account support, followed by service quality and delivering financial performance.

Top Predictors of Strong Accounts

Above all other factors, B2B buyers value strong account support from a provider, cited as a priority by 64% of decision makers evaluated [[Tweet this!](#)]. Account support far outshined other factors, including service quality (18%), financial performance (11%), superior performance to competition (4%), communication, reporting, and analysis (2%) and value (2%), to become the top predictor of strong accounts.



Top Areas to Focus on for Success



It is clear that buyers value account support, but what does strong account support look like? Account support is multifaceted and often includes support from both the corporate team and the customer-facing teams (comprised of both sales and account support teams).

Data shows that the level of industry expertise and proactive recommendations provided by the corporate account support team is one of the most critical factors for developing strong accounts. In addition, B2B buyers also expect customer-facing sales and account support teams to deliver measurable results and demonstrate that they highly value the customer relationship through understanding and meeting their needs, marshaling corporate resources to help them, and by resolving problems before they escalate and become bigger. In other words, make the customer's job easier.

The next top predictor, service quality, boils down to how well you as a provider are able to help a customer improve their performance, but it isn't enough for a customer-facing team to just provide a high level of service quality. B2B buyers are looking for providers who will maintain a *consistent* level of high quality service over time. This responsibility usually falls on customer-facing teams. The third top predictor, financial performance, entails a provider excelling at budget management and proactively seeking to increase the customer's revenue.

Data shows that the level of industry expertise and proactive recommendations provided by the corporate account support team is one of the most critical factors for developing strong accounts.



Top Ways to Exceed Customer Expectations

When B2B buyers were asked what actions would push a provider into the realm of exceeding (and not just meeting) expectations to develop strong accounts, the following factors rose to the top:

- Constant improvement of service
- Effective program management
- Positive provider / customer relationship
- Creative / innovative problem solving

Take Action!



RECOMMENDATIONS

When your accounts are strong, it is essential to continue the pronounced and subtle actions that got you to this point in the first place. This can be challenging as most often companies and individuals focus on what is *not* working instead of evaluating what *is* working. Making this mistake will likely result in your strong accounts turning into vulnerable ones and, perhaps, even damaged accounts. The question, then, is what can you do to ensure that your strong accounts stay strong. Here are a few recommendations to help you exceed customer expectations:

1) Reinforce and fully support internal teams.

Your sales and account support teams are your front-line people in creating perceptions among your customers and enabling your management team to understand and process what is going on and what needs to be done. As such, these teams need to be fully supported with adequate training and resources to properly service customers.



2) Assign an account leader to serve as quarterback.

While your customer-facing teams are most influential in impacting customer relationships, do not overlook the importance of internal corporate executives and administrative staff. Their level of contact and support are also essential to ensuring success. As they are sometimes not accustomed to working directly with customers, it is important that they also receive training on how to interact with customers so that your customers receive proper follow through and resolution from your company at all levels. This may also require assigning an account leader to serve as a quarterback who can guide all customer-facing and internal teams to use the same playbook and move toward the same goals.

3) Provide proactive suggestions.

If your account teams have not proactively offered suggestions and best practices to customers since the initial proposal, make them clear their calendars and focus on developing specific ideas for each customer. Failure to establish your company as a thought leader that can provide new and innovative solutions is the first tipping point toward moving from a strong account to a vulnerable one. Incorporate this practice as a consistent part of your account management processes to maintain strong accounts.





How to Strengthen Vulnerable B2B Accounts

While the goal is to have all strong accounts, the reality is most, if not all, businesses have accounts that are vulnerable. Vulnerable accounts are comprised of a mix of negatives and positives. The key to turning a vulnerable account into a strong account is addressing issues *before* they become major problems that damage the customer relationship permanently. Below are the top issues identified by the AskForensics Knowledgebase™ that cause a strong account to cross into vulnerable territory.

Bottom Line

Most cracks in customer relationships develop from a lack of account support, insufficient service quality, and poor communication and reporting.

