

ILOG: WIN/LOSS PROGRAM DRIVES HIGHER WIN RATES

Ask Your Data Why You Win



ILOG's Win/Loss Program Delivers Data to Drive More-effective Selling, Marketing, and Product Development Strategies



CUSTOMER ILOG, an IBM Company

CHALLENGE Get a solid understanding of why we win, why we lose, and how we can better allocate resources throughout the buying cycle

SOLUTION CustomerSat™ by MarketTools: win/loss survey, powerful analytics, 24/7 access to the feedback, and expert research and consulting services

RESULTS

- > Ability to deliver more value to customers, quantifiably
- > Faster response to competitive threats and changing market conditions
- > Sales playbook with profiles of prospects who are most likely to buy and the most-effective selling tactics
- > More-efficient allocation of technical resources in support of new business opportunities
- > New approach to guiding product maps based on win/loss insights, detailing what's important to the customer
- > Fact-based business decision-making

Winning Through Data, Not Stories

Every sales rep loves to recount the tale of how the deal was won: the prospect's initial hesitation, the presentation that won them over, the pricing ploy that clinched the deal.

These stories do more than build accolades for the sales reps; they benefit the business. When everyone understands what works with customers, what doesn't, and why, everything is more focused and effective—from marketing strategies to product development roadmaps. Resources are allocated more efficiently. Products and services are better aligned with customer requirements. And customer loyalty, revenue, and profits increase.

But companies can't base sales strategies solely on anecdotes. They need a way to transform subjective stories into objective data. They need a consistent way to capture, collect, and analyze these experiences and observations so that they can gain real, reliable insights into customer behaviors.

That's why ILOG, an IBM company, offering optimization, visualization, and business rule management systems, partnered with MarketTools to create a formalized and quantitatively oriented win/loss program.

"We wanted more than the stories; we wanted a comprehensive view from our prospect's perspective and objective data with which to make decisions," said Jim Claussen, director, strategy and channels for ILOG. "The CustomerSat team gave us the tools and the expertise to make meaningful comparisons over time and get a better understanding of what's most important to our prospects and what drives their selection process."

CustomerSat: A Total Solution

According to Mr. Claussen, ILOG selected CustomerSat not only because of its outstanding tools and features but due to the breadth and the depth of the total solution.

"We liked the total package and the holistic approach," he said. "CustomerSat had stronger back-end analytics tools, a stronger quantitative orientation, online 24/7 access to data and reports, and a team of professionals who are just great to work with."

With assistance from the CustomerSat team, Mr. Claussen set up the win/loss program to answer very specific questions.

"Obviously, we were trying to determine why we won and why we lost in closed competitive situations, but it was also important to see how we compared and contrasted with the competition," he said. "We wanted to understand exactly who the decision-makers were and how key drivers influenced their likelihood to recommend us. We also wanted to increase our ability to predict outcomes so that we could focus our efforts where they were most likely to pay off. This is a very important concept. And we wanted to be able to monitor changes in the marketplace and capture reference program leads. CustomerSat was the one solution that could help us accomplish all that within our time and budget constraints."

Expert Assistance in Program Design

ILOG understood the importance of up-front planning in building an effective win/loss program but was also impressed by how much value the CustomerSat team added to the process.

"We invested in planning and design because we know it's better to get it right the first time," said Mr. Claussen. "We leveraged the experience and the expertise of the CustomerSat team to work through the details of the design, implementation, analysis, and reporting. That ensured that we'd have actionable initial results that would serve as a proof point for ongoing investment."

The CustomerSat team was also very helpful in constructing questions to collect empirical results consistently across sections. Mr. Claussen designed a program to effectively distribute these insights and drive change while mitigating against overanalysis.

"Too much information can simply overwhelm and confuse your stakeholders," he said. "Our view is that if it's not actionable data, it's just noise. So while we started off with every conceivable slice and dice of the data, we soon found that 75% of our initial analyses were not adding useful knowledge. Working with the CustomerSat team, we were able to focus our analysis and derive more-actionable insights."

Focused, Effective Survey Questions

One of the early assignments for the CustomerSat team was to help ILOG refine the actual survey questions.

