

# Strategic Account Management

Protecting and Growing your Most Important Accounts

## Are you leaving money on the table?

Most sales leaders agree that it's easier, quicker and cheaper to sell to an existing account than to win a new one. But how many of your Account Managers are proactively uncovering the full potential of your major customers, rather than staying in their comfort zone, selling the same things to the same people year after year? How many are actively building defences against political shifts within the account, and the emergence of new competitors? How many know the profitability of the account and are actively managing the drivers of that profitability? How many, in fact, are proactively planning and managing their accounts at all, rather than just reacting to requests that come their way?

***“At best, most account plans focus on gathering background information at the expense of insight and creative thinking”***

Our experience over the last decade indicates that the level of planning, and the quality of implementation of those plans, often leaves a huge amount of money on the table. At best, many account plans focus on gathering background information at the expense of insight and creative thinking. Too often, they are time-wasting smokescreens, created by account teams who prefer to fly by the seat of their pants, and at worst, planning just doesn't happen.

So what is going wrong with your strategic account management?

There are typically a number of issues, and they occur at each stage of the “Review, Plan, Do” cycle:



Account **reviews** are often too infrequent, and too shallow. Typically, sales leaders focus on the highest visibility (or sometimes the largest) accounts, but don't drive the review cycle fast enough for the remainder. They also tend to ask about known issues and opportunities, rather than proactively probe for new opportunities and challenges.

Account **planning** is too often an extension of the reporting progress, with very little creative planning actually taking place. There is too much data, and not enough insight. Account plans may be filled with SWOT analyses, organisation charts and text from the account's website, but the “so what” of that information is often not clear.

Finally, the **do** stage of the planning cycle, i.e. implementation of the plan, is often plagued by lack of ownership, people being too busy, and the plan not receiving enough priority vs. day-to-day fire-fighting on the account.

## What can be done?

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If this sounds like your business, you're not alone. The good news is it can be fixed, but the solution involves generating both skill and will for your Strategic Account Managers (SAMs – or GAMs, GADs, KAMs etc., depending on your terminology), and for their managers.

Failures in the planning cycle are largely a managerial issue, so it is the SAMs' managers who should be first under the microscope. These sales leaders need to be trained in your SAM process (whatever it is), almost in more detail than the SAMs. That way, they can push them to apply the process properly, and to think outside of the box. Too often as a training company, we hear "our senior managers are busy – can you just do a half day overview?" We can, of course... but whether we should is another question entirely.

Once you've trained your senior managers in your SAM process, you need to get those managers to role model it, and drive it through their teams. At this level, motivation comes best from peer pressure, and from actively measuring the quality and quantity of the planning sessions they facilitate. Coach the Coach sessions with a senior trusted adviser can also be very powerful. Personal and Executive Assistants also play a massive and often overlooked role in making sure that planning sessions are a regular part of the diary. Give them the overview while their bosses are doing the deep-dive, so that they understand why this is a vital use of their time.

With the SAMs' managers ready and willing to drive the planning process, it is a relatively simple exercise to address the skill and will of the SAMs themselves. Training can provide the skill (as long as it is 'learning by doing' rather than lecture-based). 'Will', or motivation, is generated in part by their line managers, but mostly through direct experiences of the planning sessions that lead to major breakthroughs in the account.

For that reason, we often supplement SAM training with what we term 'training by stealth'. A Strategic Account Clinic puts the client first, rather than the process. An expert facilitator assesses the situation and works through those parts of the process that are most likely to have an impact. The SAMs are focussed on the specifics of the account, but by the end of the session they have internalised many elements of the planning process and techniques. More importantly, they have experienced the tangible impact its proper use can have.

Finally, measuring account planning competencies, along with the quality of account plans and the business results they achieve, is perhaps the best way to ensure the changes you make are sustained over the long term.

