Industry Insights

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PREDICTING NO DECISIONS

Fix your forecast accuracy and win undecided buyers

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KEY FINDINGS

- **Our study examines 1,800 no decision opportunities that closed during 2017 and 2018,** including pursuits in business services, computer software, healthcare, and professional services. We supplemented CRM data with 125 phone interviews with no decision buyers, who explained why they declined to select a vendor. The results expose how to identify no decisions, when to intervene, and how to win.

- Opportunities that end without any purchase or vendor selection can represent over 30% of missed revenue for some organizations. **Although these "no decisions" are effectively losses, they often represent viable opportunities to win.**

- **Seventy percent of no decision buyers plan to revisit their purchase decision in the future**, and from our findings, up to two thirds of these buyers could likely be influenced in your favor.

- Although they can be difficult to identify during an active sales process, **no decisions often become distinct from wins and losses in four areas:** No decisions tend to change their close date frequently, remain open longer, move through more sales stages, and undergo fewer changes to their deal size.

- From direct conversations with decision-makers, **no decisions most often occur on the basis of a perceived price-product shortcoming**. No decisions often reveal a lukewarm buyer who cannot find a compelling value story for their situation.

- Despite the lack of purchase, **many no decisions could have been won**, according to buyers. Nearly forty percent of no decision buyers said one or more vendors could have done something differently to win the first evaluation.

- Although no decisions exhibit common reasons for their lack of purchase, intelligence to win the opportunity in future evaluations is typically buyer-specific, tactical, and best applied on a case-by-case basis.

- **To optimize win-back efforts, a best practice is to close lingering deals, interview each buyer and develop a re-engagement plan based on their unique situation**, including their re-evaluation timeline, needs, and other competitors evaluated.

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PREDICTING NO DECISIONS

Deals that end in no decision can represent over 30% of lost revenue for some organizations, but without clear indicators, they can be difficult to identify and monetize.

Why pursue no decisions? Some organizations don't track them at all, some lump them into a bucket of "disqualified" buyers, and some leave them open indefinitely without real engagement.[1] But left unattended, no decisions compromise forecast accuracy and disregard a substantial amount of *winnable* revenue.

For companies that track them, no decisions can represent over 30% in missed revenue—even when counting direct losses separately. But the actual opportunity for win-backs is even greater in no decisions. While a true loss is final (at least until the renewal comes around), no decisions are open-ended, optimistic, and can often present a real opportunity to win.

Seventy percent of buyers who ended an evaluation without a purchase planned to revisit the decision in the future. And, a substantial portion of these buyers suggested a favorable outcome: up to two-thirds said they either preferred our client's solution or had yet to establish a preference. **Taken together, this means an organization losing 30% to no decisions can recover nearly 15% of its annual revenue by reducing its no decision rate.**

Deal or no deal?

