Expert's Guide to High-tech Competitive Analysis Programs

Strategies for defeating the competition, shortening sales cycles, and prioritizing product investments

STEVE PIPER

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Introduction

Pilots are taught to trust their aircraft's instruments when flying into clouds. Unfortunately, inexperienced pilots sometimes favor their senses over their instruments, resulting in a phenomenon called *spatial disorientation*. Some pilots have emerged from clouds completely inverted, but at an altitude high enough to recover, while others, such as John F. Kennedy, Jr., have not been so lucky.

Trying to succeed in the high-tech industry without a rock-solid competitive analysis program is like flying a plane through a never-ending string of clouds without any instruments at all. You've got no way to know how you're faring against the competition, and no guidance on where to make product development and sales enablement investments.

Investing adequately in a competitive analysis program pays dividends, but only if it's constructed and executed properly. If you're responsible for overseeing or contributing to your company's competitive analysis program, this is one book you can't afford to miss.

Chapters at a Glance

Chapter 1, "The Value of a Well-structured Competitive Analysis Program," describes the risks of underinvesting, and the rewards of properly investing, in a comprehensive competitive analysis program.

Chapter 2, "Assembling a Competitive Analysis Team," depicts the roles and responsibilities of both required and optional competitive analysis team members.

Chapter 3, "Optimizing Your CRM to Capture Accurate Win/Loss Statistics," provides marching orders for configuring your customer relationship management (CRM) system to virtually eliminate the "garbage in, garbage out" phenomenon.

Chapter 4, "Generating Accurate Win/Loss Reports," offers a catalog of actionable win/loss reports while describing ways to maximize report quality.

Chapter 5, "Aggregating Comprehensive Competitive Intelligence," outlines the benefits and structure of a feature comparison matrix (FCM).

Chapter 6, "Conducting Customer Win/Loss Calls," describes methods for interviewing customers that either chose or rejected your company's product or service offering.

Chapter 7, "Creating Compelling Competitive Sales Tools," details competitive sales tools intended for customers, channel partners, and internal sales personnel.

Chapter 8, "Facilitating Competitive Sales Training," offers guidance for training both internal and channel partner sales and SE (sales engineer) personnel.

Chapter 9, "Selecting the Right Competitive Analysis Vendor," describes what to look for, and what to avoid, when evaluating competitive analysis vendors.

Helpful Icons

TIP

Tips provide practical advice that you can apply in your own organization.

DON'T FORGET

When you see this icon, take note as the related content contains key information that you won't want to forget.

CAUTION

Proceed with caution because if you don't it may prove costly to you and your organization.

TECH TALK

Content associated with this icon is more technical in nature and is intended for IT practitioners.

ON THE WEB

Want to learn more? Follow the corresponding URL to discover additional content available on the web.

Preface

This book is the culmination of two decades' worth of experience overseeing competitive analysis programs and advising my high-tech vendor clients on competitive analysis best practices. It's a practitioner's guide for establishing a world-class competitive analysis program and leveraging that program to defeat the competition and reduce sales cycles.

About the Author

My name is Steve Piper. I was born and raised in the great state of Maryland. My entire 25-year career has been spent in the high-tech industry. I have a B.S. degree in business management and an M.B.A. from George Mason University. I hold a CISSP certification from ISC(2), and have authored more than a dozen books on cybersecurity, networking, and other IT-related topics.

I began my career as a systems engineer working for a value-added reseller (VAR) called US Connect, subsequently acquired by IKON. There I earned technical certifications from Microsoft, Novell, Citrix, Dell, and others.

Later I joined Citrix as a sales engineer, but soon took on roles in product management and product marketing. It was there that I cut my teeth launching the company's first-ever competitive analysis program. Six years later, the company had grown from 100 people generating $15 million/year to 2,000 people generating $600 million/year.

The latter part of my career has been spent in senior marketing roles at NetIQ, Oblicore (acquired by CA), and Sourcefire (acquired by Cisco). At every high-tech vendor I've worked for, I have owned or played an active role in the company's competitive analysis program.

Today, I co-own a successful high-tech marketing agency called CyberEdge Group (www.cyber-edge.com). In addition to producing world-class content and facilitating thought leadership studies, our veteran consultants help our clients aggregate competitive intelligence, produce competitive sales tools, and optimize their CRM systems to capture accurate win/loss data and generate actionable win/loss reports.

Competitive analysis is a passion for me. I've spoken on the subject in numerous webinars and have finally gotten around to writing this book! I know exactly what it takes to construct and maintain a world-class competitive analysis program, and now I'm sharing my knowledge and experience with you.

Who Should Read This Book?

Anyone who works for a computer software, hardware, and/or services company and is responsible for overseeing or contributing to their employer's competitive analysis program should read this book.

Author Acknowledgements

I'd first like to thank my wife, Carrie, for her love and support, and my daughters, Ashley and Lauren, for bearing with me while writing this book. I'd also like to thank my parents, Liz and Randy Piper, and my sister, Sheri Poulter, for supporting me at every stage of my career.

I'm grateful to my CyberEdge colleagues—Mark Bouchard, Marisa Steller, and Stacy Smith—for encouraging me to write this book and for having my back while I stared at my computer screen for days on end.

Lastly, I'd like to thank my incredible editor Susan Shuttleworth, and my talented graphic designer, Debbi Stocco, without whom this book would not be possible.

Contact Me

Got a question or perhaps a suggestion for a second edition of this book? I'd love to hear from you!

Drop me an email at steve.piper@cyber-edge.com. Or connect to CyberEdge's website at www.cyber-edge.com to learn about our competitive analysis consulting services.

Chapter 1

The Value of a Well-structured Competitive Analysis Program

In this chapter

- Gain newfound appreciation for properly constructed competitive analysis programs
- Understand the risks of underinvesting in competitive analysis
- Develop a system for classifying and responding to competitive threats

Unless your employer has a monopoly on the market, maintaining an effective competitive analysis program is critical to your company's success. Unfortunately, most high-tech vendors significantly underinvest in and, frankly, grossly undervalue, the competitive analysis function. Too many decisions are made based on incomplete competitive intelligence and anecdotal win/loss data.

Successful high-tech vendors understand the strategic nature of competitive analysis. Most vendors assign at least one dedicated resource to oversee this function, while larger, multi-billion-dollar vendors employ dozens!

Regardless of your company's size, it's important to take competitive analysis seriously and to structure a program to ensure that your company competes effectively. This chapter will tell you how to get started.

Strategic Benefits

Before diving into the nitty-gritty of program goals and structure, let's discuss the strategic benefits of an effective competitive analysis program so you've got ammunition for seeking additional investment. Key benefits include:

- ☑ Improving win rates resulting in increased revenue and market share
- ☑ Decreasing sales cycle durations resulting in accelerated revenue
- ☑ Knowing where to prioritize investments in competitive sales tools and training
- ☑ Influencing your product roadmap by knowing where your product or service falls short

Having an effective competitive analysis program does not guarantee your company will flourish. But I can assure you that if you don't have one in place, the odds of your company's succeeding are greatly diminished.

Dispelling common competitive analysis myths

Although most high-tech executives recognize value in competitive analysis programs, some underestimate their worth based on perpetuated myths. Here are some examples:

Win/loss data is never accurate. Although default win/loss CRM settings are woefully inadequate, there are ways to optimize your CRM to dramatically improve data quality, as I will explain in Chapter 2.

We already know how we're faring against the competition. Unless you're capturing accurate win/loss data, you're only guessing. Winning four out of five deals doesn't necessarily equate to winning four out of five dollars.

We know exactly how our product or service compares. This is rarely true. From my experience, high-tech vendors typically know about 80% of their competitive differences. And often things they're sure about are actually untrue.

Don't ever let any of these myths stand in your way of establishing and maintaining an effective competitive analysis program.

Implementing a Competitive Response System

It's wise to standardize how your company classifies and responds to competitive threats so you don't reinvent the wheel every time a new competitor comes along. In other words, the actions you take should be consistent with, and proportional to, the impact of each competitor.

The United States established DEFCON (DEFense readiness CONdition) ratings in 1959 to define specific security, activation, and response scenarios for military personnel. These ratings prescribe five graduated levels of readiness, from DEFCON 5 (least severe) to DEFCON 1 (most severe), to match military situations. Although DEFCON ratings relate to a country, I like to apply this concept to classes of competitors, as depicted in Table 1-1.

		Competitor Brief	Feature Comparison Matrix	Customer Win/Loss Calls	Competitor Battlecard	Competitive PowerPoint slides	Customer-facing Sales Tools	Anti-competitor Ad Campaigns
DEFCON 5 Non-competitor	Competing for share of wallet							
DEFCON 4 Potential competitor	No lost deals	✔						
DEFCON 3 Minor competitor	90%+ win rate		✔		✔			
DEFCON 2 Major competitor	50-89% win rate		✔	✔	✔	✔	✔	
DEFCON 1 Market leader	<50% win rate		✔	✔	✔	✔	✔	✔

Table 1-1: Sample competitor DEFCON rating system.

TIP

We will cover the responses shown in Table 1-1 in Chapters 5, 6, and 7.

Don't feel obligated to mirror the attributes of the sample competitor DEFCON rating system depicted in Table 1-1. In fact, don't even feel compelled to embrace the term, "DEFCON." What's most important is that you have an agreed-upon system for classifying competitors with prescribed actions based on each threat level. This will minimize the potential for future debates on how best to respond to new and evolving competitors.

Now that you understand the strategic benefits of a competitive analysis program, and have a methodology for consistently classifying and responding to competitive threats, let's get a "big picture" overview of how to get started with structuring your own program.

Getting Started

The following seven steps comprise a roadmap for establishing your own competitive analysis program:

Step 1: Assemble a competitive analysis team (Chapter 2)

Step 2: Optimize your CRM to capture win/loss statistics (Chapter 3)

Step 3: Construct win/loss reports (Chapter 4)

Step 4: Aggregate competitive intelligence (Chapter 5)

Step 5: Conduct customer win/loss calls (Chapter 6)

Step 6: Create competitive sales tools (Chapter 7)

Step 7: Conduct competitive sales training (Chapter 8)

Like many things in life, an effective competitive analysis program is a process of continuous improvement. These steps should be repeated and tweaked in the years ahead.

Okay, now that I've set the stage for what lies ahead, let's proceed to the first step – assembling a competitive analysis team.

Chapter 2

Assembling a Competitive Analysis Team

In this chapter

- Understand competitive analysis team roles and responsibilities
- Distinguish between required and optional team members
- Contemplate competitive analysis team meeting frequency

No one person can or should own every aspect of a competitive analysis program. Effectively executing the program is a team effort comprised of personnel who vary in responsibility and expertise.

This chapter describes the roles and responsibilities of a typical high-tech competitive analysis team.

Member Roles and Responsibilities

The size of a competitive analysis team varies greatly based on company size, geographic reach, and number of product lines and/or service offerings. A small high-tech vendor might have five committee members while a large vendor might have 100!

TIP

For high-tech vendors with multiple product lines and/or service offerings, it may make sense to establish multiple committees within the overall competitive analysis program – one per product or service.

Table 2-1 lists both required and optional (denoted with an asterisk) roles within a competitive analysis team.

Roles	*Responsibilities*
Program owner	Oversee all aspects of the company's competitive analysis program.
Committee chair*	Oversee individual committees dedicated to individual products or services.
Operations manager	Generate win/loss reports. Schedule meetings. Submit drafts of sales tools for committee review. Schedule competitive sales training sessions.
Product marketing lead	Create, contribute to, and/or review competitive sales tools. Facilitate competitive sales training sessions.
Product management lead	Create, contribute to, and/or review competitive sales tools. Propose product roadmap enhancements.
Product development lead	Validate technical findings derived from aggregated competitive intelligence. Evaluate proposed product roadmap enhancements.
Sales lead(s)*	Provide insights from a sales perspective. Potentially assign one sales lead per geographic region.
SE lead(s)	Validate aggregated competitive intelligence. Review competitive sales tools. Answer questions from sales and SE colleagues.
Channel sales/ marketing lead(s)*	Review channel-focused competitive sales tools and distribute them to channel partners. Coordinate logistics for channel training sessions.
CRM administrator	Configure the CRM to adequately capture win/loss statistics. Create win/loss report templates.

* *Optional*

Table 2-1: Typical competitive analysis team member roles.

DON'T FORGET

It's important to keep in mind that most team/committee members will not have dedicated competitive analysis jobs. Most will hold positions in product marketing, product management, sales, sales engineering, channel sales, channel marketing, product development, and/or other departments. In some companies, representatives from the legal department participate to review and approve competitive sales tools prior to publication.

TIP

It's a good idea to assign an SE to be a technical subject matter expert for each competitor. This person should know the competitor's product and/or service inside and out, and be available to answer technical questions from other SEs around the world. SEs who previously worked for your competitors are excellent candidates!

CAUTION

Be careful not to have too many members within a single competitive analysis committee or team. Involving too many people can be counterproductive. (See the "Don't have too many cooks in the kitchen" sidebar.)

Don't have too many cooks in the kitchen

One of the keys to a successful competitive analysis program is having an optimal number of team/committee members. If you have too many, ending in-person meetings on time can be challenging. If you have too few, you may lack perspective from an important point of view (e.g., sales, product development) – and potentially tick someone off!

To reach an ideal number of team/committee members, I recommend you follow these two guidelines:

- Minimize duplicative coverage. Avoid having multiple representatives from product marketing, product management, product development, and channel sales/marketing. Having multiple folks from sales and/or SE teams is acceptable, but preferably only one person per major geographic region.
- Ensure everyone has an assignment. If someone attending an in-person meeting doesn't have an actionable assignment (e.g., running meetings, creating/reviewing sales tools, coordinating sales training), then odds are they shouldn't be on the committee/team.

Meeting Frequency

How often should competitive analysis team/committee meetings occur? Yep, you guessed it! The answer is, "It depends." It depends on how many products and/or services your employer has to offer. It depends on the size of the competitive landscape. And it depends on how mature your competitive analysis program is. But here are some guidelines to get you started.

