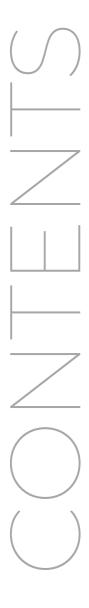
Alinea Partners

Do you measure PAR?

Prospect Abandonment Rate





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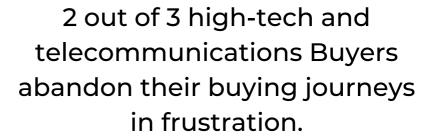
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Are you measuring Customer Experience or #CX? Many hightech B2B hardware and software companies do. Many use Net Promoter ScoresSM, Customer Journey Mapping and/or customer satisfaction surveys. There is a tremendous amount of information and discussion about optimizing the experience of servicing a customer.

The conversation that is a bit quieter is that around the buyer – or prospect. What is the experience of buying hardware, software and services from managed services providers (MSPs), cloud service providers (CSPs, telecommunications companies, independent software vendors and others reselling in the high-tech B2B space?

Based on real-life experiences attempting to buy hardware, software and services from the global high-tech ecosystem for more than five years, Alinea Partners sees the need to add a new measurement to KPI Dashboards – PAR – or Prospect Abandonment Rate.

By using a scientific 160+ point methodology with Benchmarks data including +700 individual companies around the world, it can be seen that many companies focus on - or even obsess about - Customer Experience, but far too often, they are losing potential buyers daily, without really knowing how many or why. Their PAR is through the roof and they are not aware.

Our research using the Alinea Partners' Customer Experience Assessment Methodology shows that on average 2 out of 3 Buyers abandon their buying journeys in frustration. This is accurate globally. This is also accurate for companies selling hardware, software and/or services.

What is the loss to your business?

Do a small exercise. Take out a piece of paper. Jot down your ideal average deal size. Pick anything you sell or want to sell more of. Multiply that number by the number of potential Buyers who come to you proactively – from any channel – daily.

That is your total opportunity to lose.

Identify numbered deals closed from that opportunity - the delta is your PAR. Want to improve it? Read furth



PROSPECT ABANDONMENT RATE

At which point of the Buying Journey are you most likely to lose Buyers?



Figure 1: Some stages of the buying journey

Alinea Partners' Customer Experience Assessment (see below for more detail) uncovers PAR scores, enabling vendors with reselling partners and B2B companies themselves to identify and eliminate systemic weaknesses in the buying experience.

Figure 2 outlines buyer abandonment rates in the research. Nearly half (49%) had two or more abandonment triggers. Only 20% received the all-clear (highlighted in green), and 30% abandonment trigger. Any abandonment rate indicates a substantial risk of prospect abandonment. More than one means that almost certainly, revenue is being lost because of prospect abandonment.

The buying journey is a continuum until the point of purchase or abandonment.

At which point of the Buying Journey will you most likely lose buyers? Alinea Partners has identified many abandonment triggers. Here we demonstrate 5. Generally, the more abandon-ment triggers exhibited, the greater the risk of abandonment and loss of potential revenue. However, if buyers cannot find the company via search, the prospect's buying journey will be with a competitor.

For example, one abandonment trigger is failure to appear in online searches due to the lack of a solid digital footprint – not just paid SEO – which means the buyer may not even find the company when looking for the first set of websites to explore.

Even if found in searches, there are other abandonment triggers that have been identified. Some are listed in this report as well as others included in the Alinea Partner's Customer Experience Assessment Methodology.

Poor proposals are a common abandonment trigger

Even when a potential buyer finds a company's website relevant to them, speaks with a sales rep and asks for a proposal, there is consistently poor quality to those proposals in the B2B high-tech industry – leading to buyers delaying buying or abandoning the buying process with that company.

Some common proposal failings are the inability to demonstrate an understanding of a buyer's business outcomes. The Customer Experience Assessment highlights poor practices including listing components and pricing incomprehensible to a potential buyer who may not be an IT expert. The buyer has a solution in mind and expects this to be adequately explained and priced and feels confident that the reseller knows how to deliver the solution and desired business outcomes. Instead, many companies confuse the buyer with their incomprehensible component price lists and fail to explain how that adds up to the solution, nor why they are best placed to help the buyer achieve their desired business objectives.