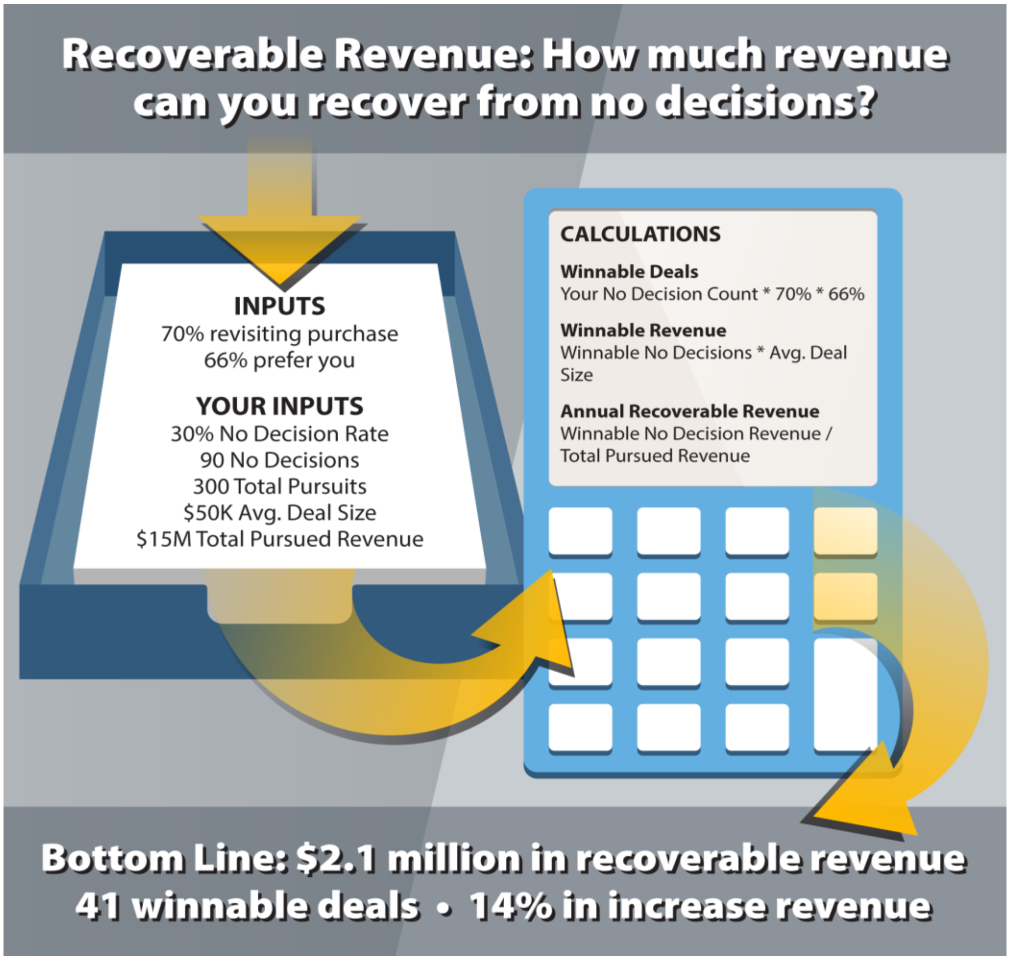
To an outsider's eye, no decisions can be hidden in plain view. One sales rep we spoke with kept deals open for extended periods because buyers said they would eventually purchase. Other reps joined this practice, preferring to keep deals open as a reminder to revisit them later. As a result, the company accumulated a large number of stale prospects that weren't actively looking to purchase. Even though buyers indicated some interest, keeping them

[1] What are no decisions? For this study, we assumed B2B purchase evaluations end in one of three outcomes: win, loss, or no decision. We excluded disqualified prospects to compare qualified evaluations against each other. We defined "no decisions" as intentional evaluations where a qualified buyer seriously considered a purchase decision but ended the evaluation without action. These buyers engaged in a real evaluation but instead decided to maintain their status quo.

open continuously inflated the company's pipeline inaccurately. The practice of keeping deals open on the hope of a future sale also had negative repercussions for their forecast accuracy. But like many organizations, this one didn't have a clear sense of exactly which deals to close and when to do it.

Our study revealed a best practice is to close lingering deals as a no decision, interview each buyer to assess re-engagement opportunities and strategies, and reintroduce the prospect to the pipeline when a new evaluation begins. This process creates an opportunity to win by exposing how to reengage with no decision buyers and when to do it.

As for the company above, we gave them early access to our findings in exchange for their agreement to apply this best practice along with a disciplined approach in their CRM. They have since counted over one-third of inactive opportunities as no decisions. More importantly, they also started interviewing those buyers and now have a clear understanding of *when* to restart the sale and *how* to re-engage. Win-backs are in the works.



NO DECISION INDICATORS

Throughout our research, what surprised us about no decisions is that they sometimes looked more like a win than a loss during the active sales process. When we examined deal characteristics, such as age and number of sales stages, no decisions had more in common with wins. In other cases, such as changes to price, they were more like a loss. But as the sales process unfolded, no decisions became distinct in four areas.