## The elements of a Strategic Account Management process

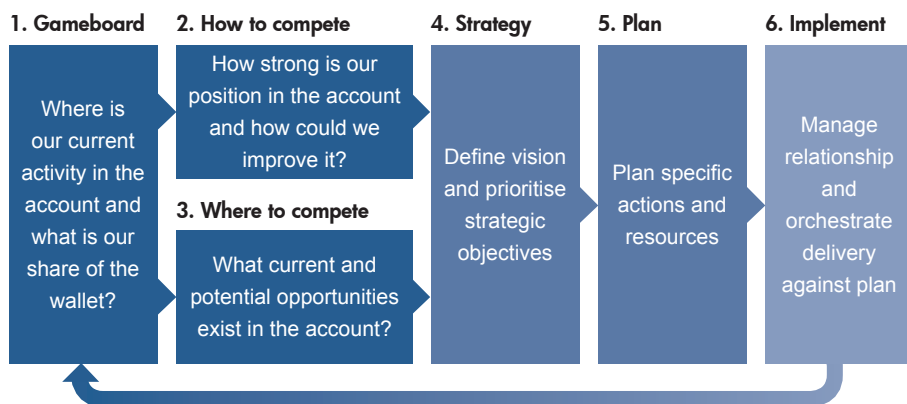
There are many SAM processes, but a lot of them are either unfocussed, or too academic. In our view, a good SAM process should:

- Provide the tools and skills required to assess your current position within an account, including the value being created and the depth and breadth of existing relationships
- Help your account managers to identify future opportunities and threats, focussing only on those changes that are likely to have the greatest impact on the value you can create for the account
- Equip managers to develop a vision for where, how and when to compete within the account, and then to devise a robust and flexible action plan to deliver that vision

Imparta's Strategic Account Management (SAM) programme builds on our deep experience in the fields of strategy, sales and account management. It integrates seamlessly with our award winning opportunity management programme, Creating Client Value (CCV), and shares the same customer-centric philosophy.

We know that companies often have an existing SAM process, so we can build the skills needed to use your existing planning process more effectively, or embed a whole new, tailored and dynamic process for SAM.

The following diagram summarises our SAM process. It is important to emphasise that SAM is not a box-checking exercise. You do not need to do every analysis for every account.



## 1. Gameboard

The Gameboard is a central part of the SAM process. It shows the entire account, divided up into ABUs (Autonomous Buying Units – across the top in the diagram below). Onto that it maps your main product and service categories (down the left hand side). The result is literally like a chessboard, showing the parts of the account's business that you can occupy, control, or concede.



This account overview lets you:

- Identify revenue trends and focus on causes of growth and decline
- Identify top level opportunities (gaps or low share of wallet), and prioritise before doing more detailed strategic analysis
- Spot opportunities and threats across the whole account (not just the part you know well)

## 2. How to Compete

'How to Compete' is one half of a well-defined strategy. It sets out the resources, capabilities and relationships that let you create and capture value in the target account, and encourages Account Managers to come up with specific and actionable objectives to improve your competitive position. We typically consider five 'Ps' at this stage:

What	So what?
<b>Partnership</b> Transactional/ consultative/enterprise relationship	Create objectives to deepen the overall account relationship. Help choose overall strategy later in the process
<b>Performance</b> Current performance as perceived by the account	Create objectives to improve performance. Help select strategy later (play to strengths), and avoid losses at renewal time
<b>Profitability</b> How much money we are making from the account	Identify actions to improve account profitability
<b>People</b> Individual connections between staff and client	Create objectives to improve depth/breadth of relationships
<b>Politics</b> Stakeholder Mapping to show influence and attitude within the account	Create objectives to improve political standing

Each analysis helps the teams to take concrete actions that improve your ability to create and capture value in the account, and feed back into your overall strategy.

The most important aspect, though, is not the analysis, but the creative problem-solving that follows.

For example, Stakeholder Mapping compares how influential different account stakeholders are, and how aligned they are to your cause. It's a key element of Political analysis, but on its own doesn't achieve much. The real value comes from being creative about how to change that political landscape. Generating ideas about how to bring your detractors on-side (influence, convince, ring-fence or outnumber them). How to protect and leverage your powerful supporters, and how to give your less powerful supporters more 'clout'. How to bring new people into the decision-making mix that are more aligned with your desired outcome, and so on.

Equally, understanding account profitability is a huge step in its own right (not least because strategic accounts can often exert very strong price pressure), but it is in applying a rigorous creative process to improving profitability that the value is truly created.