So what puts your customer relationships most at risk? According to data from the AskForensics Knowledgebase™, B2B buyers are most sensitive to a lack of account support (54%) [[Tweet this!](#)]. In vulnerable accounts, customers were satisfied with account support 52% of the time, but had a negative view of 48% of the account support provided. One of the greatest dangers to customer accounts is an unresolved problem that festers beneath the surface for an extended period of time without being acknowledged or addressed by your customer-facing account support team. To avoid this danger, all levels of your corporate and customer-facing teams must be responsive and on the same page.

When issues are addressed, make sure your solution thoroughly resolves the problem, as insufficient service quality (21%) is the next most critical factor influencing the vulnerability of accounts. If your fix is temporary, you will lose valuable credibility and efficiencies. Overall, customer accounts classified as

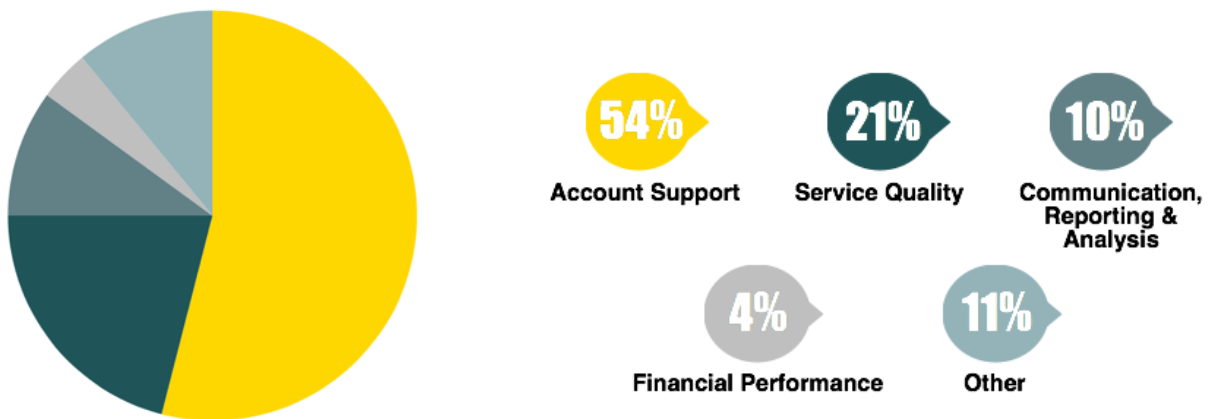


vulnerable showed customers viewed the level of service quality as positive 62% of the time, but had a negative view 38% of the time.

Also be sure to communicate to your customer what has been done to address the issues. Fixing a problem is one thing; letting your customer know what you have done to resolve the issue is a separate, but necessary, action. Poor communication, reporting and analysis (10%) is another step down the road of accounts becoming vulnerable.

Top Predictors of Vulnerable Accounts

Consistent account support is often a top predictor of strong accounts, so it should be no surprise that how well a company provides account support (54%) is also the top predictor of vulnerable accounts. Additional potential areas of vulnerability include service quality (21%) and communication, reporting, and analysis (10%), and financial performance (4%).



Top Causes of Falling Below Customer Expectations

When B2B buyers were asked what actions made a provider fall below expectations, turning a strong account into a vulnerable account, they cited the following factors as the top three causes:

- Insufficient service quality
- Insufficient customer-facing team account support
- Insufficient communication, reporting and analysis



Take Action!



RECOMMENDATIONS

Not meeting your customer's expectations is a leading cause of accounts becoming vulnerable. When you sense you have a troubled account, take the following steps.

1) Objectively assess what is wrong.

Review survey and net promoter score (NPS) data, go through your customer relationship management system to mine for data, and perhaps even consider a formal and candid assessment through an AccountForensics investigation to determine how your company is truly performing. Regardless of your approach, you first have to accurately diagnose the problem(s). Assumptions are your worst enemy when attempting to turn around a vulnerable account.

2) Develop an action plan.

Assemble your account team, along with other talent in your organization, to develop an action plan that addresses all key problems. Involve your customer in this process once you have a preliminary plan outlined. If possible, immediately resolve low hanging fruit issues to gain quick traction and credibility.

