Sales Win-Loss Reporting
Considerations for Intellectual Property

Normally, in the realm of sales performance analysis, the Win-Loss report provides answers to the question, "When we lost a deal, why did we lose?" More importantly, it also answers the question, "When we won a deal, why did we win?" Then, a well-structured internal analysis of wins and losses is normally applied to improve sales and marketing results. However, with a few changes, a Win-Loss report can also be leveraged to streamline Intellectual Property (IP) planning.

When analyzed from an IP standpoint, the Win-Loss report may be adjusted to answer the question "When we lost a deal, did we lose it because one of our products or services was copied by a competitor and then offered at a lower price?" And conversely, answering the question, "When we won a deal, did we win it because of the superiority of one of our products or services?" is just as important. By making appropriate adjustments to the Win-Loss reporting process to provide this information, a company's IP group can develop a strategy to focus resources on: 1) Competitors who are infringing on their IP and 2) Areas where IP needs to be adjusted to improve competitive advantage.

For example, if the Win side of the report shows that a recording studio company's video processing product has as a group of features that permit the completion of video edits in half the time with half the overhead of completing products, the IP legal group would know what technology to consider adding next into the patent portfolio. Also, if the Loss side of the report shows that a competitor is "knocking off" a function contained in a top selling product, the IP group knows where to look within the patent portfolio to assert patent infringement claims against a competitor. In other words, "focus the IP where the money is!"

In one case, upon implementing the above changes to the reporting process, it was noted that one more piece of information could be provided to an IP legal group to substantially increase leverage when setting priorities. The report that normally provides this critical support is referred to as a "Product/Service Revenue Contribution Report". By cross referencing this report with the Win-Loss report, a weighted priority matrix may be constructed that greatly enhances IP's competitive-facing power. One example is the rapid creation of "damage control" programs ultimately geared toward cost effectively focusing the application of IP law to limit damaging activities of competitors.

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The most effective way to structure an IP-oriented Win-Loss report is to add the following items to unbiased surveys of key decision makers within prospects who have received recent proposal activity:

Which product/service features allowed the win?

What percentage of the deal hinged on these features?

Overall, what were seen by the prospect as product/service key attributes, even if they did not actually win the deal?

What did a competitor offer in the way of a product or service that caused them to win?

Did a competitor's winning product/service offering match one that was proposed by your company?

Overall what were seen as your product/service key shortcomings that caused loss of the deal?

If nobody won the deal, why did this occur? Was there something missing from the product/service proposal by all competitors?

The responses may then be added to an existing database typically contained in a readily available Customer Relationship Management (CRM) system. The encoded responses may then be organized into the standard reporting process with the results made available to the IP group.

If needed, the IP group may step up and directly analyze the results in the event that sales and marketing cannot facilitate the necessary changes to the CRM reporting system. Even if this extra expense is necessary, the processing of this analysis increases the IP effectiveness enough to justify this option. Over time, when the responses across multiple sales deals are reviewed, they will help expose trends in where wins or losses are headed so the IP strategy can be modified accordingly.

IP groups who have the discipline to analyze Win-Loss reports in a matrix with product/service offering revenue contribution data will uncover even more focused insights. This data is easily integrated into the IP group's business plan and may be used to justify both internal project planning and budgetary allocations. In addition, if a campaign becomes necessary to limit the actions of a competitor, the basis of damages will be known in advance and may be used to support IP negotiations with the competitor.

In summary, by paying particular attention to the circumstances under which the buying process was performed the product/service offerings can be analyzed to determine the

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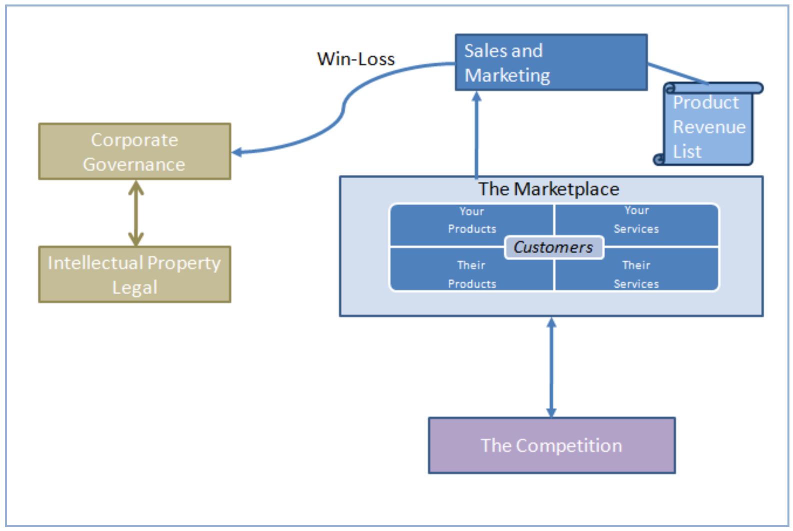
best way that an IP group can set priorities to leverage the marketplace in the future. The IP group then becomes less isolated from the happenings in the marketplace and can reduce the wasted effort associated with the often practiced “portfolio numbers game” that does not support the competitiveness of the company, but only adds unnecessary expensive “fluff” to the portfolio.

Process Focus Areas

- Win-Loss Report
- Product Revenue List
- Customers
- The Competition
- IP Legal



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