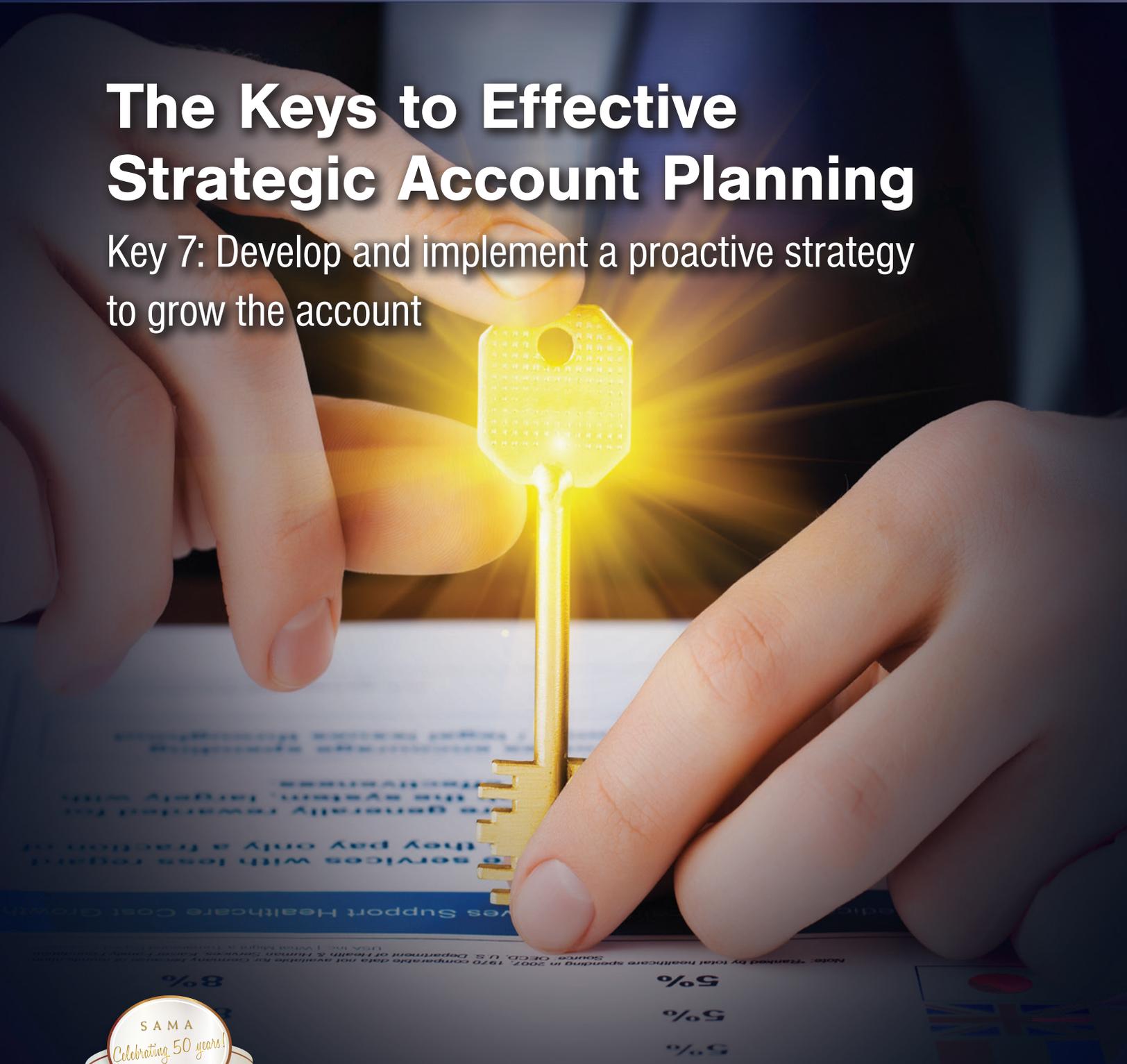


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## The Keys to Effective Strategic Account Planning

Key 7: Develop and implement a proactive strategy to grow the account



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# THE KEYS TO EFFECTIVE STRATEGIC ACCOUNT PLANNING

## Key 7: Develop and implement a proactive strategy to grow the account

By Steve Andersen

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“The keys to effective strategic account planning” is a best-practice model Performance Methods, Inc., has developed from our extensive client work in the strategic account management area, as well as our affiliation with the Strategic Account Management Association. This model, based on 10 critical best-practice areas, establishes a SAM execution framework. In this article series, we are unpacking each key and providing insight into how global industry leaders achieve SAM excellence through effective implementation of best practices.

### Figure 1. The keys to effective strategic account planning

1. Define “What is a strategic account?” and assess the ongoing fit.
2. Discover what the customer values most and validate it.
3. Assess and strengthen the account’s most strategic relationships.
4. Position and differentiate the supplier’s unique value with the customer.
5. Integrate and balance the account and opportunity planning processes.
6. Align the supplier’s objectives with the customer’s.
- 7. Develop and implement a proactive strategy to grow the account.**
8. Engage the customer in the account planning process.
9. Establish performance metrics to measure and track SAM execution.
10. Provide coaching and sponsorship to account teams as needed.

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Most will agree that account growth is one of the most desired outcomes when organizations evaluate the effectiveness of their SAM programs. Even the customer is likely to concur that if they are going to be considered “strategic” to their supplier, then there must be growth in the relationship that represents value creation or co-creation between the organizations.

