Win Rate Shouldn't Be Your Key Metric

Business Development Best Practices Series *Published April 2017*

Along with many of you, I receive many marketing journals and articles about the newest trends in managing marketing and business development processes. I bring most of these articles home and highlight what might be relevant to me and my firm. Of course, if I did half the things I highlighted, I would run around frantically, driving senior leadership crazy.

Unfortunately, what many people do instead of selectively committing to some of the work is do none of it. What is the best process or metric or program that will give you the biggest return on your investment? Because let's face it, any new program will require an investment of time and money, both of which are very precious.

There are numerous marketing and business development metrics out there. Some of the most popular include: total sales, sales dollars spent versus winning rates, hit rates, and the list goes on. I measure more than seven different sales metrics on a monthly and YTD basis.

Of all the metrics, though, the most important—and the one with the greatest positive impact in the long run—is the strength of my firm's pipeline. How many projects in the various stages of the sales funnel are we positioning for? Is the RFQ coming out for those projects next week, next month or, if we're lucky, next year? Which teams have the highest potential future backlog, which drives our hiring decisions?

Differentiate by Focusing on the Client

It is difficult to differentiate your proposal from the pack of 30 or more RFPs a client may receive based on qualifications alone. The only way to separate your firm from your competition is to show the client you completely understand their needs and wants. The only way to find out what those needs and wants are is to meet with all the parties affected by your design. It will be these countless meetings and phone calls that will provide the guidance you need to create a winning approach. I know this isn't the answer many want to hear, but submitting a proposal cold without prepositioning is a recipe for failure.

The problem, then, lies in finding enough time. If you are not uncovering those projects early enough, you won't have time to do all the necessary homework to get a complete picture. I have broken my sales funnel into four distinct stages to help staff manage these opportunities. Sorting them into various stages of the sales cycle helps with managing indirect time, as well as prioritizing which projects have the potential to provide the highest return on investment.

Prioritize by Sales Stage

The first stage in the sales funnel is what we call a "UFO," which is an unidentified financial opportunity. These are potential projects that may exist. You haven't talked to the client specifically about them, but you either heard about something on the job site or read about them in the paper as potential projects someday. They could even come from a personal observation by someone in your group walking down Main Street and noticing the need for some streetscaping or traffic calming. You can list this as a UFO so you don't forget about it, and then come back to it to do some research.

We call the next stage in the sales funnel a "lead." A lead is when you realize your UFO will happen, but lack detailed information related to technical specificity, the time to work on it, or understanding of the client's goals. An example of this would be if you finally had a chance to talk to your client and mention that you noticed Main Street was really unsafe the last time you walked on it. You then ask if the client ever thought about traffic calming. If the client validates your observation and says yes, that project has been on their list, you now have a lead.

The third stage of the sales funnel is called the qualification stage. This is where the bulk of your time is spent doing your homework. This includes many client meetings, pulling together the right team of consultants, and validating that your approach lines up with the needs and wants of your client. Then, finally, when the RFQ is issued, you move to the final stage, called the proposal stage. (Now you know why I said earlier you would be lucky if you found out about a project a year ahead of time.) Working through the sales funnel takes time, but it's so worth it.

Successful sales organizations spend the majority of their time identifying UFOs and leads, and selectively qualifying those leads. Selectivity reduces the number of projects you chase, providing the time and resources needed to pursue fewer projects with a much higher hit rate. Assessing how many new leads and projects are in the qualification stage can provide a strong indicator of how well various departments are adopting this relationship-based sales process.

Clients tend to award work to individuals they trust, and they trust whom they know. Trust takes time to build and it doesn't happen overnight or in one phone call or meeting. Relationships need to be developed and maintained on an ongoing basis. A client may know and trust you from a previous project you worked on together, but if they haven't spoken to you in a few years, they are more likely to award a contract to someone they are currently in contact with. Constantly looking for UFOs with your client keeps you in contact with them. A corporation's reputation for quality can only take you so far; it's the personal relationship you develop with a client that closes the deal.

The only way to separate your firm from your competition is to show the client you completely understand their needs and wants.

About the Author:
Kathy Nanowski, CPSM
Associate | Director of Marketing and Business Development, Fuss & O'Neill

FUSS & O'NEILL

This article first appeared in Marketer, a publication of the Society for Marketing Professional Services, and is reprinted with permission.