Program kick-off meetings

If you're establishing (or formalizing) a brand new competitive analysis program, you'll need to host a series of initial meetings to get things started:

- ☑ Kick-off meeting to discuss competitive analysis program goals, structure, deliverables, and processes
- ☑ CRM optimization meeting to more effectively capture win/loss statistics
- ☑ Initial win/loss report review meeting to get a baseline on win/loss stats and classify competitors
- ☑ Competitive intelligence meeting to ensure everyone agrees on your company's advantages and disadvantages in comparison with each competitor

The review of competitive sales tools can be facilitated through an in-person meeting or offline email exchanges.

Periodic meetings

I recommend the entire team/committee get together in person (if possible) once per quarter to review win/loss reports, discuss competitive threats, and brainstorm on potential new responses. Meetings that occur in the first quarter of the company's fiscal year should be used to review both fourth quarter and prior year win/loss results.

Ad hoc meetings

Ad hoc meetings may be necessary to address market occurrences, such as when a major competitor is acquired or a regulation changes, thus giving you or your competitor a newfound advantage.

Chapter 3

Optimizing Your CRM to Capture Accurate Win/Loss Statistics

In this chapter

- **Appreciate the critical importance of technical enforcement**
- **Identify the often-forgotten third closed opportunity state**
- **Configure your CRM to capture highly accurate win/loss statistics**

Accurate win/loss data is mission critical to every competitive analysis program. Without it, you might as well pack up and go home. You have no clue as to where to make your competitive analysis investments or what impact the competition should have on your product roadmap.

Too many high-tech vendors give up on the notion that it's possible for their CRM (such as Salesforce.com, SAP Hybris Sales Cloud, Oracle CRM, and Microsoft Dynamics) to capture accurate win/loss data – mainly due to the "garbage in, garbage out" mindset. "Garbage in" results when sales personnel are not properly tracking competitive influences in forecasted opportunities. "Garbage out" refers to inaccurate win/loss data infecting your reports.

Well, I have incredible news! It is possible to virtually eliminate inaccurate win/loss data. And it's much easier than you think. Before we get into the nuts and bolts, let's talk about an important missing piece of the CRM puzzle.

Three Closed Opportunity States

Most high-tech vendor sales teams forecast opportunities (i.e., prospective sales deals) within their CRM. This makes it easy for sales managers to gain visibility into future bookings. And when sales people face one or more competitors in the opportunity, which is generally the case, they're asked to identify those competitors within the opportunity.

Most CRM systems default to two closed opportunity states:

Closed – won: The sales person made the sale.

Closed – lost: The sales person lost to a competitor.

The problem here is that when opportunities go stale – perhaps because the customer lost their budget or the primary contact left the company – sales people will transition the opportunity to "closed – lost." Then when win/loss reports are generated, it appears that the deal was lost to a competitor – when it really wasn't. This inaccuracy negatively affects competitor win rates (i.e., the percentage of deals or dollars won against a given competitor), which skew the reality that win/loss reports are meant to convey.

TIP

In this book, CRM terminology most closely aligns with Salesforce.com, but the concepts apply to all CRMs.

To prevent competitor loss statistics from being artificially inflated, a third closed opportunity state is required:

Closed – no decision: The deal went stale. No vendor closed the opportunity.

CAUTION

Notice that I used the word "required." I'm not kidding. You don't have to embrace the term, "closed – no decision," but you MUST have a third closed opportunity state to reflect deals that simply went cold. Otherwise, your loss statistics will be overly inflated.

TIP

Be sure to train your sales personnel carefully on when to use the closed – no decision state. But don't worry if they screw up. Mistakes will be uncovered later when we talk about auditing closed opportunity logs in Chapter 4.

So now that we've covered the importance of the closed – no decision state, let's get into the nitty-gritty of exactly how to configure CRM opportunity fields to capture accurate win/loss statistics. But before we do that, it's time to alert you to a cultural change that will affect your entire sales organization. It's a healthy change, but one that will come as a shock (or more of an annoyance) to some.

Embracing the "Technical Enforcement" Mentality

Sales people are lazy. At least that's what I used to think before starting my own company and essentially becoming one. In reality, your sales colleagues are pulled in many different directions, often causing immense stress – as if achieving a sales quota isn't stressful enough.

Regardless, some sales people, for whatever reason, log opportunities within the CRM with the least amount of information required, failing to capture important details about competitive influences. This means that although they may be instructed by their managers to document the competitors they face, and specify the winning competitor if they lose the deal, the CRM doesn't *force* them to do it. In my eyes, this must change.

A better approach is to require sales people – through *technical enforcement* – to do the following:

TECH TALK

- ☑ Identify one or more competitors they face when they've qualified the opportunity (usually around the 30% stage), <u>or else the opportunity won't save</u>
- ☑ Identify the "opportunity winner" (i.e., the winning competitor) when transitioning to closed – lost, <u>or else the opportunity won't save</u>
- ☑ Identify the primary reason (or reasons) why the deal was won or lost, <u>or else the opportunity won't save</u>

Selling technical enforcement to your VP of sales

There's no doubt you've heard the expression, "pick your battles." Well, I promise you that this is a battle worth fighting. If you lose this battle, the success of your entire competitive analysis program is at risk!

It's simple. You must have accurate win/loss stats so you have accurate win/loss reports. And you must have accurate reports so you know where to make investments in sales tools and training. So, if your vice president of sales expresses concern about potentially creating unhappy sales people by forcing them to enter more data into CRM opportunity fields, tell her this:

1. **Everything is checkbox driven.** The additional time spent checking boxes in the opportunity is typically less than 60 seconds, collectively.

2. **Revenue will likely increase.** Although no one can say by how much, revenue will almost certainly go up as sales people will have new sales tools and more sales training to defeat the competition.

3. **Sales cycle durations will decrease.** Sales people will be better equipped to overcome competitive objections, thus likely decreasing the time it takes to close deals.

Sales people – even sales executives – are "coin-operated. Tell them what's in it for them and you should be fine.

TIP

Be sure to have your CRM administrator configure helpful error messages to instruct users as to why the opportunity isn't saving when they've forgotten to do something, such as identifying competitors, specifying the opportunity winner, or selecting reasons why they won or lost the deal.

Required Opportunity Fields

Having achieved agreement on technical enforcement, it's time for your CRM administrator to add the following sets of opportunity fields:

- ☑ Competitor pick lists
- ☑ Opportunity winner field
- ☑ Closed – won/lost reasons
- ☑ Closed – no decision reasons

Competitor pick lists

Opportunities are forecasted by sales people at different confidence levels. The following is just one example of how a sales organization may classify opportunity statuses:

10% - Interest expressed

30% - Opportunity qualified

50% - Proposal submitted

80% - Verbal acceptance

90% - In legal review

100% - Closed - won / signed contract

At whichever stage the sales person qualifies the opportunity, the CRM should force the user to identify one or more competitors, as follows, or else the opportunity can't be saved at that level or higher:

- ☐ Competitor A
- ☐ Competitor B
- ☐ Competitor C (and so on)
- ☐ None
- ☐ Unknown
- ☐ Other – Describe in notes

If by chance the sales person is truly not facing a competitor, then he selects "None." If the prospect refuses to divulge the names of competing vendors (or if the sales person forgot to ask), then he selects "Unknown." If the name of a competing vendor is not on the pick list, he should select "Other – Describe in notes" and then enter the name of the competitor in the notes section of the opportunity.

TIP

I recommend that you list the names of your competitors in alphabetical order to make it easier for your sales people to find them. But keep "None," "Unknown," and "Other – Describe in notes" at the bottom.

TIP

Also, always use pick lists to make compiling win/loss data easier. If a competitor name is associated with "Other – Describe in notes" selections two or more times, consider having your CRM administrator add the name of that competitor to your pick list.

TECH TALK

If technically feasible, ask your CRM administrator to prevent the user from saving the opportunity with either "None" or "Unknown" and one or more competitors selected. For example, how can it be "None" if 'Competitor A has also been selected? This concept is known as a *logic error*.

Opportunity winner field

If the sales person loses the deal to a competitor, it's time to transition the opportunity to a "closed – lost" state. In doing so, the CRM should force the user to select the 'opportunity winner' or else the opportunity can't be saved.

Assuming the sales person previously saved the opportunity at a qualified state (e.g., 30% or higher), he should have already selected one or more competitors. If so, the CRM should enable the user to simply select the winning competitor from a dropdown list containing only the previously chosen competitors. If by chance a "closed – lost" opportunity is created from scratch, the user will first have to select the competitors that were faced in the deal.

If your CRM doesn't support the aforementioned dropdown functionality, then configure the following picklist, but use radio buttons instead of checkboxes:

- Competitor A
- Competitor B
- Competitor C (*and so on*)
- Unknown
- Other – Describe in notes

This list is identical to the list in the previous section, but "None" has been removed. If the prospect won't divulge which vendor won the deal, select "Unknown."

DON'T FORGET

It's crucial to remember that while you may beat multiple competitors in a given deal, you only lose to one – the "opportunity winner." So, if you're facing three competitors in a deal and you win, your win will be reflected against three competitors. But if you lose, your loss will only be reflected against one competitor.

Closed – won/lost reasons

The reasons why your company wins or loses deals will vary greatly based on the products and/or services you're offering and perhaps even your IT industry segment. The following is a generic list of reasons why organizations might win or lose deals to help you get started:

- ☑ Superior product functionality
- ☑ Superior product performance
- ☑ Superior product usability
- ☑ Superior third-party integration
- ☑ Superior pricing
- ☑ Personal relationship with customer
- ☑ Other – describe in notes

TIP

Always review notes when you see "Other" selected in closed – won and closed – lost opportunities. If you see recurring trends, you may want to expand your list of reasons. You want to minimize the need for your sales people to select "Other" as much as possible.

Is 'price' ever really a factor?

A few years back, I was assisting a high-tech vendor with optimizing their Salesforce.com CRM to capture accurate win/loss statistics. I led an on-site workshop with key company stakeholders.

The vendor's VP of sales insisted that price is never a factor in closing deals and refused to include "superior pricing" in the reasons picklist. He maintained that if a deal is lost, it's because the sales person failed to demonstrate adequate value.

Although I understood his viewpoint, I respectfully disagreed, as price has a direct influence on value assessment. And frankly, sometimes budget limitations force companies to select inferior offerings.

Unfortunately, "superior pricing" was not added as a possible reason, preventing the vendor from gaining pricing-related insights. Although I'd like to say, "the customer is always right," in this instance, I believe the customer was wrong. And I hope you'll learn from their mistake.

TECH TALK

When modifying your CRM's opportunity structure, I recommend you display closed – won and closed – lost reasons as dropdown bars. If dropdown bars aren't supported, then radio buttons will do. This applies equally to closed – no decision reasons in the next section.

Closed – no decision reasons

Although closed – no decision reasons do not affect win/loss analysis, it's helpful for sales executives to understand why open opportunities have been transitioned to a closed-no decision state. Here is a generic list of reasons to get you started:

- ☑ Primary contact left the company
- ☑ No response from primary contact
- ☑ Lost budget
- ☑ Company acquired
- ☑ Company no longer in business
- ☑ Duplicate CRM opportunity
- ☑ Other – describe in notes

Once your CRM has been optimized to capture accurate win/loss statistics, it's time to begin constructing reports. Chapter 4 will get you started.

Chapter 4

Generating Accurate Win/Loss Reports

In this chapter

- Learn strategies for validating the accuracy of win/loss data
- Review common win/loss reports
- Contemplate how frequently to generate win/loss reports

In the last chapter, I started out by stating how mission critical it is to build your competitive analysis program on top of accurate win/loss data. And that's entirely true. But it's equally critical to construct accurate win/loss reports based on that data – so you know exactly where to make competitive analysis and product roadmap investments.

In this chapter, I discuss ways to validate (audit) the accuracy of your CRM's win/loss data and to incorporate that data into meaningful win/loss reports. But before we go down that path, let's make sure we're on the same page about why win/loss reports are so important and how to leverage them.

Leveraging Win/Loss Reports

There are three main motivations for generating win/loss reports – investing in sales tools, investing in sales training, and enhancing your product roadmap based on competitive influences. Let's explore each use case.

Investing in sales tools

Your internal sales team and your external channel partners (if applicable) are starving for competitive sales tools and training. But before you deliver training, you've got to create accurate (internally facing) sales tools *first* for multiple reasons:

- ☑ The sales training you provide must carefully align with your competitive sales tools.
- ☑ Your sales tools (especially battlecards) can serve as handouts while delivering sales training.
- ☑ Your sales training attendees instantly have materials to reference following training completion.

TIP

Not all competitive sales tools are internally facing. Some are customer facing, as I will discuss in Chapter 7. Your customer-facing sales tools can be created before or after you've completed your initial sales training.

Investing in sales training

Once the initial versions of your internally facing competitive sales tools have been finalized, it's time to provide training to your internal sales team and channel partners (if applicable).

CAUTION

Do not combine internal and channel partner training into one session – whether delivered in person or via webinar. Your sales people should feel comfortable asking questions and making comments without their channel partners present.

TIP

I recommend you deliver channel partner sales training via a webinar solution (e.g., WebEx Event Center, GoToWebinar) with all attendees in listen-only mode and the list of live attendees suppressed. That way, your attendees don't see their potential competitors online and vice versa, and they're able to submit questions via the chat/Q&A interface anonymously. But be sure to record your webinar(s) for the benefit of channel partners who could not attend live.

TIP

I've got a lot more to say about competitive sales training, but I'll save those thoughts for Chapter 8.

Enhancing your product roadmap

I'm a graduate of Pragmatic Marketing, a company that has trained more than 125,000 product management and marketing professionals since 1993. My instructor at the time repeated the following mantra over and over to his students: *"Your opinion, although interesting, is irrelevant."* This is something I've carried with me for the past two decades.

What he meant is that product investment decisions should be made by analyzing data rather than by following gut instincts. Surveying customers, for example, is critical (more on that in Chapter 6), but so is analyzing your success against the competition. If one of your product roadmap goals is to maximize revenue, then you must have accurate win/loss reports to help influence that roadmap.

ON THE WEB

I can't recommend Pragmatic Marketing enough. To learn more about their product management and marketing courses, connect to https://pragmaticmarketing.com.

Auditing Closed Opportunity Logs

Okay, hopefully I've sold you on how important it is to have accurate win/loss reports. But simply generating reports from your CRM doesn't automatically mean they're accurate – even if you've optimized your CRM following my advice in Chapter 3. Your CRM will always be prone to the "garbage in, garbage out" phenomenon.