1. No decisions "close" again, and again, and again

No decisions rarely maintain the very first close date assigned to them, and once a deal has changed its projected close date four or more times, it is most likely a no decision.

Multiple changes to a deal's close date is an early sign of a potential no decision. Unlike wins and losses, no decisions very rarely keep their initial close date: In our findings, just 6% of no decisions maintained the first close date a sales rep assigned to them. The remainder tended to show repeated updates to their close date with most showing four or more extensions. In all, no decisions averaged five or more changes—over twice that of wins and losses.

Fluid timelines and changing commitments signal risk in the sales process. But, these repeated postponements carry consequences beyond the immediate disruptions of a bumpy selling process. Close date extensions can imply the deal's value falls into multiple, consecutive forecasting periods. By carrying the same revenue forward from one forecasting period to the next, these deals can unknowingly weaken a forecast by inflating it inaccurately. Here's an example:

In one instance, we observed a deal with its first projected close date in Q2 2017. The deal's history then showed *thirteen* distinct closed dates. These closed dates fell within *all of the following six quarters* before it finally closed as a no decision over a year later. The forecasted revenue for this opportunity also appeared within each of the quarters it flowed through, diminishing forecast reliability along the way.

2. No decisions linger longer

Once a deal has been open for ten months or longer, it is most likely a no decision, and at 15 months open, it is nearly always a no decision.

No decisions can be misleading because they often start out looking like a win. In our review, deals open for one to three months had the *same* odds as becoming a no decision as they did a win. What's more, most losses (70%) closed prior to the three-month mark as well. With indistinguishable odds between wins and no decisions and with so many losses removed early on, it's easy to assume that remaining, open deals would likely win. Our dataset cautioned against this assumption—but not immediately.

No decisions didn't become consistently distinct from wins until ten months into the evaluation. Before ten months, wins and no decisions traded on and off as the most frequent outcome—sometimes wins were more likely and sometimes no decisions were. But once a deal remained open for ten months, it was twice as likely to be no decision. And, once it reached 15 months open, our data showed no further wins or losses—only no decisions.

For sales teams, this means one step to avoid a no decision is to move a deal effectively through the sales process before it hits the ten-month mark (or perhaps earlier depending on your typical sales cycle). Otherwise, your chances of winning nearly disappear.

3. No decisions often move through numerous sales stages

No decisions tend to move through more stages than wins or losses, and once a deal moves through five or more stages but remains open, the outcome is most likely a no decision.

One misleading trait of no decisions is that they often move through *more* sales stages than won deals. At five or more stages, a deal was over twice as likely to become a no decision than a win, and it was four times more likely to be a no decision than a loss. One sales rep we spoke with described how a no decision progressed through several stages before the buyer asked to put the purchase on hold, so the rep then reassigned the deal to an earlier stage. Gradually, the deal moved through the stages once more but was eventually bumped back to the earliest stages again. This cycle repeated a handful of times and showed how no decisions can accumulate stages without forward progress.

Movement like this can produce a false sense of progress for sales leaders who monitor from afar. While no decisions typically don't separate from wins and losses until they've reached or exceeded five stages, an outsider's eye could misinterpret movement through multiple stages as forward movement. When considering whether a deal could be a no decision, examine the history of stages. Is the deal's movement through stages strictly linear? Or, does it show cycles of regression? Both a high count and repeated stages can suggest the deal is headed towards no decision.

4. No decisions undergo fewer changes to deal size than wins

No decisions show fewer changes to deal size compared to wins. This suggests less activity between the buyer and sales rep and indicates a stalled or lost pursuit.

Despite staying open longer and moving through multiple sales stages, no decisions tended to keep their deal size the same. In contrast, deals with two or more changes to price were more likely to be a win: Over 20% of wins had two or more price changes, but only 15% of no decisions did. While the difference may seem minimal, its combined impact is significant: No decisions stay open far longer but with even fewer iterations between sellers and buyers than wins.

