# Why do we lose deals?

## Case Study

# A Deal Loss Analysis Case Study

**Local Group Communications**
Has deep expertise in Win Loss Analysis
[localgroupcommunicaitions.com](localgroupcommunicaitions.com)

"We set goals to drive growth and build deeper connections with our customers. To achieve our goals and drive improvement in these areas we retained Local Group Communications. They did a phenomenal job of collecting Voice of Customer through Win Loss Analysis. The work effort was well executed and helped support our strategies by identifying sales, market and solution needs. The investment was certainly worthwhile, and the information received was incredibly valuable!"

## Executive Summary

A SaaS leader in their market segment wanted to ensure they had appropriate pricing in a highly competitive market and to identify improvement opportunities in their sales process. The approach taken was to conduct a Deal Loss Analysis. The results from having an independent, third party **interview** recent lost prospects were impactful in multiple functional areas.

## Challenges

The new VP of Sales wanted to understand the drivers behind losing deals where they had progressed to a proposal stage. He wanted to gain insight into possible sales process improvements and to understand the role that pricing was playing in the highly competitive market that was attracting new market entrants.

## Conducting the Deal Loss Analysis

They engaged Local Group Communications LLC to conduct independent, in depth interviews with 24 buyers where the deal had been "lost" within the last 6 months. The interview involved a custom set of more than 20 questions to understand the buyer and buying process more deeply and to identify the primary loss drivers and defects across several functional areas.

## Key Findings

The primary loss driver was product related (Figure 1). In particular, the perceived product fit to specific needs the buyer was focused on. The findings included:

- Defects observed across areas (Figure 2)

- Under selling a key buyer criterion of "Ease of Use"

- Weak demonstration process and resources

- Often not selling to the buyer's stated #1 need

- Not always effectively positioning relevant reference accounts

- Rarely engaging prospect beyond one point of contact

- Gaps in approach to Government buying process

- Pricing not always aligned to functional set of customer needs – often over priced if need set was narrow
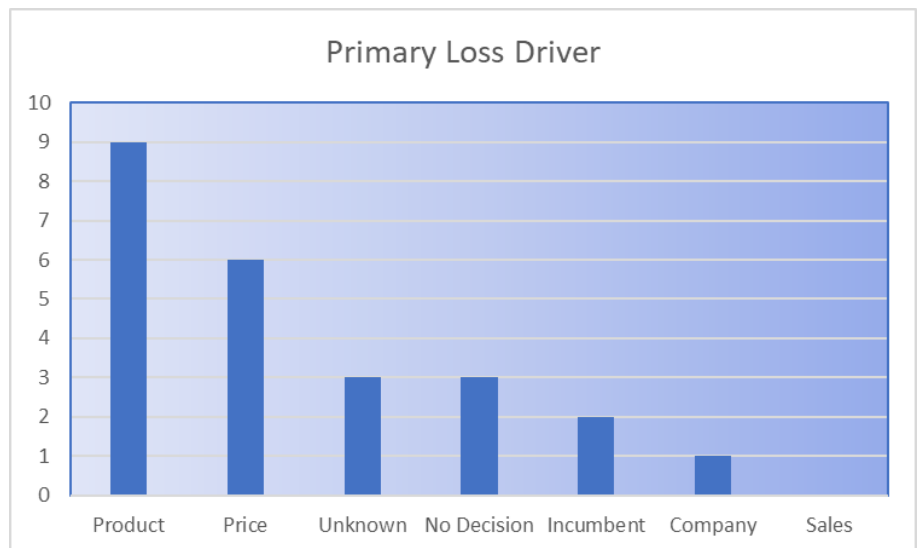
- Re-visit 4 prospects
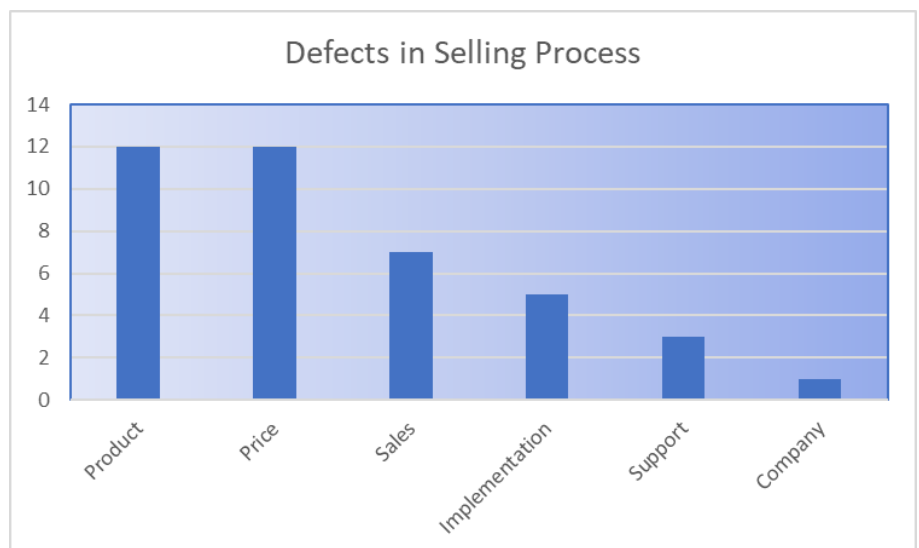


*Figure 1 – Primary Loss driver*



*Figure 2 – Defects in Selling Process*

## Recommendations

- Lower customer size threshold for allocation to "Enterprise" sales team

- Build out and train more deeply on demonstrations

- Use metrics in selling the implementation and support processes

- Revisit six specific accounts

- Build and centrally maintain an appropriate customer reference list

- Change approach on key growth vertical of "Government"

- Change modularity of solution and associated price points to align better with different buyer segments

*Return on Investment was to win only 1 more deal per year*