In this section, I present you with a four-step process for auditing the quality of your win/loss data, helping to achieve 99% accuracy – or better! And it starts with generating raw closed opportunity logs.

Step 1: Generate closed opportunity logs

Start out by generating closed opportunity logs (reports) from your CRM for the period you're focusing on – usually the most recently completed quarter – and export them into Microsoft Excel. Each log should correspond to a major sales team (e.g., EMEA, U.S. Federal).

These logs should depict opportunities that fall into all three closed states – closed – won, closed – lost, and closed – no decision. Ensure that the closed opportunities are grouped together by state (i.e., all of the closed – won opportunities grouped together).

DON'T FORGET

It's important to remember that winning a deal against three competitors, for example, will positively affect your win rate against all three. But when you're facing three competitors and one of them wins the deal, this loss negatively affects your win rate against just one competitor (i.e., the "opportunity winner").

Key spreadsheet columns you'll want in your closed opportunity logs include:

- ☑ Sales team/region (e.g., EMEA, U.S. Federal)
- ☑ Opportunity owner (i.e., sales person's name)
- ☑ Account name (i.e., company name)
- ☑ Opportunity name (i.e., short description)
- ☑ Opportunity value (i.e., dollar value)
- ☑ Opportunity state (e.g., closed – won, closed – lost, closed – no decision)
- ☑ Competitors (i.e., competitors chosen from picklist)
- ☑ Primary reason (e.g., primary reason chosen from picklist for winning, losing, or closing without decision)
- ☑ Closed date (i.e., date the opportunity was closed)

TIP

If you work for a larger company, you should probably wait a week or two following the end of your reporting period before generating your raw closed opportunity logs. From my experience, it's common for sales personnel, and sometimes accountants, to modify closed opportunities in the days that follow each quarter.

Step 2: Perform internal auditing

Before you share your logs with your regional sales leaders (directors/VPs), as described in Step 3, you should first address the low-hanging fruit. What I mean is that you should correct the obvious mistakes that sales people commonly make when closing opportunities in your CRM, such as:

- ☑ Misclassifying an opportunity as closed – lost when it should have been classified as closed – no decision (the most common mistake!)
- ☑ Selecting "Other" as the primary reason and describing the situation in the notes section when their explanation aligns perfectly with a reason already on the picklist (e.g., superior competitor functionality)
- ☑ Creating duplicate opportunities for the same deal (e.g., inside sales and outside sales)

TIP

To uncover these mistakes, pay careful attention to the responses in the "Primary reason" column. Be sure to review the notes in your CRM for opportunities anytime the primary reason is "Other."

Step 3: Facilitate regional sales auditing

Now it's time to ask your regional sales leaders to perform 30-minute "sanity check" reviews. Basically, you're asking them to scan their respective logs for anything confusing or inaccurate. (This assumes that each sales leader is cognizant of all/most deals that closed during the associated period.) Ask them to flag any changes they make to the spreadsheet in the color of their choice.

TIP

Weeks before you share your first closed opportunities log with a given regional sales leader, get their buy-in ahead of time so you're not blindsiding them. And try to give them a week to complete their assignment – even though they'll almost always complete it the day it's due (if you're lucky).

Step 4: Update inaccurate closed opportunities

After you've received your closed opportunity logs (spreadsheets) back from your regional sales leaders, it's time to make corrections in your CRM corresponding to the closed opportunities flagged in the logs. That way, when it comes time to generate win/loss reports (next two sections), the underlying data should be pretty darn accurate.

If your personal CRM account doesn't have the right (or privilege) to update closed opportunities, contact your CRM administrator to request that right. You may need to seek executive approval. If your request is denied, then you'll have to implore your regional sales leaders (or sales people) to make the corrections themselves. (Good luck with that.)

Key Reporting Considerations

Congratulations! You've hopefully survived the two- to three-week effort of auditing your closed opportunity logs. It's almost time to start cranking out win/loss reports. But before we delve into that topic (covered in the next two sections), there are three important prerequisite decisions you'll need to make.

Tracking win rates by dollars vs. deals

If given the choice between winning 80% of the deals or 80% of the dollars when facing a given competitor, which would you choose? Yes, dollars. Of course! (See the "It's all about the Benjamins!" sidebar.)

It's all about the Benjamins!

Some high-tech vendors make the rookie mistake of *only* tracking win/loss stats based on the percentage of deals won rather than the percentage of dollars won. This is a mistake because your company may win 80% of the deals against a given competitor, but lose 80% of the forecasted dollars! In this instance, you'd be winning the majority of smaller deals, but losing the majority of the big ones.

If given the choice of tracking win rates by deals or dollars, I'd say, "It's all about the Benjamins, baby!" (Yes, I said "baby." Deal with it.) Go with dollars every time. But if you've got a talented, highly detail-oriented person generating your reports, you should consider tracking both win rates for both dollars and deals, as that will provide an even clearer picture.

DON'T FORGET

You'd be shocked at how many high-tech vendors *only* calculate win/loss rates based on the percentage of deals won. Such a mistake may lead to faulty sales enablement and product roadmap decisions. However, tracking win rates by deals in *addition* to dollars can paint a more detailed portrait of your competitive landscape.

DON'T FORGET

When disseminating your win/loss reports to your colleagues, be sure to clarify whether you're tracking win rates by dollars only (most common) or by both dollars and deals. Don't assume these people can read your mind!

Calculating mean vs. median

In the next section, I recommend generating win/loss reports that convey your average sales cycle durations and average deal sizes by competitor. But what does "average" mean? Are we talking mean, median, or both? (See the "An average refresher on mean versus median" sidebar.)

TIP

I generally recommend tracking both mean and median in win/loss reports that call for averages – at least for the first year. If you discover that your data over time contains little variance (e.g., deal sizes ranging from $10,000 to $50,000), then you might rely on mean alone. In contrast, if you discover that your data contains significant variance (e.g., deal sizes ranging from $10,000 to $1,000,000), then you might rely on median alone.

An average refresher on mean versus median

For those who have been out of school for more years than you're willing to admit, here's a quick refresher on mean versus median.

Consider the following sets of numbers: 11, 14, 15, 18, 20, 22, and 82.

The *mean* is the sum of all the numbers divided by the amount of numbers in the set. In this case, the mean is 26. The *median* is the middle point of a set of numbers. In this case, the median is 18.

Now let's pretend our data set represents sales cycle durations facing a given competitor last quarter. Our mean sales cycle was 26 days, but our median sales cycle was 18 days. That's quite a difference!

TIP

When mean and median numbers are consistently aligned, it's an indicator that it may no longer be helpful to track both. In that case, I'd go with mean alone.

Determining which competitors to track

Generating win/loss reports can be exhausting. The fewer competitors to track, the easier the process. But how do you decide which competitors to include in your win/loss reports?

Do you include every possible competitor you might face? Or only those that you've lost deals to? If the latter, do you track statistics on a competitor that you've only lost to once in the past two years?

Unfortunately, there is no clear right or wrong answer. Your decision may depend on the resources you have for generating and analyzing your win/loss reports.

Remember the DEFCON competitor rating system that I proposed in Chapter 1 (see Table 1-1)? Assuming you've got ample resources, I recommend including competitors rated as DEFCON 1, 2, and 3 in your win/loss reports. But if resources are scarce, then at least include your DEFCON 1 and 2 competitors.

DON'T FORGET

Whatever you decide, the most important thing is consistency. Establish a policy up front so you can minimize debates as you face new competitors and as threats from existing competitors seemingly fall off the map.

Common Win/Loss Reports

All right, the time has finally come to figure out which win/loss reports are going to be the most impactful to your organization. Of course, every organization is different, so reporting needs will vary. But the required reports described in this section should get you started.

Win rate by competitor

You've got to start here no matter what. You have to determine your hierarchy of competitive threats – first on a global level and then on a regional level. Figure 4-1 provides a simple illustration of global win rates by both dollars and deals for six competitors.

Note that the competitors appear from left to right in increasing order of competitive threat. In this figure, your organization has won 75% of the dollars against Comp A, but has only won 5% of the dollars against Comp F, which was your biggest threat during the reporting period.

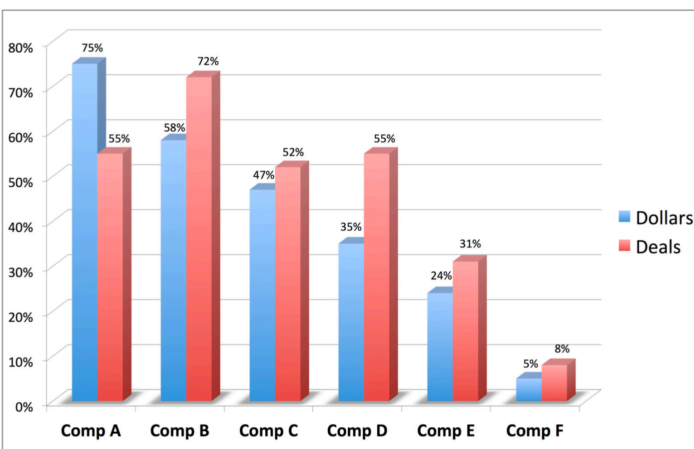


Figure 4-1: Sample global 'Win Rate by Competitor' chart.

Generating a chart comparable to Figure 4-1 to depict all of your regional sales teams would be cumbersome at best. Consider creating a table instead, such as Table 4-1. Each cell lists the win rate by dollars on top and the win rate by deals on the bottom – along with parenthetical depictions of the quantity of times each competitor was faced in each region during the reporting period.

Region	Comp A	Comp B	Comp C	Comp D	Comp E	Comp F
East	35% 38% (5/13)	67% 79% (11/14)	15% 45% (5/11)	30% 60% (3/5)	100% 100% (8/8)	28% 56% (5/9)
West	65% 55% (12/22)	85% 75% (9/12)	34% 44% (7/16)	97% 75% (3/4)	83% 80% (8/10)	78% 50% (1/2)
Federal	100% 100% (2/2)	54% 67% (6/9)	16% 56% (5/9)	100% 100% (1/1)	43% 50% (1/2)	73% 75% (9/12)
Mid-Tier	29% 47% (7/15)	68% 80% (4/5)	100% 100% (1/1)	92% 80% (4/5)	83% 79% (11/14)	100% 100% (5/5)
EMEA	70% 68% (13/19)	88% 76% (16/21)	60% 44% (7/16)	53% 60% (9/15)	77% 78% (7/9)	47% 67% (2/3)
LATAM	78% 78% (7/9)	79% 73% (8/11)	100% 100% (9/9)	0% 0% (0/1)	100% 100% (3/3)	-
APAC	86% 86% (6/7)	55% 60% (3/5)	100% 100% (8/8)	31% 33% (1/3)	29% 40% (2/5)	16% 50% (1/2)

Notes: Top % = Percentage of dollars won
Bottom % = Percentage of deals won

Table 4-1: Sample regional 'Win Rate by Competitor' chart.

DON'T FORGET

Remember, it's critical to break out your win rates by competitor for each regional sales team. For example, in Table 4-1 you can see that the Western region sales team is kicking Comp D's butt (97% win rate), while their Eastern region counterparts are getting their butts kicked (30% win rate). Why is this? Perhaps you need to invest in additional training for this competitor for the Eastern region.

Primary reasons won/ lost by competitor

It's critical to know which competitors you're losing to the most. But if you don't know why you're losing to them, there's little point in generating any win/loss reports in the first place.

Summarizing primary reasons won and lost in a chart or table can be tricky. You might want to start with a simple "intersection table" where the columns are your competitors and the rows are your primary reasons lost (or won, depending on the table). Then place a simple check mark in each intersecting cell where a deal against a given competitor was lost for a given primary reason, as depicted in Table 4-2.

	Comp A	Comp B	Comp C	Comp D	Comp E	Comp F
Broader range of products		✓	✓	✓	✓	
Lack of customer references	✓					
Politics/personal relationship	✓	✓	✓	✓	✓	✓
Poor or failed evaluation	✓	✓				
Price	✓		✓		✓	✓
Superior Functionality	✓					
Superior Performance	✓			✓		
Superior Usability			✓		✓	

Table 4-2: Sample 'Primary Reasons Lost by Competitor' chart.

TIP

If you track both primary reasons and secondary reasons in your closed – lost and closed – won opportunity fields, then you'll need to decide whether you want to lump primary and secondary reasons together or simply depict primary reasons in your charts. I tend to favor the latter as primary reasons tend to be more insightful.

CAUTION

Don't make sales enablement and product roadmap decisions based on win/loss data alone. I encourage you to validate the primary reasons why you're winning and losing deals by conducting regular customer win/loss calls – a topic I'll cover in detail in Chapter 6.

Average sales cycle duration by competitor

The mission of your competitive analysis program should not only be to maximize your competitor win rates, but also to decrease your competitive sales cycles (i.e., the quantity of days it takes to close deals).

For example, your average sales cycle when facing Comp A (minor competitor) might be 14 days versus Comp F (major competitor) which might be 35 days. If so, why does competing against Comp F take so much longer? And what can you do to help reduce Comp F sales cycle durations?

TIP

With regard to how best to graphically illustrate average sales cycle durations, a simple column or bar graph will suffice. You might be tempted to distinguish average sales cycle durations between closed-won and closed-lost deals for each competitor. Feel free to give it a shot, but if you find that the two sets of numbers are pretty close together, just lump closed-won and closed-lost sales durations together.

Average deal size by competitor

Do your average deal sizes vary by competitor? There's only one way to find out.

I recommend you track average deal sizes by competitor for your first year – or at least the first few quarters. If you determine there's little to no variation in average deal size by competitor, then disregard this win/loss report moving forward. But you might find that deals when facing Comp A average $10,000 while deals facing Comp F average $50,000. If so, why?

If average deal size varies significantly by competitor, you may gain insight into the types of prospects (e.g., companies of a certain size, industry, or region) that are most attracted to your respective competitors – which may come in handy from a marketing perspective.

Other Report Considerations

Before we wrap up the topic of win/loss reporting, there are a few more related topics that are worth covering, starting with demographic reports.