This tells us changes in price are a *good* sign. Modifications to the deal are symptoms of negotiation and active interaction with the buyer. It depicts a seller who is working to find the *right* contract arrangement for both parties and a buyer who is engaged and responsive. In no decisions, these interactions stall and prevent buyers and sellers from arriving at an agreed upon value proposition.

How to Diagnose a No Decision

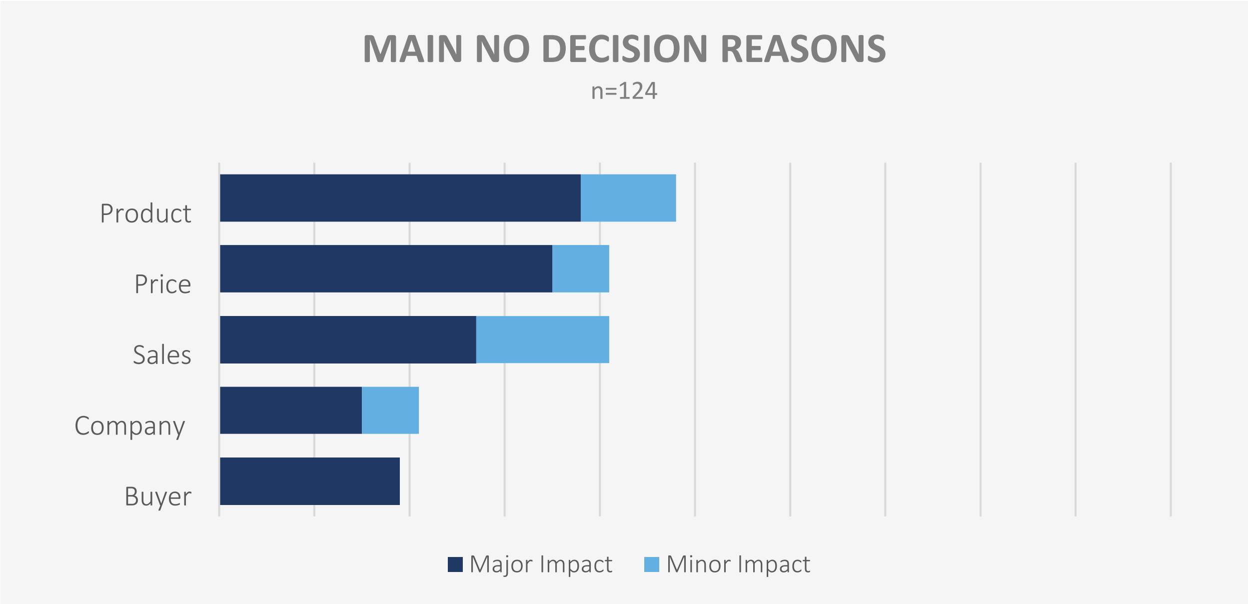
- The deal's projected **close date has changed four or more times**
- The deal has been **open for ten months** or longer
- The deal has **moved through 5+ sales stages** – and possibly repeated some stages
- The deal's **price has remained the same** throughout the sales process

NO DECISION REASONS FROM YOUR BUYERS

"*We didn't think there was as much benefit to using the vendor's product as we originally thought*," explained one no decision buyer, "*Their product is time-consuming and expensive*." This buyer, who was evaluating a business services solution for their healthcare organization, already had a partial solution in-house. Although their internal solution wasn't comprehensive, the buyer struggled to find compelling features that would exceed or even meet the investment in expense and effort.

"*You don't get enough bang for your buck for all those intensive activities*," the buyer concluded, observing the effort it would take for her organization to get the solution off the ground. The solution didn't offer enough to overcome the cost and effort, and so the buyer's appetite for purchasing declined. Their experience wasn't unique.

Most no decision buyers related their lack of purchase to a product limitation. The product or solution offered was not only the most frequent but also the most important influencer buyers discussed as their reason for no decision. Price followed closely in second, trailed by sales team and company weaknesses.