This is why managers are so critical in the Strategic Account Management process. Not only do they drive the frequency of planning and review, but through the questions they ask, they help to generate the breakthrough ideas that will transform the account.

### 3. Where to compete

‘Where to compete’ is the other half of a well-defined account strategy. It helps to define the areas of the account where there are existing and new opportunities, and to decide in which areas you should be competing for business. This decision is made based on how attractive each opportunity is, and how well it fits with your capabilities under ‘how to compete’. Imparta’s methodology considers three more ‘Ps’ at this stage:

What	So what?
<b>Pressures</b> What factors are driving the size and type of spend within the account	Update pipeline amounts and probabilities. Helps to identify potential new opportunities in the Potential stage
<b>Potential</b> What new opportunities can we identify?	Create objectives to pursue new opportunities and enter untapped parts of the account
<b>Priorities</b> How attractive and achievable are current and potential opportunities?	Helps to formulate overall strategy. Create objectives to improve attractiveness and achievability

As before, it is the thinking process that generates value here, not the data gathering. A good planning process encourages the team to collect only the information that is directly relevant to achieving each desired outcome.

## 4. Strategy

It is important to have an overall strategic vision for the account. Which areas of the business are you planning to compete for most actively? Which do you need to defend? Which actions do you therefore need to prioritise, in order to improve the capabilities that are most relevant in these areas?

***“It is vital to realise that not every account should be treated in a deep, consultative way”***

Not every account should be treated in a deep, consultative way. Your best overall strategy, even for a very large customer, may be to reduce costs and treat them as a highly transactional buyer, if that is the way they behave and wish to be treated. SAMs and their managers need to identify what type of account (or even deal) they are working on and allocate time and resources accordingly.

Equally, smaller accounts can call for intense management if they take you into an important new area or capability, or if they are the classic iceberg shape: a small customer on the surface, but a huge untapped opportunity below (perhaps in a sister company or another business unit or territory).

## 5. Plan

The Action Plan has a critical role in ensuring the achievement of the strategy. It is easy to create a long list of actions that does not get completed, so the best teams focus on the actions that will play the biggest part in achieving each goal.

As so often, the 80/20 rule can be a useful guide here: 20% of the actions may be able to create 80% of the result you need. Again, the manager or facilitator plays a key role in forcing the prioritisation.

## From planning to implementation

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Implementation of the plan is a sufficiently critical element of Strategic Account Management that it is worth considering on its own.

A good plan will generate a wide range of prioritised actions that look both outwards towards the client (e.g. relationships to build; coaching and support to offer; referrals to be sought) and inwards to your own organisation (e.g. resources and skills to foster; costs to manage; internal politics and incentive issues to be neutralised).

These activities are difficult, and they call for a broad skill set. Managers need to develop and coach these skills, and to hold the account team accountable for the delivery of the plan. We have seen too many highly paid account teams who have little interest in performing, as long as they can keep just under the parapet but still look as though they are fighting.



Among all the skills involved in Strategic Account Management beyond the planning phase, two stand out as being particularly important:

- ***Building trusted relationships.*** People trust people, not organisations, and a SAM should be held in high regard by the client for more than just their expertise. A good SAM places more value on the long term relationship than the outcomes of any short term transaction. They suspend their own agenda, and are genuinely curious about their clients, investing time in understanding their organisations, markets and needs. They see selling and serving as two sides of the same professional coin. This is an area in which there are a number of insightful thinkers, and we are particularly keen on David Maister's work around the Trust Equation.
- ***Orchestrating the account team and their delivery against the plan.*** The key here is being able to manage a team over which you do not have formal authority. This requires strong skills in coaching and leadership, and a number of different influencing techniques. Even more, it requires the SAM to believe that they can influence others without direct control. We have seen many otherwise competent SAMs fail because they gave up in the face of ambiguous, difficult team structures, blaming the situation rather than taking control of it.

This issue of control is especially relevant where the SAM is managing not an end-user account, but a channel partner.