Demographic reports

If your company is a larger high-tech vendor with hundreds of deals closed against each competitor per quarter (or at least year), you may want to slice and dice your win/loss data to gain demographic insights, as follows:

- ☑ **Company size.** Is your company more successful defeating a given competitor within smaller or larger accounts? Company size is typically indicated by revenue or employee count.
- ☑ **Industry.** Is your company more successful defeating a given competitor within a particular industry, such as financial services, healthcare, retail, higher education, or the Federal government?

TIP

If you're establishing a new win/loss reporting process, don't worry about demographic reports for now. Perhaps save these for your second year. Remember, you must learn to walk before you can run!

Sales tactic reports

From my experience, your success against given competitors can be driven, in part, by sales tactics. Common examples include:

- ☑ **In-person selling.** Does visiting a prospect in person at their location affect your win/loss rate?
- ☑ **Proof of concept.** Does enabling your prospect to perform a proof of concept evaluation affect your win/loss rate? If so, does it matter whether the customer installs and configures the solution themselves or a sales engineer comes on site to handle it?
- ☑ **Consulting services.** Does bundling consulting services within deals affect your win/loss rate? Perhaps you're facing a competitor that doesn't offer consulting services.

TIP

Once again, don't feel obligated to construct these reports on day one. Wait until your team feels comfortable generating the reports in the prior section.

Monitoring for trends

A win/loss report for a given period (usually a quarter) is simply a snapshot. It's important to monitor for trends over time. For example, have your win rates for each competitor increased or decreased from this time last year? Are your average sales cycle durations and deal sizes getting larger or smaller?

In a given year, look for quarterly trends. But as the years go by, assemble global (and perhaps regional) win rate reports to monitor for long-term competitive trends.

Report frequency

A common question that I get from high-tech competitive analysis professionals relates to win/loss reporting frequency. To me, it's simple.

Assemble your standard, ongoing win/loss reports on a quarterly basis. If you try to do this monthly, you'll drive your regional sales leaders crazy with auditing requests – not to mention the members of your competitive analysis team.

I also recommend that, at the end of your company's fiscal fourth quarter, you construct your normal quarterly report, but also combine the data from the four quarters into an annual report. And then, as I referenced in the prior section, update your multi-year global win rate report, if you've got one already started.

Chapter 5

Aggregating Comprehensive Competitive Intelligence

In this chapter

- Adopt the right mentality for success
- Understand the value of feature comparison matrices
- Explore public and non-public competitive intelligence sources

There's no doubt that you'll gain insights into your competitive landscape by analyzing the win/loss reports that you learned to assemble in the preceding chapter. However, think of those insights as contribution to macro-level (i.e., big picture) competitive intelligence. In other words, understanding that you're frequently losing to a competitor because they have "superior product functionality" is important, but what specific functionality are we talking about?.

In this chapter, I'll discuss ways to aggregate micro-level (i.e., granular) competitive intelligence into what I call a feature comparison matrix, or FCM. I'll review components of an FCM and its intended audience, and ensure you know how to use it. I'll also review both public and non-public sources for competitive intelligence.

But before I do all this, I want to make sure you've got the right competitive intelligence mentality. Because if you don't, you're setting yourself up for failure.

Adopting the Right Mentality

Most IT industry segments – security, networking, IT service management (ITSM), storage, virtualization, you name it! – are chock full of competing vendors. And when you work for a high-tech vendor, you want to believe your company is the best in its product or service category.

Believing your company is the best at what it does feels wonderful. But if you play a competitive analysis role, you've got to put down your cup of company Kool-Aid and start taking daily doses of reality.

DON'T FORGET

Your job is to equip your sales force (including your channel partners, if applicable) with the tools and training they need to defeat the competition and reduce sales cycle durations. To do that effectively, they need *accurate* competitive intelligence. And the only way they're going to get it is if you and your team members are willing to take off your blinders and challenge your internal beliefs.

To be successful member of a competitive analysis team, you must hold the following statements to be true:

- ☑ Aggregating 100% accurate competitive intelligence is paramount.
- ☑ You must regularly challenge your beliefs regarding the attributes of your company's offerings versus those of your competitors.
- ☑ The competitive landscape is always changing. You must investigate potential changes in value proposition as your competitors make product and/or service announcements (typically via press release).
- ☑ It's equally important to train your sales force on your company's advantages as its disadvantages.

The bottom line is that you've got to hold yourself to a higher standard by focusing your attention on the truth rather than blindly believing your company is the best. Otherwise, members of your sales force may just get caught with their pants down like I did two decades ago. (See the "Don't get caught with your pants down" sidebar.)

Don't get caught with your pants down

A little more than two decades ago, I was a sales engineer (SE) for an enterprise software company that was growing like wildfire. I wasn't an aggregator of competitive intelligence (yet), but rather a consumer.

One day I was delivering a presentation in the field to a couple of dozen customers and prospects. The presentation and demo went flawlessly and now it was time to take questions from the audience.

An audience member asked me a question about an upstart competitor that had entered the market about six months prior. I felt confident in responding to his questions as I had recently been trained on this competitor by my company's product marketing team.

I'll spare you the details about the nature of the audience member's question, but suffice it to say that I responded with misinformation, as multiple members of the audience corrected me right there on the spot.

Basically, I was caught with my pants down. I was both mortified and humiliated. The "home run" presentation and demo that I just delivered were tainted by the false information I purported.

The following year, I accepted a promotion to join the company's product management team and established its first-ever competitive analysis program. I have since owned or played a strategic role in the competitive analysis function at every high-tech vendor I've worked for.

I'll never forget the day I got caught with my pants down. That's why I've made it my mission to ensure nothing like that ever happens to my colleagues or clients on my watch.

Understanding Feature Comparison Matrices

As I mentioned before, aggregating accurate competitive intelligence is paramount. It's the basis for the competitive sales tools you create and the competitive sales training you deliver. But unless this intelligence is aggregated in a single, unified location where everyone who needs it can access it, what's the point in aggregating it at all?

Too many high-tech vendors fail to combine their competitive intelligence sources into a single document or spreadsheet. Instead, they might set up a folder on a file server or cloud drive where various people can dump information. This practice must stop.

Instead, I recommend that every high-tech vendor create a single spreadsheet to succinctly aggregate competitive intelligence and make it accessible from a single location. I call this spreadsheet a *feature comparison matrix*, or *FCM*.

What is an FCM?

In brief, an FCM is a living record of truth. (See the "Maintaining a living record of truth" sidebar.) It's the place you go when you want to view the truth, the whole truth, and nothing but the truth about how your product or service compares to competing offerings.

An FCM is typically a spreadsheet, although it doesn't have to be. You could create a table in a Word document (formatted in landscape mode), but I strongly suggest using a spreadsheet as it's much easier to manipulate.

TECH TALK

As this is a living spreadsheet that will be frequently updated, it should reside somewhere that's easy for people to access and update – such as Office 365, Google Sheets, or a spreadsheet file on a file server or cloud drive.

Maintaining a living record of truth

The biggest mistake I see high-tech vendors making is going through the trouble of creating a highly detailed FCM, but then failing to update it as the quarters and years go by.

Your competitive landscape is constantly evolving. Every time a competitor updates their stuff, or your company updates its stuff, you've got to update your FCM and corresponding sales tools. Otherwise, you run the risk that a member of your sales force may lose credibility when they convey inaccurate information to a customer, prospect, or partner.

Think of your FCM is a living record of truth. It's the one place you and your competitive analysis team members can go to understand *exactly* how your product or service compares to competing offerings.

Now, I understand the realities of working for a high-tech vendor very well. Competitive analysis programs are habitually underfunded. You may not even have a resource for aggregating competitive intelligence. But at the very least, I implore you to dust off your FCM and competitive sales tools once per quarter and capture what's transpired in recent months.

DON'T FORGET

Many high-tech vendors offer multiple products and/or services. If your company fits this description, then you'll want to create one FCM spreadsheet for each product and/or service category. But I recommend you create one workbook that contains all of your spreadsheets (as workbook tabs) so your FCMs are easy to find.

Before I discuss how your FCM should be structured, I want to make sure you understand the use cases for creating an FCM and its intended audience.

FCM use cases

There are three use cases for creating and maintaining an FCM, and they align perfectly with the motivations I previously referenced for generating win/loss reports (see "Leveraging Win/Loss Reports" section in Chapter 4).

DON'T FORGET

Fostering sales tools

Your competitive sales tools must be accurate, and they must be updated frequently to keep pace with changes in your competitive value proposition. (More on this in Chapter 7.)

Fostering sales training

You must train your sales force (including your channel partners, if applicable) based on accurate competitive intelligence. Don't just train them on your advantages, but also your disadvantages. (More on this in Chapter 8.)

Fostering product planning

If your FCM catalogs every granular attribute (more on this in the "FCM components" section) of your offering and those of your competitors, product management will have the intelligence necessary to perform a "gap analysis." This process aims to uncover gaps in your product (or service) offering that you may wish to address in your product roadmap.

FCM audience

I recommend that your FCM be made available for internal use only. But I also recommend you be very selective with regard to who can view it.

DON'T FORGET

An FCM is an extremely sensitive spreadsheet. I don't consider it to be a sales tool as it's not meant for sales or even SE personnel. Rather, it's intended for individuals in the following roles:

- ☑ Competitive analysis team members
- ☑ Product management
- ☑ Product marketing
- ☑ Product development leadership
- ☑ Chief technology officer (CTO)

TIP

Because an FCM is just as sensitive as your product roadmap, limit its access to those who need it to perform their jobs. And be sure to insert "Company confidential" or a similar clause into the footer of the spreadsheet or directly into the spreadsheet itself.

FCM structure

The way an FCM is structured is very straightforward. It's a spreadsheet with rows and columns (see Figure 5-1). The rows are company, product, and/or service attributes grouped in a logical fashion (e.g., management console, supported platforms, reporting). The columns are vendors, starting with your company and followed by competitors within that same product or service category.

The intersection of a row (attribute) and a column (vendor) is a data point. Your data points can be as verbose as you need them to be. Sometimes, your data point might be a simple "yes" or "no" response. Sometimes it may require a short sentence or two. It's not uncommon to capture 50, 100, or 200 data points for each competitor, depending on the complexity of the product or service.

Acme Feature Comparison Matrix

	Acme	Competitor-A	Competitor-B
Company Background			
Key Company Statistics			
Headquarters	Anytown, CA	Anytown, MA	Anytown, TX
Annual revenue	$25.2 million	$76 million	$19.2 million
Employee count	110 employees	310 employees	200 employees
Number of customers	4,000+	5,500+ (51 of Forbes Global 100, 48 of Fortune 100, 34% of Fortune 500)	2,000+
Products & Solutions			
Website Featured Technology Solutions			
Vulnerability Management	Yes (VM and "Vulnerability Scanning")	Yes ("Vulnerability Management")	Yes ("Network Security")
Configuration Auditing / IT Compliance	Yes ("Policy Compliance")	Yes ("Policy Compliance")	Yes ("Security Configuration Assessment")
Web Application Security	No (on product roadmap)	Yes ("Web Application Scanning" and "Web Application Firewall")	Yes ("Web Application Security")
Database Security	Yes ("Database Auditing")	Yes ("Database Scanning")	Yes ("Database Security")
Unique Solution 1	Continuous Monitoring	Malware Detection Service	Virtualization Security
Unique Solution 2	Mobile Device Security	-	Penetration Testing & Risk Validation
Unique Solution 3	SCADA Security & Compliance	-	-
Products & Licensing Models			
Active scanner software	CoolProduct	n/a	SecProdB Scan Engine
Licensing model	*No charge with SecurityCentral; Or ProfessionalFeed is $1,500 per year per scanner*	*Per monitored IP*	*No charge with SecProdB Enterprise, Consultant or Express Editions*
Web application scanning	Yes	SecProdA Web Application Scanning	Yes
Licensing model	*No charge*	*Annual subscription, per application*	*No charge*
Vulnerability Scanner			
Scanner Form Factors			
Software	Yes	No	Yes
Physical appliances	Yes	Yes	Yes
Virtual appliances (pre-packaged VMs--not just "supporting" VMs)	Yes (VMware ESX / Server / Workstation)	Yes (VMware Player / Workstation / Fusion / ESXi and Oracle VirtualBox)	Yes (vScan for VMware only)
Supported Scanner Host Operating Systems			
Windows	Windows Server 2003 or newer	n/a	Windows Server 2003 / 2008 / 7
Linux	Red Hat 4+, Fedora Core 16, SuSE 10/11, Debian 6, Ubuntu 8+	n/a	Red Hat 5.x, Ubuntu 8.04 LTS / 10.04 LTS
UNIX	Solaris	n/a	n/a
Other	Mac OS X, FreeBSD 9	n/a	n/a
General Vulnerability Scanner Functionality			
Web-based interface	Yes	Yes	Yes
Mobile app	Yes (iPhone, iPod Touch, iPad, Android)	No	No
Custom scan scheduling	Yes	Yes	Yes
Pre-defined scan templates	Yes	Yes	Yes
Vulnerability Assessment Coverage			
Total quantity of vulnerability checks	50,000+	14,000+ (for over 2,000 operating systems, applications, and protocols)	85,000+ (for 28,000+ vulnerabilities)
Windows operating systems	XP, Vista, 2003, 2008	XP, Vista, 2003, 2008	Windows Server 2003 / 2008 / 7/ XP

Figure 5-1: Sample FCM.

TIP

When depicting your company, product, and/or service attributes in the left-most column, try to be as succinct as possible. For example, instead of saying "Quantity of employees across all locations," say "Employee count" instead.

Also, ensure your attribute descriptions are vendor agnostic. Don't reference your company's proprietary terminology or brands anywhere outside your own FCM column.

So, what sorts of attributes might you want to capture in your FCM? I'm glad you asked.

- ☑ **Company attributes:** Year founded, annual revenue, profitability, employee count, company locations, quantity of customers, quantity of channel partners, industry awards, product certifications
- ☑ **Product components:** Management console, client components, server components, available hardware models, databases, optional product add-ons
- ☑ **Product attributes:** Supported platforms, installation/setup options, dashboards, report templates, alerts, performance statistics, scalability statistics

- ☑ **Third-party integration:** Available APIs, supported third-party integrations
- ☑ **Other:** Product roadmap plans (perhaps uncovered through non-public sources), hardware product lifecycle policies, upcoming end-of-life milestones, selling techniques (e.g., downloadable 30-day evaluation software)

TIP

It's not uncommon for a comprehensive FCM to contain 50-100 data points or more. Remember, your FCM should contain every single comparison data point that you can think of, as this is an exhaustive living record of truth.