3) Communicate progress and results.

Monitor and communicate ongoing results to ensure you are delivering sustained improvement. Commitment is important and often times it takes several quarters to demonstrate measurable improvements.





How to Turn Around Damaged B2B Accounts

Damaged accounts call for immediate triage. Since you are susceptible to losing the account, perhaps even before your contract expires, you have no time to lose. Objectively assess potential obstacles both within your company and with your customer, develop a detailed action plan on how you will resolve what is wrong, and meet with your customer to candidly discuss your focused plan to improve.

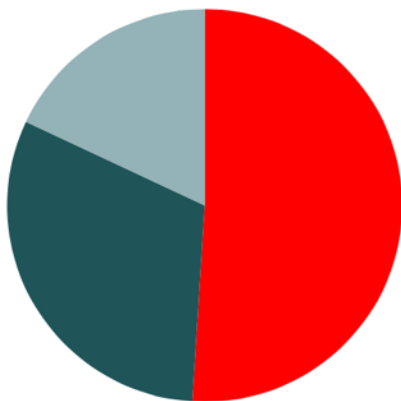
Bottom Line

Damaged accounts are most often the result of a lack of account support that usually stems from the absence of a strategic relationship between the provider's corporate team and the customer.

Top Predictors of Damaged Accounts

Data reveals that customer accounts are often damaged due to a lack of account support (51%), followed by inadequate service quality (31%) [[Tweet this!](#)].

Overall, customer accounts classified as damaged viewed the level of account support as positive only 11% of the time, but had a negative view of account support 89% of the time. When B2B buyers mentioned that they weren't receiving the desired level of support, they cited the lack of a strategic relationship with the provider's corporate team as the main culprit. This tends to be more of a concern as account size increases.



Top Areas to Look for Damaging Gaps in Performance



When service quality was an issue, it most often came down to customers feeling as though a provider was not committed to their business or the provider was failing at basic service delivery. Negative views of service quality popped up 88% of the time in damaged accounts, leaving only a 12% positive view of service quality.

Believe it or not, it is possible to salvage damaged accounts. It's not easy nor always successful, but carefully planned and orchestrated actions can have a positive impact. Once you have an understanding of why an account is damaged, and you have determined that the account is worth saving, you need to take ownership of what is going wrong.

What may have led your company to this place could be the result of your corporate team not having a strategic relationship with the customer. This, in turn, can impact your ability to understand what is taking place behind the scenes with your customer, preventing you from becoming a true partner with your customer. With this in mind, any fix needs to involve your senior team. Make sure that the executives you involve in the repair process can commit to being engaged with the customer on an on-going basis. You do not want to be back in the same position of not meeting expectations again.

Customer-facing frontline teams also play a critical role in managing and repairing damaged accounts. Be prepared to replace part or some of your customer-facing team if necessary, as often times this is required to eradicate concerns, demonstrate seriousness and commitment, and to move forward.



Most Critical Customer Challenges to Overcome

When B2B buyers were asked what are the most critical challenges providers need to address and solve, the following five challenges were most often cited:

- Create stronger operations and results in service quality
- Be more cost-competitive
- Improve communication, reporting and analysis
- Provide partner-level relationship account support
- Focus on continuous innovation in program management

Take Action!



RECOMMENDATIONS

Below are a few recommendations to help you succeed in overcoming the five most critical customer challenges mentioned above.

1) Focus on your core deliverables and prove you can deliver.

Customers expect you to deliver measurable ROI. Fall short of this expectation and you are likely not going to survive close scrutiny from your customer. At the very least, you must demonstrate the capability to improve your customer's operations and, in turn, to help them be more cost-competitive within their market. Ways to do this are to showcase how your subject matter expertise, as well as your technology and technical capabilities, are providing tangible ROI for your customer's business.

2) Build and maintain a strong, strategic-level relationship.

Customers require the confidence that you can build and maintain a strong, strategic-level relationship. As companies become more comfortable with outsourcing the more critical components of their business, they need assurance that you can quickly establish a true, reliable partnership.