Shows the buyer-identified reasons for no decisions. Excluding the "Buyer" category, all categories represent the frequency of impactful weaknesses, which buyers said influenced their lack of decision. The "Buyer" category relates to internal-only reasons, such as mergers, acquisitions, or other organizational changes that pushed the purchase decision.

But on its own, the *frequency* of weaknesses doesn't fully explain what prompted no decisions. When we distinguished major from minor weaknesses in a vendor, **price and product were near equivalents.** Even though price came in second place for overall frequency, it was a *main* influencer nearly as often as product.

We also observed that **price's impact amplified depending on context**. During interviews, buyers picked a front runner by identifying the vendor they *would have selected* had the decision not stalled. Why did even the preferred vendors end up in a no decision? When we stacked the main *disadvantages* for front runners, the most common and impactful weakness was again price—and by a wide margin. **Price was twice as likely to be a weakness for front runners than any other reason**. Solution, sales and company characteristics trailed price significantly.

In all, over two-thirds of no decision buyers provided a product, price, or both a product and price reason for walking away from the purchase. While some buyers leaned more toward product and others toward the price point, the common undercurrent between the two was value. **No decisions often revealed a lukewarm buyer who could not find a compelling value story for their situation.**

> *"I couldn't see how this particular solution could benefit our solution at all. I didn't see how it added any value to me or to my situation. As far as the price point, this wasn't a small thing. It was huge…I didn't understand it."*
> – Computer software buyer

HOW TO PREVENT A NO DECISION

A good portion of no decision deals are salvageable. **40% of no decision buyers thought vendors could have done something differently to win during the evaluation.** While most corrective actions referred back to product fit and flexibility, additional factors were often at play—and with them, different levers you can pull to win.

Earlier, we showed how no decisions tend to have less activity than wins when finding the right deal size. The flurry of activity in wins suggest these buyers view the price as something they can work with to achieve value. And because of that, buyers and sellers can iterate and eventually reach a mutually beneficial product-price combination.

While wins show movement and negotiation, no decisions get stuck. It's as if no decision buyers see the initial price and can't see how to make the price-product combination work for them, so they stall. **In these "stuck" deals, the first and most important step is to get the deal to a point of active discussion.** Even though no decision buyers most often said vendors needed to correct a product flaw, the starting point for upping a buyer's engagement is not product positioning, and here's why:

The product discussion is moot until sellers succeed in first-line sales activities. When speaking of corrective sales activities, no decision buyers advised sales teams to look much earlier in the process. They saw responsiveness and understanding business needs as required steps before pitching a product:

1. Stay engaged and responsive

Some no decision buyers walked away thinking *they* weren't lukewarm but that the sales reps were. Responsiveness—rather, a lack of responsiveness—was the most frequent sales weakness in no decisions. Many no decision buyers thought the sales reps could have stayed relevant by remaining engaged and proactive. In other words, the deals stalled because sales reps allowed it to. Simple steps, such as communicating regularly, would have swayed their decision, according to buyers.

Although responsiveness and frequent communication can cultivate interest, beware: Over-focusing on the engagement itself can also be detrimental. One respondent explained, "*The sales reps weren't listening to my needs…They were focusing too hard on signing a contract and acquiring a business rather than my needs*." Buyers consistently sought a sales rep that could balance the sales cycle alongside understanding their needs.

2. Understand needs and objectives

Buyers thought sales reps couldn't propose a "*matching*" solution because they didn't take time to understand their business requirements first. In some cases, vendors went as far as submitting a formal proposal that didn't align with the buyer's previously disclosed parameters. This lack of alignment explains the sticking point no decisions experienced with price: when a proposed product or solution doesn't represent the buyer's needs, the value gap between buyers and sellers widens.

Even in cases of excellent salesmanship where reps are proactive and understanding, deals can stall. But when course-corrections fail despite a sales rep's best efforts, you may still have won. **We saw no decisions establishing a vendor-preference in the initial round then keeping that preference for future reference.** The chances of re-evaluation are high.