“The CustomerSat team provided invaluable guidance in survey design and development,” said Mr. Claussen. For example, they helped the ILOG team perfect the survey questionnaire. Initially, the list included more than a hundred options. The ILOG staff narrowed the list to 45 questions spanning the range of touchpoints through the buying process.

The CustomerSat team also made suggestions about how to sequence the questions to maximize completion rates and avoid survey fatigue. In addition, they helped ILOG identify questions that would not yield accurate answers if asked directly, and they helped ILOG utilize an indirect or derived approach in key sensitive areas. “This kind of insight comes only from deep experience, and we wanted these insights,” said Mr. Claussen.

“The CustomerSat team helped us with everything from reworking questions to using appropriate scoring systems,” Mr. Claussen continued. “They enabled us to more effectively present the questions and capture more-meaningful results.”

Accelerating Adoption by Getting People Involved

ILOG’s win/loss program had the full support of senior management, but the ILOG team helped ensure its success by involving key stakeholders early in the process.

For example, stakeholders from across product lines and various buy-cycle touchpoints were encouraged to participate in shaping the survey questions, and the effect was to engage many people with the program. “Their participation created a vested interest in the results,” said Mr. Claussen. “Equally important was making the process transparent; people understood our approach and were less likely to question results later. At the end of the day, it was not about explaining the process but about what we learned and what actions should be taken.”

The ILOG team has also bolstered the success of the win/loss program by developing different “elevation views” for different stakeholders—showing the right information to the right people. There is an executive summary view, a middle-management overview, and the “deep-dive” view with details of specific actionable changes for each team.

Applying Insights: Doing the Right Things

How did the survey findings translate to changes in sales strategies? “They allowed us to focus on doing the right things from the buyer’s point of view—making the right decisions and being successful,” said Mr. Claussen.

“For example, one of our primary channels deals with our high-volume product line, and in this channel we sometimes provide access to a technical account manager (TAM). We found that sales reps didn’t always know when to bring in a TAM; some assumed that they were often booked up and didn’t want to overload them. Our data showed that TAMs can be vital to making customers comfortable with our products and that they’re more available than our sales reps thought. So now our TAMs are getting involved earlier in more deals, helping us win deals and improve customer satisfaction at the same time. The program provided an outside-in perspective that gave us new insights into our processes and identified new ways we could maximize team resources.”

Another important benefit: the program provides data that has allowed ILOG to develop profiles of the types of customers and buying situations that are most likely to yield positive results. “Sales can go through an objective checklist and determine whether this looks like a winning prospect,” said Mr. Claussen. “So they know when to marshal more resources or when to manage invested resources. They better understand the key decision drivers from the buyer’s perspective. If we have a program and our competitors do not, that’s a huge advantage.”

In the future the win/loss program will also change how ILOG allocates product development resources to focus on what's most important to customers, according to Mr. Claussen. The program will help isolate new product features and services that are most valuable for customers, guiding research-and-development investment decisions.

Net Result: "Exceeding Our Business Targets"

Although ILOG declined to provide hard-dollar estimates of the financial results of the win/loss program, Mr. Claussen summarized the results in this way: "What we can share is that despite a challenging global economic environment and emerging competitive pressures, we are exceeding our business targets. And we have a tool that enables us to make informed decisions as market dynamics change and evolve. This program is a key enabler for us, informing our strategy and our programs. It has also helped us better understand what's important to our customers, maximize our resources to deliver more value, and increase our role in every client's success."

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*—Jim Claussen
Director, Strategy and Channels for ILOG*

About MarketTools

MarketTools is the leading provider of Customer Insight Management solutions for the world's market leaders. Through a unique combination of best-in-class insight and feedback platforms, quality-assured global panels, and research innovation, MarketTools enables companies to innovate and identify new opportunities, optimize product success, and build customer loyalty. As the first company to make online surveys widely available on the Web, MarketTools continues its market-leading position by providing the broadest range of powerful, accurate, and integrated customer insight technologies that empower companies to become the most customer-centric organizations in their industries. MarketTools' premier portfolio of technology-based insight brands includes MarketTools.com,[™] Zoomerang,[™] CustomerSat,[™] TrueSample,[™] and ZoomPanel.[™]

MarketTools is a privately held company with corporate headquarters in San Francisco and European headquarters in London. For more information please visit www.markettools.com.



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