Peter E. Cohan
The Second Derivative
1532 Scenic Drive
Trinidad, CA 95570
T: +1 650 631 3694
E: PCohan@SecondDerivative.com
W: https://GreatDemo.com

Stunningly Awful Software POCs and Evaluations – A Strategy of Hope?

It is almost the end of the quarter. Achieving your numbers depends on the outcome of an evaluation that has been running for the past three months. The end-user group has *finally* put in a few hours of use with your product and has gathered to vote: Go or No Go…

What will be the outcome?

POCs and evaluations are the single most expensive component of a software sales process – and yet the number of these executed every quarter that fail is surprisingly high. Or, perhaps it isn't surprising, giving the number of ways that vendors can increase the likelihood of failure!

If your organization's POCs and evaluations are not as successful as you wish, consider using this list as an assessment tool. If these items sound too familiar then you may want to contemplate making some changes…

The Stunningly Awful Software POCs and Evaluations Top Eight List:

1. No Critical Business Issues, No Objectives: "Living in the Land of Hope"

Agree to a 3-month evaluation without any understanding of your customers' Critical Business Issues or objectives. This ensures that everyone is unclear as to why the evaluation is being run. Even better, the customer can explore your software as deeply or broadly as desired – without any direction or plan. Who knows what they might find interesting?

This is truly "Living in the Land of Hope"! More frighteningly, forecasts reflect the fact that the customer has an eval underway and show an increased probability of closing. This hope-based strategy provides the opportunity to disappoint at least three times:

- Customer disappointed with the software…
- Sales Rep disappointed with an unsuccessful evaluation and no sale…
- VP of Sales disappointed with inaccurate and missed forecast.

 Copyright 2006-2018 The Second Derivative. All Rights Reserved

2. Offer your Standard Length Three-Month Eval: "We've always done it this way…"

We are truly "victims of momentum" – we continue to do things the way we've always done them, often with a clear reason as to why…! Is there a reason why three months is necessary? Could the process be completed in two months? One Month? Three weeks? Three days? (How often does the users' exploration of your software take place in the last three days of an eval?)

Equally sad, say "yes" to your customers when *they* ask for your "standard three-month eval…"

Contemplate mapping out the time needed in accord with the objectives and specific tasks that need to be completed, rather than simply offering a standard term.

3. Make sure the eval end coincides with your End-of-Quarter: "Get out the knee-pads…!"

We've done a terrific job training our customers to expect deep discounts at the end of each quarter – and especially at the end of the year. You can reinforce this by aligning the end of your evaluations to coincide with your end-of quarter. This will almost guarantee substantial weeping, moaning, and gnashing of teeth as your sales team tries to complete the eval and close the business simultaneously.

4. Install and Run: "See you in three months…!"

Once your customer has the software, everything should go forward by itself, right? No need to worry about objectives, installation, tasks, users' time, training, and support during the eval.

If you'd *like* to increase your success with evaluations, contemplate using a Sequence of Events – a tool similar to a very simple Gantt chart. It is used, mutually, with the customer to define objectives, tasks, timing and responsibilities – and provides you with an accurate assessment of how much time and resource the eval really needs.

5. Don't worry about the POC/Evaluation Costs: "It's all part of our cost-of-sales."

Evaluations are the single most expensive component of a sales process. While sales people may incur limited time-based costs, the investment from the balance of the team can be staggering: Presales, training, professional services, installation, customer support, and legal departments may all play a substantial role.

6. Free POC/Eval: "No, we never charge for a POC…"

Assume that there is *no* value in the intrinsic use of your software – or in any training, installation services, data migration/preparation, or other services. Your customer should get all of this for free, correct?

"Free" then becomes exactly the perceived value of your software, in your customers' minds.

 Copyright 2006-2018 The Second Derivative. All Rights Reserved

Instead, consider identifying the value associated with your evaluation – and charge for it! A customer who has made a monetary commitment for an evaluation is *much* more likely to help it progress to a closed sale. They have "skin in the game".

Even if you ultimately choose not to charge for the value of the evaluation, *at least* you should make sure that your customer understands the value and realizes the concession(s) you've made.

7. No Path to Purchasing: "Show me the money…"

"If we can just get it in place, they'll not let it go – we can worry about the money once they have it."

This is a terrific way to consume your organization's resources with little hope of closing the business. It is surprising how many evaluations begin without agreement on what happens pending a positive outcome – this is often the case when the key customer contact is too low in the organization.

8. Make the legal groups do Two Agreements: "You need this draft ready by when?"

Many vendors require a signed evaluation agreement to move forward with an eval. A great way to frustrate your customers' legal team (and key business players) is to torture them with a second agreement – often pursued right at the end-of-the-quarter.

Instead, contemplate a "roll-over" agreement – a single agreement for both the evaluation and the subsequent license that simply "rolls-over" pending a positive outcome to the eval. This not only reduces everyone's time, but also is a wonderful way to help your customers demonstrate commitment to the process.

Practicing these eight simple items will help reduce your quarterly revenues, delay deals, and consume resources foolishly. Making a few changes may move you from being a "victim of momentum" to achieving your numbers predictably.

Copyright © 2006-2018 The Second Derivative – All Rights Reserved.

For more articles on demonstration effectiveness skills and methods, visit our website at https://greatdemo.com/. For demo tips, best practices, tools and techniques, join the Great Demo! LinkedIn Group or explore our blog at https://greatdemo.com/blog/.