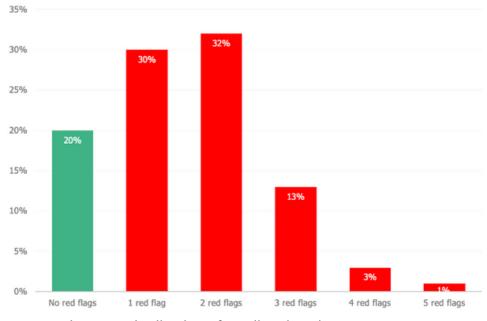
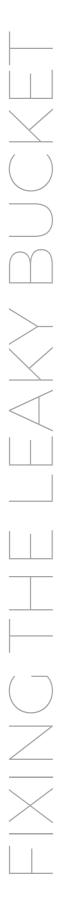


Figure 2: Distribution of reseller abandonment rates.



A simple ranking of channel partners by revenue performance doesn't tell the whole story

From a company's perspective, a simple ranking of channel partners by revenue performance doesn't tell the whole story. Second or third-tier channel partners can greatly improve their position by eliminating abandonment triggers and generating more revenue for themselves and the vendor. If the company participate in the Customer Experience Assessment, both parties will benefit from an uptick in revenue. Their mutual customers will also gain by finding solutions that help them overcome their specific business challenges.

Companies may also consider giving annual awards for best practices based on the absence of abandonment triggers or reduction/most improved resellers. As well as kudos from such recognition, resellers can attempt to quantify the likely impact of lost revenue based on the average deal size X the number of opportunities in the sales pipeline X the number of abandonment rates. This serves as a valuable proxy for lost opportunities and helps concentrate mind on fixing the leaky bucket. PAR is, therefore, an efficient and pragmatic metric that is already helping major companies and resellers in IT and telecommunications win more business. Another appeal of PAR is its simplicity based on the number of abandonment triggers and a score from 0 – 5.

The goal is to close more opportunities

The Customer Experience Assessment conducted by Alinea Partners on behalf of major IT and Telecommunications vendors continues to evolve. For over two decades, Alinea Partners has worked with major IT and Telecommunications vendors on a number of programs to assess the high-tech ecosystem of IT providers and their reselling partners' ability to be found by prospective buyers and then the repeatable propensity they have to close those opportunities.

Following each Assessment, the company receives a Customer Experience Index (CXi) score across every stage of the buying journey (see figure 1) for each shopping experience. The scoring is like the more familiar NPS index from + to – 100, although not based on the would you recommend us question. Instead, the focus is on how easy or otherwise it is for prospects to find the solutions they need.

Many clients request repeat or multi-country assessment experiences. Multiple shopping experiences reveal the quality of the experience and identify common weaknesses to address the variability or consistency of the buying experience.

The goal is unashamedly to maximize revenue opportunities for vendors substantially reliant on channel partners for a significant portion of their revenue. The detailed analysis helps the vendor and reseller identify barriers to winning new customers and then collaborate to remove them – the classic win/win.

However, new customers also benefit by finding solutions to their business challenges more quickly, from discovery to purchase and onboarding. The goal is to win new customers.



Alinea Partners consistently assesses and transforms Sales Journeys for the biggest IT/Telco companies – and their channels, globally.

We give our clients an in-depth view of the strengths and weaknesses in their entire Customer and Sales Journey and support them as they make major transitions from a product to software, software to services or build funnels for entirely new cloud platforms. Building Customer Experience excellence.

Some clients include Alcatel-Lucent, ALSO, Arrow, Arxus, Atea, Atos, Avnet Embedded, BASE (a KPN subsidiary), Bechtle, CCT Solutions, Cisco Cloud Reach, Claranet, Cogeco Peer 1, Convergys Corporation, Dell, Deutsche Telekom, Fujitsu, Global Leaseweb, Go Daddy, Hanu Software, IBM, Insight, Intel, Ingram Micro, KPN Internet Services, Lions Club, Microsoft, Mind Meister, Mitel, Motorola Solutions, NEC, NordCloud, NTT, O2, Prediki, Rackspace, Rhipe, Rogers, SaaSPlaza, Sun Microsystems, Tech Data, Telecomputing, Telekom Slovenije, Think Tank Maths, UPC, Wirehive/PAX8, Xerox.

Take a look at some of our projects here:

https://alinea-partners.com/case-study/



We measure the sales moments that matter for hundreds of companies worldwide every year.

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