TECH TALK

Most FCMs are quite lengthy, requiring users to scroll up and down to view all of the data points. Thus, I encourage you to utilize your spreadsheet software's feature to "freeze" those rows at the top containing company and product names so they remain static as you scroll through the rows of attributes and data points. Otherwise, you might forget which competitor is depicted in Column E, for example, as you scroll down.

Also, if you're going to print your multi-page FCM (usually in landscape mode), configure the spreadsheet so those same frozen rows appear on the top of each printed page.

Populating Your FCM

The first step in populating your FCM is to complete your company's column. This gives the person (or people) responsible for populating data points in the competitor columns a frame of reference for the kind of responses you're looking for with each attribute (e.g., yes/no response, a word, a sentence, a number).

Once your company's column is populated, it's time to populate the competitor columns. The following are public and non-public intelligence sources you may wish to consider.

Public intelligence sources

From my experience, approximately 80% of the competitive intelligence you need can be found on the web through the following sources:

Competitor websites

The majority of the information you need can be found on your competitors' websites by accessing the following publicly available resources:

- ☑ Product data sheets and brochures
- ☑ Product white papers
- ☑ Product documentation (available in the Support section or in downloadable evaluation software)
- ☑ Product lifecycle policies/end-of-life announcements (typically in the Support section)
- ☑ Customer case studies
- ☑ Webinar recordings
- ☑ Automated demo recordings
- ☑ Press releases
- ☑ About Us page (for company statistics)
- ☑ Partners page/section (for third-party integration)
- ☑ For Investors page/section (for revenue/profitability)
- ☑ Licensed third-party research (see next section)

Analyst and test lab research

Product-specific analyst research published by Gartner (e.g., Magic Quadrants), Forrester (e.g., Wave Reports), and other reputable firms can help fill in your competitive knowledge gaps. So can test lab reports from NSS Labs, ICSA Labs, and others.

TIP

If your company hasn't licensed such reports, perhaps your competitors have. Vendors commonly license such reports for lead-generation purposes. A simple Google search for the name of the desired report should do the trick.

Third-party websites

You never know what a simple Google search may uncover. Try Googling each competitor name and product name one at a time and see if anything interesting comes up. Of course, take into account the source of anything you find, as you shouldn't simply believe everything you read.

TIP

If you're interested in finding list pricing of a high-tech vendor that likely sells its products or services to the U.S. Federal government, connect to the GSA Advantage website. Select the relevant product or service categories (e.g., Electronics & Technology > Software) and then insert your competitor's company and product names. Although the pricing you see is likely not list pricing, you can probably infer the GSA discount on list pricing by playing around with your calculator. For example, two products listed for $895.50 and $1,795.50 probably reflect a 10% GSA discount on list pricing of $995 and $1,995, respectively. Once you crack the code, you may be able to access your competitor's entire price list!

ON THE WEB

To access the GSA Advantage website, connect to: https://www.gsaadvantage.gov

Non-public intelligence sources

So, if 80% of competitive intelligence is derived from public intelligence sources, then the remaining 20% must stem from non-public sources. Here are a few non-public sources you may wish to consider:

Subject matter expert (SME) interviews

Arguably your best source of non-public competitive intelligence is derived from interviewing technical SMEs you find on LinkedIn who previously worked for your competitors. Former SEs, product managers, product marketing managers, and consulting engineers are your best bet. But make sure they left your competitor within the past six months, if possible, before their memories fade and their competitive intelligence becomes outdated.

Thou shalt not lie

I'm a fan of the Golden Rule: "One should treat others as one would like to be treated." When I'm speaking to someone, I don't appreciate being lied to. Thus, I refrain from lying to others.

If you work for a high-tech vendor and you're hoping to fill in competitive product knowledge gaps by interviewing former competitor employees, I strongly recommend working with an outside vendor or contractor. That way you're never put into the awkward position of having to lie about who you are, who you work for, or revealing your true intentions.

When I interview technical SMEs who used to work for my client's competitor, I provide my real name and refer to myself as an industry research analyst (which I am, in part). I advise that I'm conducting market research in a specific product category (which is true), but I never reveal my sponsoring client's name or the reason why I was hired.

TIP

As it's never wise to lie (see the "Thou shalt not lie" sidebar), I strongly recommend you use competitive analysis vendors or contractors to conduct these calls on your behalf.

TIP

I find that a $200 Amazon.com gift certificate usually does the trick to compensate SMEs for participating in a 30- to 60-minute phone call. If you intend to record your phone conversation, be sure to have the SME verbalize their approval at the start of the call so no state laws are violated.

Mystery shopping

Mystery shopping is a common term used to describe interacting with a competitor while posing as a prospect to gain competitive intelligence. As a rule of thumb, mystery shopping is not recommended as it's extremely hard to do without lying – especially if conducted using internal company personnel.

There are ways that outside vendors and contractors can perform mystery shopping without lying, especially by interacting with technical personnel in trade show exhibit halls who love to "geek out." A contractor could, for example, state that they're conducting product research on behalf of an anonymous client (which is entirely true).

Internal lab testing

Most high-tech vendors that I've interacted with over the years have constructed an internal competitive testing lab at some point during the company's life. Usually it's when the company is much smaller and doesn't yet employ a general counsel to warn them of the risks.

Purchasing competitor products using fake company names is risky. Having friends in other companies purchase them on your company's behalf puts them at risk. But an even greater danger is violating the end user license agreement, or EULA, which is typically displayed when installing software.

Some EULAs contain language that restricts the user from using the software for reverse engineering, competitive evaluation, or other non-production uses. Getting caught for violating a competitor EULA is usually not worth the risk – especially for publicly held companies or those that may wish to go public in the foreseeable future.

TIP

If you insist on conducting competitive lab testing, I strongly urge you to use an outside vendor or contractor. But be sure to consult your general counsel or outside attorney, as there may still be risks involved.

Chapter 6

Conducting Customer Win/Loss Calls

In this chapter

- Understand the value of customer win/loss calls
- Realize the benefits of win/loss call outsourcing
- Review common questions for both win and loss interviews

Conducting telephone interviews with customers that chose your solution over competing offerings and vice versa yields incredible insights. Unfortunately, most high-tech vendors don't bother doing them, and those that do don't always do them well.

In this chapter, I explore the immense value that conducting customer win/loss calls brings to high-tech vendors. I address all of the decisions you'll have to make when launching your first customer win/loss calls campaign, including the important decision of whether to insource or outsource.

Understanding Customer Win/Loss Calls

Conducting customer win/loss calls well is not as straightforward as it might seem. Half the battle is finding customers willing to participate – especially loss customers, which from my experience are nearly twice as hard to convince as win customers.

There are many decisions you'll have to make before launching your first customer win/loss calls campaign, including:

- ☑ Should you insource or outsource calling?
- ☑ How quickly should you call customers after they've made their buying decision?
- ☑ Should you provide incentives for customers to participate?
- ☑ Should you conduct win calls or just loss calls?
- ☑ How many completed win and loss interviews should you target in a given campaign?
- ☑ What questions should you ask?
- ☑ Should you record the telephone interviews?
- ☑ How will you disseminate and leverage the findings?
- ☑ How often should you repeat customer win/loss call campaigns?

Recommendations for all of these decisions follow in the pages ahead. But before we get started, let's back up and discuss why you should conduct customer win/loss call campaigns in the first place.

Underlying motivations

Whether you insource or outsource customer win/loss calls, your organization is making a significant investment. But will your company achieve a positive return on that investment? The short answer is almost always, "Yes!" – that is, assuming your program is managed correctly.

DON'T FORGET

The following are typical ways high-tech vendors reap the benefits of customer *loss* calls:

- ☑ Identify missing product features that impact revenue most negatively
- ☑ Uncover potential problems during the selling process
- ☑ Learn why these customers rejected your other competitors, as well as your offering

DON'T FORGET

Of course, there are numerous benefits to conducting customer *win* calls, as well:

- ☑ Learn what's most important to your customers to validate, or prompt you to alter, your messaging
- ☑ Educate your sales force about which value propositions resonate the most
- ☑ Learn why these customers rejected your competitors

Many of the results of conducting customer win/loss calls will validate the beliefs you already had about why your company both wins and loses deals. But there are almost always a few surprises (see the "My company's secret weapons" sidebar).

Now that you have a greater appreciation for how your company may benefit, let's tackle the most important decision you'll have to make – whether to insource or outsource your customer win/loss calls program.

My company's secret weapons

Years ago, I led marketing for a rising IT service management (ITSM) software vendor. After aggregating extensive competitive intelligence, I was confident that our competitive advantages lay in our simpler ease of use, broader functionality, and superior scalability. So those were the attributes I referenced most often in our company's messaging.

Well, after conducting a series of customer win/loss interviews, I realized that my company's greatest strengths were not its software. Specifically, customers that chose our solution over competing offerings were less concerned with product superiority than with our superior services!

Specifically, our customers raved about the quality of the consulting services they received to install and configure their on-site evaluation software and the quality of the technical support they received after their evaluations were up and running.

Armed with this information, I quickly updated our company's messaging to highlight these newfound competitive advantages. If we had not conducted customer win/loss calls, my company's secret weapons would have remained a secret.

Insourcing vs. outsourcing

Generally speaking, when marketing professionals consider whether to insource or outsource a project, such as content development, their decision is usually dependent on the answers to the following questions:

- ☑ Do we have the internal capacity?
- ☑ Do we have the internal expertise?
- ☑ Do we have the outsourcing budget?

DON'T FORGET

But when it comes to conducting customer win/loss calls, there are clear advantages to engaging an outside agency – budget permitting, of course:

- ☑ Customers are more likely to participate, as there's no fear of a hidden sales call.
- ☑ Loss customers are more likely to speak to a third-party market research agency than the vendor they rejected, as they may fear the rejected vendor might try to change their minds.
- ☑ Loss customers are more likely to be "brutally honest" about the vendor they rejected when speaking with an independent third party.
- ☑ Working with an experienced agency may uncover more insights, as they may pose questions you never thought to ask.

TIP

If you can afford to work with an experienced agency, I strongly recommend you do it. But be careful to select the right provider by asking the following questions:

- ☑ Is the agency dedicated to the IT industry?
- ☑ Does the agency have experience in your specific IT industry segment?
- ☑ Do the interviewers have technical backgrounds so they can go "off script" when necessary?

CAUTION

Avoid agencies with non-technical interviewers who don't understand the questions they're asking!

Reviewing Best Practices

The recommendations in this section stem from lessons learned over the course of two decades.

Timing

There is no magic number of days, weeks, or months that should elapse following the customer's purchasing decision before they are interviewed. Obviously, you don't want to wait too long as memories begin to fade. But you might not want to call too quickly if you'd like to gain insight into how their deployment is going.

TIP

Assuming you'd like to gauge how the customer's deployment is going — which is something I generally recommend — then I advise you to wait two to four weeks after the anticipated deployment period. For example, if it typically takes an organization four to six weeks to get your product up and running, including user training, then perhaps contact customers eight weeks following their purchase decision. If it takes longer for your competitor, factor that into the equation, as well.

DON'T FORGET

As a rule of thumb, try not to contact customers longer than three months following their purchase decisions. This way, their decision criteria should still be fresh in their minds.

Call volume

Obviously, the more win and loss customers you speak with, the better. If you call too few, it's difficult to ascertain trends in purchasing behavior. If you call too many, you reach a point of diminishing returns.

DON'T FORGET

As a rule of thumb, conduct at least 10 win interviews and 10 loss interviews (preferably 20 each, if you work for a vendor with lots of transactions) *per competitor* within the same campaign. (See "Campaign frequency" later in this chapter.) So, for example, if your company actively competes against three vendors – CompA, CompB, and CompC – you'll want to conduct a minimum of 60 calls, as follows:

- ☑ Minimum of 10 wins against CompA
- ☑ Minimum of 10 losses against CompA
- ☑ Minimum of 10 wins against CompB
- ☑ Minimum of 10 losses against CompB
- ☑ Minimum of 10 wins against CompC
- ☑ Minimum of 10 losses against CompC

TIP

Although it's possible that your company won a deal when facing both CompA and CompB, I caution you against double-counting a single win interview. From my experience, IT decision-makers typically choose between two finalists when making a purchasing decision. But if the customer convinces you that there were truly three finalists, and can speak in detail about all three vendors, then double-counting such an interview is permissible.

DON'T FORGET

One thing that you must not overlook is the expected ratio of customers you contact to customers that participate. From my experience, assuming you offer attractive incentives (see the next section), one in three customers you contact will participate in win interviews and one in five customers will participate in loss interviews. And that's if you do everything right!

So, if you're intention is to conduct 60 calls as I previously described, you'll need to compile a list (usually a spreadsheet) of 240 customers, as follows:

- ☑ Minimum of 30 wins against CompA
- ☑ Minimum of 50 losses against CompA
- ☑ Minimum of 30 wins against CompB
- ☑ Minimum of 50 losses against CompB
- ☑ Minimum of 30 wins against CompC
- ☑ Minimum of 50 losses against CompC

TIP

Feel free to prioritize your list of customers to contact in decreasing order of preference as you see fit. Lower-priority customers to contact may correspond to smaller deal sizes or locations in time zones far away.

Customer incentives

DON'T FORGET

If you're wondering if you should reward customers for participating in your interviews, wonder no more. The answer is "yes." Absolutely. I can think of few exceptions.

It's more difficult to get loss customers to participate (typically one in five) than win customers (typically one in three). So, I generally recommend offering a larger incentive to loss customers.

I also recommend that you be prepared to double your incentive if you start getting desperate – meaning that you're having trouble recruiting enough customers to interview to make your target quota.

My favorite incentive is an Amazon.com gift certificate, as they seem to be the most universally accepted. And there are companies that you can work with to easily fulfill them (in bulk, following completion of your campaign). My default Amazon.com gift certificate values are as follows:

- ☑ Introductory win interview offer: $50
- ☑ Secondary win interview offer: $100
- ☑ Introductory loss interview offer: $100
- ☑ Secondary loss interview offer: $200

TIP

The U.S. Federal government restricts the value of gifts that its employees are permitted to receive. At the time of this book's publication, that limit was $20. Some companies institute gift-receiving policies, as well. And some individuals are simply uncomfortable receiving gifts from vendors. Thus, I recommend that participants be given the choice of receiving an Amazon.com gift certificate or having the sponsoring vendor make a charitable donation of equivalent value on their behalf. Plus, your company gets the tax deduction!