Considerations include:

- Build scheduled performance reviews into your plan. These should encompass proactively sharing recommendations and best practices with your customer.
- Continue to include your senior executives in these meetings, along with including them in more informal discussions as well to maintain a strategic-level connection with the customer.
- Proactively share reports and analyses. Customers increasingly want their partner companies to be transparent.

3) Continually evolve products, services, and delivery.

Continually evolve your products, services and overall program management and delivery. It is important to remember to engage your customers in this process. As your customer's business is not stagnant, they need assurance that yours isn't as well.



What's Ahead

Dear Sales Leader,

Having loyal, happy, and partner-level customers can save you millions of dollars each year in sales and account costs, lost revenue and profit, and administrative expenses. These all have a direct impact on your bottom line and your ability to increase sales. The more you can predict, anticipate, and act on what really matters to customers, the more you will grow your business.

With the U.S. economy growing at a slow pace, strong economic headwinds from abroad, a fluctuating stock market impacting capital investment decisions, and the general uncertainty that is inherent in a presidential election year, investing in your existing customer base might be one of the most efficient and cost effective ways to grow your business in the coming year in addition to seeking new business. When looking ahead to sales and account retention trends in 2016 and beyond, we predict the following:

1) Technology will take on an increasingly important role.

Several things are happening that will likely cause technology to take on an increasingly important role when it comes to account management and reporting, including:

- Customers' expectations keep increasing for seamless and timely connectivity with partners.
- Data and data delivery are becoming more important. Customers expect providers to have key metrics at their finger tips at all times.
- The millennial generation is moving into influential positions in many companies, and it is not unusual to find millennials in C-level, or near C-level roles. Since millennials grew up with technology, they often expect their partners to bring an advanced knowledge of technology to the table.



2) Rapport and relationships still, and will, matter.

As differentiators diminish because of faster technology transfers and information flow, account team actions will take on a heightened role. Plan your resources accordingly.

3) Improving your customers' financial performance will be key.

Throw in the presidential election and international uncertainties and you have the ingredients for customers being concerned about their business health. As a result, the more you can improve your customers' ability to increase financial performance, the more valuable of a partner you will become for them this year and beyond.

4) Timely service and resolution of problems will become more important.

As the younger millennial generation assumes more senior executive roles, companies will need to invest in increasing the speed of service and problem solving. Millennials have become accustomed to incredibly fast communication and unlimited access to data, and there is no end in sight to this trend. In fact, it is only going to grow. Further, the access and reach of social media makes it essential that companies readily resolve problems and communicate to the marketplace that they are on top of what is happening to prevent widespread negative backlash. You cannot let problems grow while customers wait for you to rectify problems. Your brand is at risk.

As the differences between strong, vulnerable and damaged accounts can be slight, it is essential to understand what is truly happening behind the scenes in your accounts so you can take proactive actions to resolve all issues *before* they effect your bottom line. A little bit of effort in addressing the issues that matter the most to your customers goes a long way in building healthy, long-lasting, and profitable customer relationships.

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About AskForensics

Since 2004, AskForensics has been assisting Fortune-ranked companies to win more deals and retain and grow multi-million dollar accounts. Using a forensic science approach to sales, AskForensics delivers objective insights into what's really happening behind the scenes with your prospects and customers. AskForensics is generating millions of dollars in ROI for companies including FedEx, Aramark, Equifax, Marriott, Red Hat Software, and Coca-Cola. AskForensics is headquartered in the U.S. with worldwide capabilities. Because many of our customers have international requirements, our methodology and skills are designed to accommodate them. We have the resources to complete executive Forensics evaluations in The Americas, Europe, Asia, Australia, the Middle East, and Africa. For more information, visit www.AskForensics.com.

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For questions or more information about this analysis, contact: srichards@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 customer accounts.

Account Support

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

Communication / Reporting

Formal and informal communication and reporting 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.

Program Management

The management and overall supervision of the services provided to the customer. 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.



AskForensics