From Strategy to Revenue –
WINNING ALL WINNABLE DEALS

Volume 1 – UNWINNABLE DEALS … How to Spot Them, Survive Them and Thrive With<u>out</u> them

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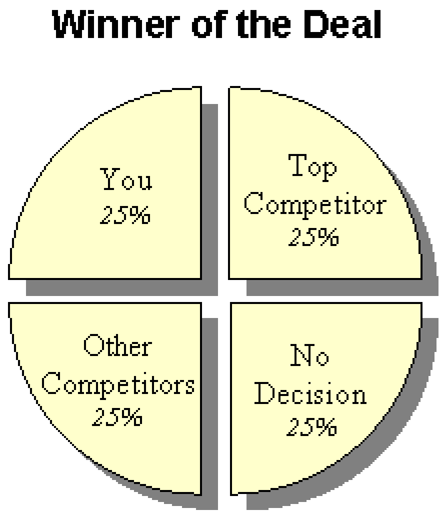
WASTING TIME ON UNWINNABLE DEALS

The numbers vary by industry, but for many companies the outcome of deals they pursue looks something like this …

- 25% of the time you win the deal,
- 25% of the time your top competitor wins,
- 25% of the time someone else wins …
- and 25% of the time there was no buying decision made.



Typical close rates

Regardless of your exact win rates, the same basic principles will stand ….

1. Reduce the time you spend on deals that end in no decision where you can't convince the client to buy

2. Reduce the time you spend on deals where you have no chance of beating a competitor

3. … and spend this 'new' time that you've created focused on the deals you are losing … but that are winnable deals!

One of the biggest mistakes made by all salespeople is spending too much time on prospects that will never buy from you.

In this article we will focus on how you spot the UNWINNABLE deals, how you survive them (if you do pursue them), and how you'll thrive with<u>out</u> them.

WARNING SIGNS A DEAL IS UNWINNABLE

The best approach to identifying a deal as UNWINNABLE is implementing and <u>really</u> using a solid opportunity management methodology that considers 'deal probability.' The best you can hope to get out of an article are some ideas of what to watch out for …

No driving force … The reason so many deals are lost to 'no decision' is that there was nothing driving the deal in the first place. 'Good selling' can only take you so far if the customer doesn't really have a need.

To catch this problem early on, consider how the customer would answer these questions, "If there was a delay in meeting the objective we've been talking about, what impact would it have financially?" … and "As you consider the goals and objectives you are looking to accomplish, what would be the strategic impact of a delay to this initiative by 3-4 months?"

If the customer doesn't see 'significant' consequences - costs or benefits – if they don't make a decision soon, then there is really no driving force for the deal … just a driving force to 'No Decision' (the enemy of all salespeople).

Not enough intelligence … In this case I'm not referring to the intelligence of the salesperson (though I've been told that can be a problem …) – I'm talking about your cumulative knowledge about the account, the opportunity, the competition, and the key people involved. If all your data is coming from public sources and your competitors are getting inside data supplied by multiple people with power or influence in the account, then you're starting out with a strike against you. This alone is not enough to tell you the deal is UNWINNABLE, however it forces you to think harder about some other warning signs…

Not enough access… Not having access to contacts with power and influence for this opportunity is another strike against you. Most salespeople know how important it is to gain access to executives and identify influencers outside of your target company (ex. Consultants, Accountants, Salespeople for complementary products) … however if it is late in the buying cycle and you still don't have enough access …. Maybe you also have the problem of …

5 Warning Signs of UNWINNABLE Deals

1. No driving force
2. Not enough intelligence
3. Not enough access
4. Not the incumbent and no sponsor
5. Not enough business value

Not the incumbent and no sponsor … Not having someone with influence supporting you can be a death knell, especially if you are trying to replace an incumbent. Early in the buying cycle it can be expected, but in later stages it's another strong warning sign that this deal might be UNWINNABLE.

Not enough business value … If there is definitely a driving force for a deal, then the pie chart in on page 1 is dramatically changed … instead of having a 1 in 4 chance to win, you essentially have a 1 in 3 chance because 'No Decision' is not a viable option any longer.
At this point your focus needs to be on the customer seeing that you have the most significant demonstrated business value for the deal. This alone can counteract a lot of the 'damage' done by having insufficient intelligence and access and not being the incumbent or having a sponsor.

It's not very easy to admit, but there are also times that, for whatever reason, it is obvious to you that one of your competitors will give the client the best business value. If it's obvious to you, then it will also eventually be obvious to your prospect – and this deal is probably UNWINNABLE.

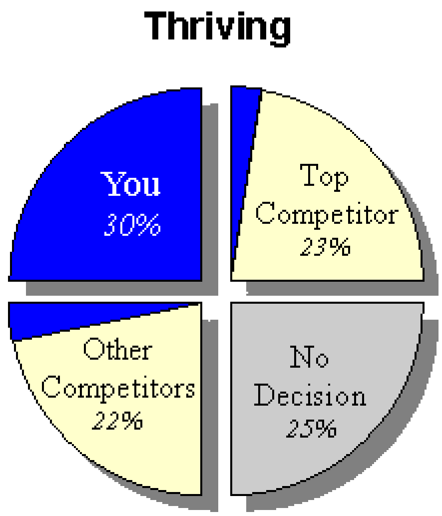
SURVIVING DEALS THAT APPEAR UNWINNABLE

These warning signs are just that … they are not warning mandates. There are many reasons it can make sense to pursue a deal that at first glance appears UNWINNABLE. If you do pursue the deal, then your focus needs to be on minimizing or eliminating your weaknesses. This means proactively focusing on the critical few actions to address each applicable warning sign.

For example, if the customer does not see a driving force, then it is your job to better understand their goals and objectives as well as the obstacles and challenges preventing them from achieving those goals/objectives. From there you can discover what a successful implementation of your product/service would look like to them. You can then start to quantify that success as well as quantify the costs or benefits to them of making a change.

THRIVING WITHOUT THE UNWINNABLE DEALS

Now that the 90s are over, most salespeople are not living in a world of abundance when it comes to opportunities in their pipeline. Trying to suggest to them that there are deals in their pipeline that should be abandoned doesn't sound sensible. The only way to combat that is to appeal to their purse/wallet…



A 20% improvement in sales!

Starting with our example at the beginning of the article, the hypothetical salesperson is winning 25% of all the deals they pursue … 25 out of 100 deals. However their real close rate against competitors is 33% (25 out of 75 deals where a decision is made).

Let's imagine that they now decide to stop pursuing the deals where 'No Decision' is the likely victor (you remember, the deals with no driving force). They spend that 'new' time focused on the 50 deals their competitors were winning and they will probably pick up at least 5 new victories. Certainly this is an arbitrary number … but doesn't it sound realistic to you?

Winning 30 deals instead of 25 is a 20% improvement in your performance. If you could increase your commissions by 20% with the same amount of time spent working, why wouldn't you? Or maybe you'd prefer making the same amount of money in 4 days a week of work? I know I would…

For more information on how to win all winnable deals, or additional ways that you can be helped by Strategy 2 Revenue or Focus OMR, please visit www.salesoptimizer.com or www.strategy2revenue.com.

Strategy 2 Revenue, Inc., headquartered in Roswell, Georgia, delivers sales, management and negotiation solutions to help companies translate their business strategies into profitable revenue.

Focus OMR, LLC, headquartered in Lake Mary, Florida, develops elite, high-performance teams of sales and sales management by focusing on measurable business results.

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