Engaging sales

DON'T FORGET

You've got to make sure your entire sales department knows that you're conducting customer win/loss calls. Don't even move forward with your first campaign without the blessing of your SVP/VP of sales. (Talk about a career-limiting move!)

There are two reasons why you want to reach out to all account executives regarding their customers on your outreach list (spreadsheet):

First, you don't want to step on their toes. If they catch wind that someone in marketing reached out to their customer without their knowing, they may get ticked off.

Second, you need their help. From my experience, customers are more likely to participate in interviews – especially if you're using an outside agency – if they know the invitation is coming ahead of time from someone they already know. So, give your sales people a few paragraphs of content that they can copy and paste from into an email to the customers on your outreach list, giving them a heads up that they may be contacted to participate in a short interview about their purchasing decision.

Customer outreach

After sales has notified the customers on your outreach list, it's time for you (or hopefully your agency) to contact customers and invite them to participate in phone interviews.

DON'T FORGET

Honestly, this is usually the most challenging part and the reason why companies decide to use outside vendors after first attempting to take this on themselves. Finding enough customers to agree to participate in win/loss calls so you can meet your target quota is a painstaking, often frustrating process. You need patience and persistence.

TIP

I generally recommend contacting each customer four times, as follows, before scratching them off the list:

- ☑ Attempt #1: Email message
- ☑ Attempt #2: Phone call two days later

- ☑ Attempt #3: Email message two days later doubling the incentive
- ☑ Attempt #4: Phone call two days later reiterating the double-incentive offer

Scheduling calls

Once a customer expresses interest in participating in a phone interview, you've got to schedule it. Fortunately, there's an easy solution.

TIP

I strongly suggest you leverage online appointment scheduling software – such as Appointy, Calendy (now Loomly), and Setmore – to embed a link in your outreach emails so the customer can click on a link to select their preferred date and time for their interview. Plus, the software enables customers to automatically create their own meeting requests, and gives them the option to change their appointment date and time without contacting you.

CAUTION

Trust me. If you try to schedule dozens of customer win/loss calls without using online appointment setting software, you're going to lose your mind! Most of these offerings have free versions that are likely to suit your needs. They're very easy to use and can integrate with your online work calendar.

Conducting interviews

Successfully conducting customer win/loss interviews is both an art and a science. The following are miscellaneous tips that I've picked up over the years:

TIP

- ☑ **Keep it short.** Advertise this as a 15- to 20-minute phone interview, although your meeting request should be for 30 minutes. Plan to ask about 10-12 questions. Mention up front how much you value the customer's time and your desire to complete the interview as quickly as possible.
- ☑ **Be grateful.** Express your gratitude to the customer at the beginning and end of the call.

- ☑ **Advise if recording.** Many U.S. states and countries have laws against recording phone calls without the other party's knowledge. If you're going to record the call, make sure the customer agrees at the beginning of the call.
- ☑ **Stroke their ego.** Everyone loves to be praised. If you compliment the customer a few minutes into the call, you may find that they'll loosen up and perhaps be a little more forthcoming and candid. Maybe remark about how experienced they sound? Perhaps compliment their detailed selection process?
- ☑ **Prepare to go off script.** Assuming the interviewer has a technical background, he or she should be prepared to go off script, as necessary. For example, if a customer says they selected your competitor because of its superior third-party integration, be prepared to ask what systems they're integrating with and whether an API is being used.
- ☑ **End on time.** Always be cognizant of the time. If you and your customer hit it off midway through, and you might like to go over your allotted time (assuming you don't have a schedule conflict), ask the customer in advance if they can go a little longer. Don't wait until the last second to ask.

TIP

On the topic of recording calls, I find customers are more forthcoming and candid with their observations if they know their voice is not being recorded. Plus, you limit your company's exposure if an interviewer accidentally forgets to mention to the customer that the call was being recorded.

Analysis and reporting

TIP

As you'll discover later in this chapter (see the "Typical Interview Questions" section), I encourage you to ask a healthy mix of closed- and open-ended questions. I recommend compiling all of the results of your questions into a tabular format – perhaps a spreadsheet. (Can you tell by now that I like spreadsheets?) That way, it's easier to uncover trends in customer responses.

Uncovering trends in closed-response questions – especially quantitative questions, such as 1 to 10 ratings – is much easier. Uncovering trends in open-response questions is far more challenging because you're comparing sentences and/or short paragraphs with each other.

TIP

Once you've identified the most common responses to each question, it's time to compile your findings into a report. Some organizations prefer traditional textual reports composed in Microsoft Word. I prefer Microsoft PowerPoint-based reports because that same report can be used to present key findings to company stakeholders – something I encourage you to do.

Campaign frequency

There's little point in conducting customer win/loss campaigns more frequently than once per quarter. The lessons you learn from a given campaign should be actionable. It takes time for those actions to be implemented to positively affect future sales cycles.

TIP

For this reason, I recommend conducting customer win/loss campaigns quarterly, semi-annually, or annually. If you're not conducting them at least annually, in my eyes, you're making a big mistake. The opportunity cost of not conducting these calls is just too huge.

Typical Interview Questions

Now that you've gained best practices for coordinating and conducting customer win/loss calls, let's figure out what you should ask your customers when the time comes.

I've grouped this section into three parts:

1. Generic questions you should ask everyone
2. Specific questions to ask win customers
3. Specific questions to ask loss customers

DON'T FORGET

To keep your telephone interview under 30 minutes, plan to ask no more than 10-12 total questions.

TIP

For the purposes of the interview questions in the next three sections, assume you work for "Acme" and you're asking questions about the customer's decision-making process between Acme and your competitor, "CompA."

Generic questions

Here's a list of generic questions that you may wish to consider for both your win and loss interviews:

1. Besides Acme and CompA, were there any other vendors on your short list? If so, how did they compare?
2. On a scale of 1 to 10, with 10 being highest, rate how each vendor on your short list matched up against your organization's requirements.
3. Did you perform on-site evaluations of Acme and CompA? If so, how did the evaluations go?
4. Who from your organization (including job titles) was involved in the decision-making process? And who made the ultimate decision?
5. How would you compare the sales process between Acme and CompA? Was a reseller involved? If so, what was your experience with the reseller?

TIP

Question #4 above requires a bit of explanation. The value of asking the job titles of people involved in the decision-making process is two-fold. First, from a marketing perspective, you know who best to market to and to create sales tools for. Second, from a sales perspective, you may want to encourage your primary contact to invite likely influencers to participate in your sales presentation.

TIP

It's helpful to incorporate a healthy mix of closed- and open-ended questions. Your closed-ended questions, especially quantitative ones, make it easier to compare and contrast responses and uncover definitive trends. However, from my experience, you'll gain the most out of your open-ended questions because you'll learn answers to additional questions you never thought to ask.

Win-specific questions

Here's a list of potential questions to consider when conducting win interviews:

1. In your own words, why did your organization select Acme over CompA? What were your organization's top three decision criteria in decreasing order of importance?
2. Fill in the blank: If CompA had ________, I would have chosen CompA over Acme.
3. Is your Acme investment in production yet? If so, how has your experience been so far? Have you interfaced with our support department yet?
4. Is there anything else I should know pertaining to your selection of Acme over CompA?
5. Would your organization be willing to participate in a public-facing customer case study?

TIP

Whenever you're speaking with a happy customer, always ask if they'd be willing to participate in public-facing customer case study. Of course, the best case studies reference companies and individuals by name, but there is value to anonymous case studies, as well.

Loss-specific questions

My suggestions for loss-specific questions are the inverse of the first four questions in the win section:

1. In your own words, why did your organization select CompA over Acme? What were your organization's top three decision criteria in decreasing order of importance?
2. Fill in the blank: If Acme had ________, I would have chosen Acme over CompA.
3. Is your CompA investment in production yet? If so, how has your experience been so far? Have you interfaced with CompA's support department yet?
4. Is there anything else I should know pertaining to your selection of CompA over Acme?

Leveraging the Results

Once you've completed your customer win/loss calling campaign, and you've debriefed your colleagues on the key results, what's next? Your organization will only gain value from your efforts if the results are actionable.

The following are typical actions that organizations take based on the lessons learned from a customer win/loss calling campaign.

Sales-enablement actions

Have you gained new insights into why your customers chose your company over the competition? And vice versa? If so, be sure these insights are captured in your competitive sales tools (especially your competitor battlecards) and competitive sales training presentations.

Product planning actions

Is there a missing product feature, or a negative product attribute (e.g., poor usability, inflexible licensing model), that is causing your prospects to select your competitor's solution over yours? If so, consider correcting these shortfalls by addressing them in your product roadmap.

Other actions

Negative feedback from prospects that chose your competitor's solution can be used to improve other customer-facing aspects of your business, including:

- ☑ Internal sales processes (e.g., on-site evaluations, phone-based vs. in-person selling)
- ☑ Channel partner engagement
- ☑ Customer support
- ☑ Consulting services

TIP

After implementing changes inspired by your customer win/loss calling results, be sure to monitor customer feedback over time to evaluate the success of those changes – and be sure to convey that feedback to key stakeholders.

Chapter 7

Creating Compelling Competitive Sales Tools

In this chapter

- Evaluate options for internally facing and partner-facing competitive sales tools
- Review key components of competitor battlecards
- Consider whether creating customer-facing competitive sales tools is right for your organization

You and the members of your competitive analysis team have worked hard to capture accurate win/loss statistics (Chapter 3), generate win/loss reports (Chapter 4), aggregate competitive intelligence (Chapter 5), and gain first-hand insights by interviewing customers (Chapter 6). Now it's time to leverage all that collective knowledge by creating compelling competitive sales tools (this chapter) and facilitating competitive sales training (next chapter).

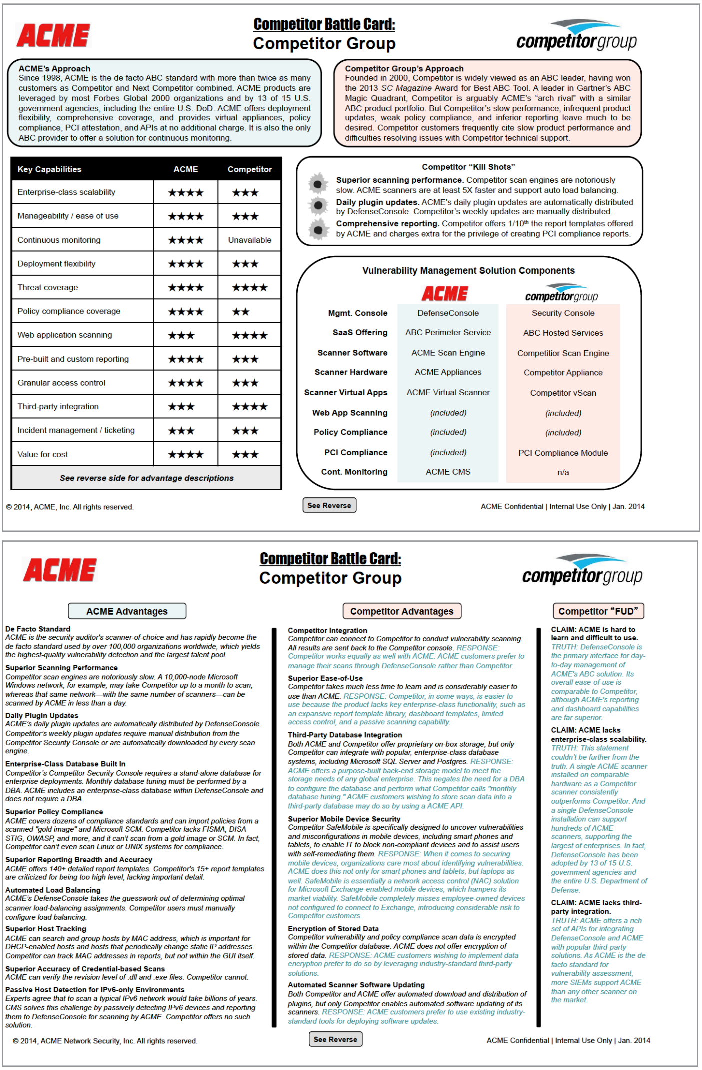
Let's start by evaluating potential internally facing and partner-facing competitive sales tools and then discuss options for customer-facing tools – that is, if you decide to create them at all.

Internal and Partner Sales Tools

In this section, I review four potential competitive sales tools specifically designed for internal and partner sales personnel. But I devote the majority of this section discussing the most important tool by far – the battlecard.

Competitor battlecards

For my money, the one tool for internal and partner sales people that is a must-have for each key competitor is the competitor battlecard (see Figure 7-1).



ACME

Competitor Battle Card:
Competitor Group

competitorgroup

ACME's Approach
Since 1998, ACME is the de facto ABC standard with more than twice as many customers as Competitor and Next Competitor combined. ACME products are leveraged by most Forbes Global 2000 organizations and by 13 of 15 U.S. government agencies, including the entire U.S. DoD. ACME offers deployment flexibility, comprehensive coverage, and provides virtual appliances, policy compliance, PCI attestation, and APIs at no additional charge. It is also the only ABC provider to offer a solution for continuous monitoring.

Competitor Group's Approach
Founded in 2000, Competitor is widely viewed as an ABC leader, having won the 2013 *SC Magazine* Award for Best ABC Tool. A leader in Gartner's ABC Magic Quadrant, Competitor is arguably ACME's "arch rival" with a similar ABC product portfolio. But Competitor's slow performance, infrequent product updates, weak policy compliance, and inferior reporting leave much to be desired. Competitor customers frequently cite slow product performance and difficulties resolving issues with Competitor technical support.

Key Capabilities	ACME	Competitor
Enterprise-class scalability	★★★★	★★★
Manageability / ease of use	★★★★	★★★
Continuous monitoring	★★★★	Unavailable
Deployment flexibility	★★★★	★★★
Threat coverage	★★★★	★★★★
Policy compliance coverage	★★★★	★★
Web application scanning	★★★	★★★★
Pre-built and custom reporting	★★★★	★★★
Granular access control	★★★★	★★★
Third-party integration	★★★	★★★★
Incident management / ticketing	★★★	★★★
Value for cost	★★★★	★★★
See reverse side for advantage descriptions		

Competitor "Kill Shots"

Superior scanning performance. Competitor scan engines are notoriously slow. ACME scanners are at least 5X faster and support auto load balancing.