### **What issues can good Strategic Account Management address?**

- **Lack of clarity on your position across the entire account.** Our toolkit provides an easy framework to assess the current position within an account.
- **Ineffective account structure in place to service the account needs.** The process analyses the depth and breadth of existing relationships and plan to strengthen your account team structure.
- **Low share of wallet.** SAM's proactive approach to analysing the customer's business allows Account Managers to be proactive in creating new revenue.
- **New deals stall at the eleventh hour.** Understanding political dynamics and key stakeholders helps to unlock opportunities and increase win rate.
- **Complacency in the account.** A robust customer analysis methodology enhances understanding of the customer's marketplace and anticipates what may affect demand for your solutions.
- **High levels of account activity still not making good margins.** Account profitability tools help to reduce costs and improve overall margins.
- **Focused on just one or two territories or product/service areas.** The SAM process forces the whole customer landscape to be considered, enabling teams to identify areas of potential growth.
- **Viewed as a supplier to the account.** A core aim of the role of the account manager is becoming a trusted adviser within the account.
- **Lost revenue.** SAM equips managers to broaden and deepen their relationships, while putting in place early warning mechanisms to track dissatisfaction against the customer's value criteria.
- **Poor internal communication and co-ordination of account strategies.** SAM improves internal project management and communication skills, ensuring that all internal stakeholders know how to add value when involved in the account.

## Channel Account Management

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For many companies, it is actually their channel partners who lead the relationship with the end-customer. In this case, the Account Manager needs to balance two roles: managing the partner as a strategic account, and working with the partner to help them manage their own strategic accounts in turn. There are some very specific additional competencies that are required to do this well:

- The ability to influence someone who has other priorities
- Cultural awareness and adaptability (“working across cultures”)
- Strong coaching skills, so that the SAM is seen as a trusted adviser by the channel partner, and is engaged by them to support their own account planning

It is also especially important for SAMs in this environment to think about the proposition to the channel partner in a wider way than just products and services. Typical elements can include:

- Marketing messages, collateral and joint investment to support the partner
- Training for partner sales teams, covering both B2C and B2B if appropriate (especially where it supports the selection of your products)
- Major account clinics/reviews for B2B partners
- Service training for customer service leaders to cascade
- Support for – and integration with – the partner’s IT and systems

With that said, a good internal SAM process will still deliver a strong overall strategic vision for the partner account, and a plan to achieve and implement that strategy. The Gameboard is a great way to plan the volume of sales with your partners. ‘How to compete’ helps define specific and actionable objectives to improve your competitive position within the partner account. ‘Where to compete’ defines the areas of the partner’s business where there are existing and new opportunities.

## SAM and your CRM system

One way to ensure that SAM is a part of your account managers' daily lives is to build the tools and processes into the CRM system. This needs to be done in a flexible way, so that it is seen as a tool, not an administrative burden. Imparta's SAM tools can be integrated with any major CRM system.



## Why Imparta?

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- Imparta is ranked among the top three global sales training companies by US based consultancy ES Research Group, and has been named among the Top 20 global Sales Training Companies for the last three years running by TrainingIndustry.com
- Our long-term clients include some of the world's leading organisations, including GE, O2, Lloyds TSB, HP, Intel and the WPP Group.
- We cover sales, marketing and service, and are able to provide the “glue” that aligns those teams (e.g. sales-enabled product training) as well as in depth expertise in each field.
- We have a dedicated Client Impact team that can help you roll out a single workshop, or a sophisticated Sales, Marketing or Service Academy covering reinforcement, application, coaching, measurement and accreditation.
- Our expertise in experiential learning design ensures very strong learning impact (we are a pioneer in the world of simulations and remain a Microsoft Gold Certified Development Partner).

Imparta has 140 trainers and associate trainers around the world and the capability to deliver large-scale, global roll-outs in local languages.

## Next Steps

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As we have seen, there are many actions you can take to boost the performance of your Strategic Account Management process, with significant financial benefits. You don't have to take every action here, by any means, but the importance of the issue warrants a systematic approach.

We would very much like to hear about your experiences in this area. Please feel free to contact us to discuss SAM issues and solutions with one of our experts on **+44 (0)20 7610 8800**, via [clientenquiries@imparta.com](mailto:clientenquiries@imparta.com) or via [www.imparta.com](http://www.imparta.com).