"DONE DIFFERENTLY" OPPORTUNITY

37%

"Yes, a vendor could have done something differently to win"

What could the vendor have done differently to win your business?

*"They could have **shown more interest** in it. It fell apart because it didn't seem like they wanted that business."*
– Professional services buyer

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*"The rep **could have been calling on us as a client** and we would have been aware of their program."*
– Healthcare services buyer

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*"No one took a lot of **time understanding** exactly what we needed."*
– Business services buyer

HOW TO WIN THE SECOND ROUND

70% of no decision buyers said they would revisit their purchase in the future. Since no decision reasons and re-evaluation timelines varied, a best practice is to close each no decision in your CRM and interview the buying decisionmaker. These conversations are critical to conduct *per deal* because no decisions tend to be nuanced in their reasoning, value estimations, and future interest. Here's how to make your win-back efforts a success:

1. Know when to re-engage

One in five buyers said internal factors played into their no decision. In these cases, vendors didn't necessarily do anything to *lose* the deal. Instead, buyers indicated it wasn't the right time due to organizational changes, such as mergers or leadership changes. In our interviews, no decision buyers openly discussed when they thought their internal climate would favor a second look.

2. Know your position

Up to two-thirds of no decisions are likely viable pursuits for your organization: 33% of no decisions did not have a preferred vendor. The remaining respondents split between preferring our client vendor or a competitor. Although this outlook is optimistic, entering a future evaluation blind introduces unnecessary risk. Instead, maximize each opportunity by picking up strengths from the past evaluation and diminishing weaknesses—specifically as it relates to your value versus a competitor's.

In our interviews, no decision buyers candidly discussed strengths and weaknesses between vendors, but these reasons varied broadly—even between buyers of similar products and industries. The most actionable, deal-saving intelligence, such as what your competitors did (or didn't) to gain an advantage, comes directly from the voice of your buyer.

3. Know how to shape your value story

Product-price weaknesses were the most prominent no decision reasons. Unraveling these perceptions ultimately revealed a weakness in value. And, value disconnects often occurred when a product lacked alignment with buyer needs.

When rethinking your product's positioning, start with basic sales activities first. Be responsive both in the sense of regular communication and regarding how you frame a proposed solution. One buyer provided a word of caution to a vendor who did otherwise—something that cost them in the past deal and likely a future win as well:

> *"The main message I want to get across to them would be to listen more to what the people are asking for. They either couldn't or didn't want to tailor a product to our needs. They were trying to convince me what I needed…The competitor, however, was able to explain their product and comprehend what we were trying to do with it. They were able to explain where it would have benefited us."*

ADDITIONAL INFORMATION

About our data

Our study summarizes 1,800 no decisions that closed during 2017 and 2018. Industries represented include business services, computer software, healthcare, and professional services. We supplemented findings from CRM data with 125 phone interviews with no decision buyers, who explained why they declined to select a vendor. The combined results expose how to identify no decisions, when to intervene, and how to close them as a win.

About the author

Melissa Short leads Primary Intelligence's Reporting Practice and has over seven years of experience researching and reporting voice of the buyer insights. She is a thought-leader in win loss and competitive analysis and conducts original research to create and advise data-driven selling strategies. Melissa has an MS in Law Enforcement Intelligence and Analysis from Michigan State University and a BA from Grove City College.

About Primary Intelligence

Primary Intelligence delivers outcomes for B2B marketing, sales, and product leaders, guiding clients on ways to win more deals and retain more revenue through Win Loss Analysis and Customer Experience Analysis. Primary Intelligence speaks directly to buyers and sellers to uncover insights, root causes, and the path to improvement. Expert consultants initiate transformation in Fortune 500 companies, including 10 of the Fortune 25.

Primary Intelligence enables more than 14,000 product management, marketing, sales, competitive intelligence, and customer experience professionals across more than 30 industries to hear the voice of their buyers. It's all possible thanks to our TruVoice software, proven methodologies, and exceptional people.

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