Daily plugin updates. ACME's daily plugin updates are automatically distributed by DefenseConsole. Competitor's weekly updates are manually distributed.

Comprehensive reporting. Competitor offers 1/10th the report templates offered by ACME and charges extra for the privilege of creating PCI compliance reports.

Vulnerability Management Solution Components

	ACME	competitorgroup
Mgmt. Console	DefenseConsole	Security Console
SaaS Offering	ABC Perimeter Service	ABC Hosted Services
Scanner Software	ACME Scan Engine	Competitior Scan Engine
Scanner Hardware	ACME Appliances	Competitor Appliance
Scanner Virtual Apps	ACME Virtual Scanner	Competitor vScan
Web App Scanning	*(included)*	*(included)*
Policy Compliance	*(included)*	*(included)*
PCI Compliance	*(included)*	PCI Compliance Module
Cont. Monitoring	ACME CMS	n/a

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See Reverse

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ACME

Competitor Battle Card:
Competitor Group

competitorgroup

ACME Advantages

De Facto Standard
ACME is the security auditor's scanner-of-choice and has rapidly become the de facto standard used by over 100,000 organizations worldwide, which yields the highest-quality vulnerability detection and the largest talent pool.

Superior Scanning Performance
Competitor scan engines are notoriously slow. A 10,000-node Microsoft Windows network, for example, may take Competitor up to a month to scan, whereas that same network—with the same number of scanners—can be scanned by ACME in less than a day.

Daily Plugin Updates
ACME's daily plugin updates are automatically distributed by DefenseConsole. Competitor's weekly plugin updates require manual distribution from the Competitor Security Console or are automatically downloaded by every scan engine.

Enterprise-Class Database Built In
Competitor's Competitor Security Console requires a stand-alone database for enterprise deployments. Monthly database tuning must be performed by a DBA. ACME includes an enterprise-class database within DefenseConsole and does not require a DBA.

Superior Policy Compliance
ACME covers dozens of compliance standards and can import policies from a scanned "gold image" and Microsoft SCM. Competitor lacks FISMA, DISA STIG, OWASP, and more, and it can't scan from a gold image or SCM. In fact, Competitor can't even scan Linux or UNIX systems for compliance.

Superior Reporting Breadth and Accuracy
ACME offers 140+ detailed report templates. Competitor's 15+ report templates are criticized for being too high level, lacking important detail.

Automated Load Balancing
ACME's DefenseConsole takes the guesswork out of determining optimal scanner load-balancing assignments. Competitor users must manually configure load balancing.

Superior Host Tracking
ACME can search and group hosts by MAC address, which is important for DHCP-enabled hosts and hosts that periodically change static IP addresses. Competitor can track MAC addresses in reports, but not within the GUI itself.

Superior Accuracy of Credential-based Scans
ACME can verify the revision level of .dll and .exe files. Competitor cannot.

Passive Host Detection for IPv6-only Environments
Experts agree that to scan a typical IPv6 network would take billions of years. CMS solves this challenge by passively detecting IPv6 devices and reporting them to DefenseConsole for scanning by ACME. Competitor offers no such solution.

Competitor Advantages

Competitor Integration
Competitor can connect to Competitor to conduct vulnerability scanning. All results are sent back to the Competitor console. RESPONSE: Competitor works equally as well with ACME. ACME customers prefer to manage their scans through DefenseConsole rather than Competitor.

Superior Ease-of-Use
Competitor takes much less time to learn and is considerably easier to use than ACME. RESPONSE: Competitor, in some ways, is easier to use because the product lacks key enterprise-class functionality, such as an expansive report template library, dashboard templates, limited access control, and a passive scanning capability.

Third-Party Database Integration
Both ACME and Competitor offer proprietary on-box storage, but only Competitor can integrate with popular, enterprise-class database systems, including Microsoft SQL Server and Postgres. RESPONSE: ACME offers a purpose-built back-end storage model to meet the storage needs of any global enterprise. This negates the need for a DBA to configure the database and perform what Competitor calls "monthly database tuning." ACME customers wishing to store scan data into a third-party database may do so by using a ACME API.

Superior Mobile Device Security
Competitor SafeMobile is specifically designed to uncover vulnerabilities and misconfigurations in mobile devices, including smart phones and tablets, to enable IT to block non-compliant devices and to assist users with self-remediating them. RESPONSE: When it comes to securing mobile devices, organizations care most about identifying vulnerabilities. ACME does this not only for smart phones and tablets, but laptops as well. SafeMobile is essentially a network access control (NAC) solution for Microsoft Exchange-enabled mobile devices, which hampers its market viability. SafeMobile completely misses employee-owned devices not configured to connect to Exchange, introducing considerable risk to Competitor customers.

Encryption of Stored Data
Competitor vulnerability and policy compliance scan data is encrypted within the Competitor database. ACME does not offer encryption of stored data. RESPONSE: ACME customers wishing to implement data encryption prefer to do so by leveraging industry-standard third-party solutions.

Automated Scanner Software Updating
Both Competitor and ACME offer automated download and distribution of plugins, but only Competitor enables automated software updating of its scanners. RESPONSE: ACME customers prefer to use existing industry-standard tools for deploying software updates.

Competitor "FUD"

CLAIM: ACME is hard to learn and difficult to use.
TRUTH: DefenseConsole is the primary interface for day-to-day management of ACME's ABC solution. Its overall ease-of-use is comparable to Competitor, although ACME's reporting and dashboard capabilities are far superior.

CLAIM: ACME lacks enterprise-class scalability.
TRUTH: This statement couldn't be further from the truth. A single ACME scanner installed on comparable hardware as a Competitor scanner consistently outperforms Competitor. And a single DefenseConsole installation can support hundreds of ACME scanners, supporting the largest of enterprises. In fact, DefenseConsole has been adopted by 13 of 15 U.S. government agencies and the entire U.S. Department of Defense.

CLAIM: ACME lacks third-party integration.
TRUTH: ACME offers a rich set of APIs for integrating DefenseConsole and ACME with popular third-party solutions. As ACME is the de facto standard for vulnerability assessment, more SIEMs support ACME than any other scanner on the market.

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See Reverse

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Figure 7-1: Sample two-page competitor battlecard.

A competitor battlecard is a two-page "cheat sheet" designed to show sales people everything they need to know to defeat the competition and reduce sales cycle durations. They can learn about potential customer objections and be prepared to address them before setting a foot through the customer's door. And if they're lucky enough to be the first into the account, they can ask their customer key questions about their needs in hopes of stacking the deck in their favor.

Battlecards should closely align with the sales training you deliver (more on that in Chapter 8) and reinforce key competitive value propositions. They should also be laid out in a way that is easy to use and, when done right, is visually appealing to the reader.

It's important to tell the *whole story* in your battlecards. In most cases, your competitors have legitimate advantages over your offering. Don't hide them. Instead, reference those advantages in your battlecard, but educate your sales force on how best to respond to them (more on that later).

DON'T FORGET

Don't ever share competitor battlecards with a customer, as they usually convey sensitive information that you probably don't want your customers to see. More on that later.

TIP

Most high-tech vendors create one set of competitor battlecards for use by both internal and partner sales people. And when I say "partner," I mainly mean channel (reselling) partners, but you may find that your battlecards can benefit technology alliance partners and OEM partners, as well. Just keep in mind that the more people you share them with, the more likely it is that they will fall into the hands of your competitors – which is usually an inevitability.

TIP

Competitor battlecards should be updated frequently: as your products change, as your competitors' products change, and as market dynamics (e.g., changes in compliance regulations, laws, analyst rankings, third-party reviews) change. Be sure to apply version numbers or publication dates to the footer of your battlecards so you can keep the different versions straight.

TIP

I recommend you create your competitor battlecards using Microsoft PowerPoint. That way you can update them yourself as frequently as you like without bothering one of your graphic designers. Just be sure to PDF the document before sharing it with your sales team.

Let's now get into the nitty-gritty of what information you may wish to convey in your own competitor battlecards. Keep in mind that you (typically) only have two sides, so there may not be enough space for everything.

1. Silver bullets

Most of the companies I've worked with over the years prefer the term *silver bullets*. One of my clients calls them *kill shots*. Whatever you decide to call them, they are the three key advantages – listed in decreasing order of impact – you want your sales people to memorize (yes, literally *memorize*) for each competitor.

TIP

Resist the urge to come up with four silver bullets. People tend to be more successful memorizing things in groups of three. Google it if you don't believe me!

2. Vendor approaches

I like to include a short paragraph that describes the overall approach your company takes versus that of your competitor. Perhaps you offer a best-of-breed solution as a pure play in the market, while your competitor has a broader portfolio with subpar product offerings. Or maybe you've been a leader in the market for 10 years while your competitor has been around for 10 months. Anything that you'd like to convey that doesn't fit nicely into any of the other sections can be said here.

3. Solution components

If you or your competitor sells multiple products and/or product components (i.e., optional add-ons) to comprise an overall solution, it's helpful to provide a table of solution components so your sales people can refer to competitive products and components by name.

4. Key capabilities comparison

Create a table with three columns. The first column consists of vendor-agnostic features and attributes. The second column is your company and the third column is your competitor. Populate the rows in the latter two columns with ratings for each feature and attribute. I'm a visual person, so I like incorporating four- or five-star ratings in each cell. Some might like to use Harvey Ball graphics, similar to those found in Consumer Reports.

TIP

It's important to be honest and fair. Don't give your company top ratings in each cell. Be sure to convey at least some of your competitor's advantages in this table, as well.

5. Our advantages

In this column, you'll itemize your solution's advantages and (very) briefly describe each one. The hardest part of creating competitor battlecards is being succinct, which is particularly important in this section and the next two.

6. Competitor advantages

This is the most painful section of the battlecard to write. You've got to be honest with your sales force and yourself. If your competitor has legitimate advantages, state them. If they're not legitimate, consider them for the next section ("Competitor FUD").

This section will look identical to the prior section with one exception – you're going to append a proposed response to each competitor advantage description. Responses I've incorporated over the years include:

- ☑ RESPONSE: This feature is on our product roadmap.
- ☑ RESPONSE: This feature is limited. Our customers prefer to use third-party, best-of-breed tools to satisfy this requirement.
- ☑ RESPONSE: This feature was created to overcome usability limitations and is thus not necessary with our solution.

TIP

I encourage you to change the color of the response statements so they stand out. Also, list your competitor's advantages in decreasing order of impact from their perspective – so your sales people know which competitor advantages they may have to counter first.

7. Competitor FUD

The term "FUD" is commonly used to describe the (usually false) claims that vendors make about each other to cause *fear*, *uncertainty*, and *doubt*. I've yet to come across a high-tech vendor that doesn't spread FUD about its competitors. Common FUD themes that I hear about include:

- ☑ You need a degree in rocket science to use their product.
- ☑ Their customers can't stand the incompetent people that work in their tech support department.
- ☑ There's no way that their product will scale to support enterprise-class deployments.

If your company is aware of the inaccurate FUD that your competitor is spreading about you, then you should include this section in your battlecard. First, state the competitor's false claim. Then counter the claim by providing a proposed response (using the same color as the responses in your "Competitive Advantages" section).

TIP

If you're struggling to come up with Competitor FUD statements, ask your sales people. And if you've conducted customer loss interviews, consult your notes. If at that point you're still struggling, then leave this section off for now.

8. Competitor land mines

Most veteran sales people prefer to be the first vendor to speak with a customer. That way, they can attempt to stack the deck in their favor by brainwashing... I mean, educating... the customer about the importance of key features and attributes that are either unique to their solution or are clear competitive advantages.

Help your sales force plant land mines by offering up questions that they should ask their prospects. That way, when your competitor steps up to the plate, their inability to respond to (new) customer requirements explodes in their face.

Examples of typical land mine questions may include:

- ☑ Your company is growing fast. How important is it that your solution scales with your growth?
- ☑ How important is usability? Have you ever bought a product that your users refused to use because it was too complex?
- ☑ How quickly would you like your solution to be up and running. Can you afford to wait three months?

- ☑ I hate being nickel and dimed by anyone. Shouldn't the product you choose incorporate everything you need without paying extra for add-ons?
- ☑ I assume you don't want a solution that requires endpoint agents to be installed. Do you?

Competitor briefs

Remember in Chapter 1 when I proposed DEFCON ratings (see the "Implementing a Competitive Response System" section) for competitors? Well, I recommended that you create competitor battlecard for any competitor that has won a deal against your company (DEFCON 1, 2 & 3). But what about potential competitors (i.e., DEFCON 4) that haven't won a deal yet, but are starting to slow your sales cycles? Should you create something for them?

I recommend you create a simple, one- or two-page competitor brief (or whatever you'd like to call it) that educates your sales force about the essentials, including:

- ☑ Company and product name(s)
- ☑ Company size (e.g., employee count, revenue, quantity of customers)
- ☑ Known product comparison attributes (e.g., advantages and disadvantages)
- ☑ Threat level (i.e., validation that no deals have been lost and why they are likely not a serious competitor)

DON'T FORGET

Once a competitor arrives on the scene, your sales people are going to ask about them. Get out in front of it and create "something" you can share with your sales force. It's better to be proactive than reactive, whenever possible.

Competitor presentation slides

TIP

I'm a big fan of creating a "supplemental slides" deck comprised of miscellaneous slides that your sales people may wish to sprinkle into their core presentations, depending on whom they're presenting to. Supplemental slide topics may include customer case studies (by industry), regulatory compliance, and… you guessed it… the competition.

Make it easy for your sales people to address competitors they already know their prospects are considering by creating compelling slides that communicate the three silver bullets incorporated into your competitor battlecards.

Customer-facing Sales Tools

Let's shift gears and talk about customer-facing competitive sales tools. But before we do, let's consider whether creating such tools is worth the effort.

The resources you invest in creating customer-facing sales tools targeting a single competitor should correspond to the threat imposed by that competitor. Creating a slew of materials against a competitor that pops up only once in a blue moon is clearly not worth it. But creating sales tools against your arch rival that wins the majority of your head-to-head deals should be mandatory.

I, once again, revert to the DEFCON rating system that I proposed in Chapter 1. You may elect to create most or all of the sales tools referenced in this section for DEFCON 1 competitors, but only some of them for DEFCON 2 competitors. (You probably don't need to create any competitive sales tools for DEFCON 3 or higher competitors.)

Also, don't feel obligated to post your customer-facing competitive sales tools on your company's website – that is, unless you're up against a dominant competitor (see the "Competing against an 800-pound gorilla" sidebar).

Competing against an 800-pound gorilla

As a strong rule of thumb, I'm against naming competitors on your company's website and in downloadable sales tools, including datasheets, white papers, and customer case studies. My argument is that you don't want to give your competitors free publicity. You might run the risk of having a prospect add a previously unknown competitor to their short list.

However, if your arch rival is the undisputed leader in your product (or service) category, and you're facing them in virtually every deal, then what have you got to lose?

In this instance, post all of your customer-facing sales tools on your website for easy access.

Competitor white papers

If you were to create just one customer-facing competitive sales tool, I would suggest it be a white paper. This format gives you the freedom to say pretty much whatever you want, however you want.

I have two suggestions that apply to competitor white papers and all of the other sales tools referenced in this section. First, maintain accuracy to ensure your company's credibility. If you wouldn't bet your job on the accuracy of a given statement, then don't make it. Second, make sure someone from your in-house general counsel's office (if applicable) approves your competitive sales tools prior to publication. I know it sounds like a drag, but they may provide a nice "cover your butt" legal disclaimer to append to your sales tools to minimize any damage resulting from an inadvertent false claim.

Some high-tech vendors make competitive sales tools available to prospects under a non-disclosure agreement (NDA). If you do, be sure to weigh the pros and cons. (See the "Should customer NDAs be required?" sidebar.)

Should customer NDAs be required?

There are two legitimate schools of thought as to whether you should require prospective customers to sign a non-disclosure agreement (NDA) before you share sharing competitive sales tools with them.

One school says that few vendors do it because they assume that their competitors will eventually obtain copies of every competitive sales tool they've ever created – through customers, partners, and even employees who jump ship.

The other school says that if you require an NDA, and place your prospect's name and company name in the footer of the PDF, it is highly unlikely they'll take the risk of sharing it externally.

I tend to subscribe to the first school of thought. Your competitors may have special sales tools they've created about your company. It's unlikely they'll ask their prospects to sign NDAs ahead of time. So, why should you? Furthermore, if you place the contact's name in the footer, that subliminally implies that your company doesn't trust their commitment to adhere to your NDA. To me, it's just not worth it.

Head-to-head evaluation guides

TIP

Evaluation guides are excellent tools to help prospects perform on-site evaluations of your solution. These guides walk the reader through virtually every facet of your software by providing step-by-step instructions.

Some high-tech vendors create evaluation guides that are specifically designed to highlight their advantages over a particular competitor. For example, if the known competitor being considered lacks the ability to generate custom reports, be sure to walk the user through the process of generating custom reports, while noting that it's a feature unavailable in the competing offering.

Third-party test reports

DON'T FORGET

One of the most powerful competitive sales tools that you can offer to a customer is a third-party test report that validates your superior throughput, efficacy (i.e., ability to detect cyberthreats), or other unique advantages.

These reports are great, but they're usually very expensive. And they can become outdated rather quickly when your competitor updates their stuff. You then have to consider busting out your checkbook again to repeat lab testing with the latest version of your competitor's product.

Sometimes third-party test reports are impossible to obtain due to restrictions placed in your competitors' end user license agreements (EULAs). Some EULAs, for example, forbid the use of software for non-production use.

But if all of the stars are in alignment – you've got budget and there are no competitor EULA restrictions – then it's something you should seriously consider, especially if your competitor is winning the war against you.

Customer case studies

Most high-tech vendors create customer case studies. But they usually don't reference competitors you defeated by name because you generally don't want to give your competitors free publicity.

However, there's nothing preventing you from creating alternative versions of your case studies that reference competitors by name. These can be helpful to have in your back pocket for larger competitive deals.

TIP

If you do create two versions of the same customer case study – one with and one without referencing your named competitor – be sure to have your customer approve both versions prior to publication.

Webinar recordings

If you're facing a dominant competitor, and you decide to dedicate a webinar to convey your advantages, be sure to record the webinar for later replay. Consider posting the webinar recording to your company's website.

TIP

Not all recorded webinars had to have taken place live. You can use WebEx, GoToMeeting, or another web conferencing platform to record tutorials (without a live audience) educating prospects about your competitive advantages.

Animated explainer videos

I'm a huge fan of animated explainer videos (see Figure 7-2). They explain the business problem(s), provide a brief overview of your solution, and convey the resulting benefit(s) – all within one or two minutes (preferably one). They're also fun to watch – that is, if they're done well.

Figure 7-2: Sample animated explainer video from CyberEdge Group.

DON'T FORGET

In my eyes, animated explainer videos are a must for any high-tech vendor playing in an emerging product category. But they're also useful to convey competitive differentiations – especially when you're, once again, competing against that 800-pound gorilla.

Chapter 8

Facilitating Competitive Sales Training

In this chapter

- Ensure your sales force knows how to properly document opportunities within your CRM
- Conduct competitive analysis training for both technical and non-technical sales personnel
- Contemplate the frequency of ongoing competitive sales training

Educating your sales force on how to defeat the competition is critical to their success – and to your own. But there's no such thing as one-size-fits-all sales training.

In this chapter, I discuss how to facilitate training of both technical and non-technical audiences. I also make recommendations on how frequently you should train your constituents. But first, now that you've optimized your CRM to capture accurate win/loss statistics (see Chapter 3), you need to make sure your sales people are up to speed on the competition.

CRM Training

In theory, you should only need to train your sales people once on the minor procedural changes for creating, updating, and closing opportunities within your CRM. Honestly, 10-15 minutes should do the trick, but be sure to include a live demonstration.

Things you'll want to discuss and demonstrate include:

- ☑ Selecting competitors from pick lists at the appropriate qualification stage (e.g., 30% or higher)
- ☑ Understanding closed-won, closed-lost, and closed-no decision opportunity states
- ☑ Selecting the opportunity winner within closed-lost opportunities
- ☑ Selecting primary reasons (and secondary reasons, if applicable) for closed-won, closed-lost, and closed-no decision opportunity states

TIP

To minimize any potential negativity from your sales team, convince them up front that these changes will only consume one extra (collective) minute of their time per opportunity. Tell them that the results will help justify investments in additional sales tools and training – both of which they generally appreciate.

You don't need to worry about training newly hired sales personnel moving forward as they'll be trained on how to properly document opportunities during their new-hire training. They'll never know any different.

Non-technical Sales Training

From my experience, as a competitive analysis trainer and as former SE, it's preferable to provide separate competitive training sessions for technical and non-technical sales personnel. Otherwise, if you combine these groups together into the same room or on the same webinar, the following problems may occur:

- ☑ Your SEs will get bored quickly as they want to get into the technical weeds.
- ☑ When your SEs ask technical questions, depending on how technical they are, your sales people's eyes may roll into the backs of their heads!

TIP

If you do decide to combine technical and non-technical attendees together, ask the SEs to save their technical questions for a follow-on technical session – that I strongly suggest occurs.

With that said, you're basically going to cover all of the key elements of your competitor battlecards, including:

- ☑ Silver bullets
- ☑ Vendor approaches
- ☑ Solution components
- ☑ Key capabilities comparison
- ☑ Your company's advantages
- ☑ Your competitor's advantages, with proposed responses
- ☑ Competitor FUD, with proposed responses
- ☑ Competitor land mines

TIP

Be sure to distribute your competitor battlecards ahead of your sales training session(s). They're great reference tools to review both during and after training.

If you've done your job well, which I'm sure you have, you've now equipped your sales people with accurate competitive sales training. The potential to spread misinformation about your competitors should be greatly diminished.

That reminds me... Have you ever heard the following joke? "*What's the difference between a high-tech salesman and a used car salesman? The used car salesman knows when he's lying.*"

Kidding aside, let's now address how you should facilitate technical competitive training for your SEs.

Technical SE Training

As a former SE, I fully appreciate that SE training needs are different. But let's also be clear. SEs need all of the same training their non-technical counterparts get so everyone is on the same page.

So, when you're conducting SE competitive training, start out with the same training materials you used with the non-technical folks. But go through it at a brisker pace.

TIP

Remember in Chapter 2 when I recommended that you assign an "SE lead" for each competitor (perhaps some of your SEs previously worked for your competitors). Perhaps you can recruit each SE lead to facilitate peer training on the competitor each is assigned to.

Suggestions for technical competitor training topics include:

- ☑ Usability concerns
- ☑ Architectural design problems
- ☑ Scalability limitations
- ☑ Fault tolerance / high availability (HA) issues
- ☑ Performance limitations

I also encourage you to train your SEs on how to conduct live demonstrations of your software when they know ahead of time which competitor they're facing. For example, if they know the competitor's dashboard is not user-configurable, they should take time to demonstrate how your dashboard can be fully customized to meet the needs of varying user roles.

Training Frequency

Ongoing competitive training is critical – not only because memories fade over time, but also because your competitive landscape is constantly changing. Your competitors rarely stand still, and new ones may suddenly appear on the scene.

TIP

Take advantage of in-person events, such as annual sales kick-off meetings and periodic regional channel partner events. Training your internal sales force and channel partners in person is always preferable. However, try to do so in smaller settings of 20-30 people to foster interactive discussion.

But don't hesitate to schedule sales training webinars on an ongoing basis, as well. I recommend conducting these webinars quarterly. And be sure to record them for participants unavailable to attend live.

Chapter 9

Selecting the Right Competitive Analysis Vendor

In this chapter

- **Consider which competitive analysis functions you may want to outsource**
- **Contemplate what's important when selecting a competitive analysis vendor**
- **Ensure your competitive analysis vendor has the right technical and IT industry expertise**

Virtually no high-tech vendor has all of the internal personnel and expertise necessary to maintain a robust competitive analysis program. Competitive analysis functions that are ideal to outsource include:

- ☑ Optimizing your CRM to capture accurate win/loss statistics and generate accurate win/loss reports
- ☑ Aggregating competitive intelligence, including non-public intelligence sources
- ☑ Conducting customer win/loss calls
- ☑ Creating internal and customer-facing competitive sales tools

You need a competitive analysis partner that will invest in your company's success. The following sections explain what to look for.

Industry Experience

It's important to find a competitive analysis vendor that not only has widespread IT experience, but also experience in your particular IT segment, such as:

- ☑ Cloud
- ☑ Data analytics
- ☑ Database
- ☑ Enterprise apps
- ☑ IT service management (ITSM)
- ☑ Mobile
- ☑ Networking
- ☑ Operating systems
- ☑ Security
- ☑ Storage
- ☑ Virtualization

CAUTION

Avoid competitive analysis vendors that are not laser focused on the IT industry. If a vendor you're considering also consults for hospitals, restaurant chains, or the automobile industry, it's time to move on.

TIP

Most competitive analysis vendors display client logos on their websites. If a vendor displays only a few client logos, or logos from companies in every IT segment but yours, that should be cause for concern.

Consultant Experience & Technical Expertise

The consultants employed by your competitive analysis vendor should be highly experienced in their chosen profession and should have broad technical expertise, including foundational knowledge in computers and networking.

Otherwise, the consultant assigned to you may not fully understand the competitive intelligence they're being asked to aggregate or the questions they're being asked to convey to your customers during live phone interviews.

Don't get me wrong. It's perfectly reasonable to expect that your competitive analysis consultant won't be an expert in your product category right out of the gate. You'll have to provide some basic product orientation training. But if they're starting from ground zero with little to no foundational knowledge in IT, it's unlikely you're going to achieve the results you're looking for.

TIP

Ask your prospective competitive analysis vendor about the minimum and/or average experience of their consultants. Better vendors employ consultants with a minimum of 10 years of professional experience.

TIP

And don't hesitate to ask to interview your assigned consultant before signing your engagement contract. It won't take long at all to confirm whether they've got the technical chops to be successful.

Full Range of Services

High-tech vendors often seek competitive analysis vendors (or independent contractors) that specialize in one of the following three areas:

- ☑ Competitive intelligence aggregation
- ☑ Customer win/loss calling
- ☑ Competitive sales tools creation

TIP

Working with three different vendors to satisfy these three competitive analysis functions is fine, but if you can find one reputable vendor to satisfy all three, that's even better – assuming they're truly skilled in all three areas.

If, by chance, you find a vendor that can facilitate some of your additional marketing needs – such as content development or market research – that's a slam dunk.

High Ethical Standards

Your competitive analysis vendor must adhere to the following ethical standards:

- ☑ They must maintain client confidentiality at all times.
- ☑ They must enact policies to eliminate potential conflicts of interest.
- ☑ They must never reveal their client's name when aggregating non-public competitive intelligence.
- ☑ They must never lie or violate any law.

TIP

Without prompting your vendor to address any of the aforementioned ethical standards, ask them about their code of ethics. You'll quickly deduce if the prospective vendor you're speaking with is a company you can trust.

Facing competition in the high-tech industry without a rock-solid competitive analysis program is like driving coast-to-coast without a GPS or a single map.

Too many high-tech vendors make sales enablement and product planning decisions based on gut instincts rather than facts. They lack accurate win/loss reports, comprehensive competitive intelligence, and a deep understanding as to why they win and lose against the competition. Learn how to transform your company's competitive analysis strategies by leveraging field-proven best practices. If you own or contribute to your company's competitive analysis program, this is one book you can't afford to miss.

- **Justifying competitive analysis investments —** convey the rewards of a fully funded and well-structured competitive analysis program
- **Assembling your team —** identify required and optional members of a cross-functional competitive analysis team
- **Generating accurate win/loss reports —** learn why most win/loss reports are garbage and gain strategies for achieving near 100% accuracy
- **Aggregating competitive intelligence —** create a "living record of truth" to fuel your sales enablement and product planning investments
- **Conducting customer win/loss calls —** gain valuable insights by interviewing customers that both chose and rejected your company's solution
- **Facilitating sales tools and training —** provide competitive sales tools and training to increase win rates and reduce sales cycle durations

About the Author

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