But as obvious as this may appear, it never ceases to surprise us how few of the account plans that PMI is asked to audit actually have a built-in component described as the “account growth strategy.” For some time now, we have advocated a three-dimensional approach to account planning, which means that the modern account plan should have components that connect with past performance, align with current realities and develop or expand into opportunities for future growth. Organizations that follow this approach tend to find that their account plans – and account planning processes – are more complete and appropriately weighted in terms of focus and application.

So if you think that this approach makes sense, then you’re in good company. But if this is the accepted wisdom, then why are the bulk of time, account plan “real estate” and account briefing/review discussions usually so heavily weighted to the past and the present, giving short shrift to the future?

Most account managers will readily agree that proactively influencing the future is what account planning is all about, but when pressed for *how* to balance the past, present and future, there is rarely clarity about the path forward.

In this article we will discuss why account growth strategy can be a “game changer” for you and your account team, and we’ll unveil market-tested runway for account-planning success. And if, in the process, we find that account growth strategy can also provide a means for visioning with the customer, driving collaboration, developing new opportunities and creating competitive advantage, then all the better.

“The essence of account growth strategy is found at the intersection points of past proven value, future visioning with the customer, the relationship between the parties, and the belief by the customer that the account manager and their supplying organization can be trusted to deliver again because they have done so before.”



### What is an account growth strategy?

Virtually every successful business develops and deploys strategies to ensure growth and expansion, as well as effective market coverage and penetration. These are commonly referred to as *growth strategies* and *go-to-market strategies*. With more and more emphasis being placed on developing and managing our most important accounts as businesses unto themselves, it stands to reason that these concepts should apply to individual accounts as well.

If we are going to adopt a business-like approach to managing and growing our relationship and value-creation efforts with the customer, then account growth strategy *needs* to have a place in contemporary account planning and, accordingly, in the modern account plan. The concept of account growth strategy is best expressed as a function of interconnected ideas that unpack as follows:

- An account growth strategy is a proactive plan to grow our business and relationship with a strategic customer.
- It is focused on specific customer objectives that are discovered by the account team through collaboration with the customer.
- It is initiated by aligning the account team members with the customer's team members.
- It is advanced through authentic partnering efforts that ensure the customer's objectives are realized.

- It results in the creation and co-creation of measurable customer value.

Dennis Wallrath, vice president of strategic accounts at Honeywell Building Solutions, says this about the importance of proactively planning to grow strategic account relationships: “Customers expect much more today of their suppliers, especially those that are strategic to their business. Our customers expect us to work with them in a consultative manner and add value to their business. If our customer sees us as integral to their growth and success, we must reciprocate by growing our relationship in a way that consistently creates value.”

How true! Today, the most effective, appropriate and modern approach to driving growth in strategic customer relationships is through customized account growth strategies. This type of growth strategy is different; it is carefully tailored and predicated upon the supplier's most important *individual* relationships with specific customer team members, and it is connected directly with the business objectives that will define personal and organizational success within their respective functional areas. This type of strategy for growth makes sense to the customer because it connects with what is most important to them: their success through the achievement of their objectives. And it works for the supplier, because it opens the door for collaboration around the objectives that will fuel the creation of the next round of business opportunities.

### Account growth strategy: your account plan GPS

Lewis Carroll wrote that, “If you don't know where you are going, any road will get you there.” It's catchy and possibly true in some circles, but certainly not in matters related to strategic account planning – and, more specifically, account growth strategy. Does the notion that our future with our most important customers, left unplanned and un-strategized, will “turn out just fine” sound absurd to you? It should, and yet that's exactly what an account plan without an account growth strategy would seem to advocate: that if we are mindful of where we are (the present) and understand where we've been (the past), that everything going forward will magically turn out OK. Experience has taught us that while the past may be a predictor of the future, it is certainly not a guarantee. And in uncertain times, one could argue that it has never been more important to plan future growth with strategic customers than it is today.

Consider your most recent GPS experience. You began with an intended destination in mind and then entered data to determine the best route to reach it. Typically, your GPS will pinpoint potential ways to get you there, along with an optimal or recommended route. In most cases, it will give you oral instructions for each step, even tipping you off to accidents or traffic snarls up ahead.

Where does this “system insight” come from? It is based on data extracted

from the experiences of others that started in the same position and are trying to reach the same destination. Likewise, our account growth strategy should be a function of our starting point and desired destination with the customer, combined with the insight that we have gained from past experience working with this customer and their decision team members. In other words, it should be based on our personal history with the customer at both the organizational and individual levels. And it should be aligned with the business objectives and success targets of the specific individuals with whom we have developed relationships (or need to develop relationships) going forward.

### Bottom-up vs. top-down approach

There are very few things that are more important to the average customer than their personal success, and so the development of an effective account growth strategy provides the ideal platform for this kind of value conversations with the customer. Given the opportunity to talk about what's most important to them, most customers are eager to engage with their suppliers. The information flow between the parties in these kinds of conversations can be quite amazing.

The questions that typically drive the direction of the account growth strategy are first based upon discovery of our customer's future business objectives. We need to explore those areas of potential value creation that this customer team member is personally responsible for driving – or at least significantly influencing – going forward. Note that we are NOT referring here to existing opportunities already present in your account plan and opportunity plans. These areas of value creation already have been identified and (hopefully!) are being pursued with the customer.

What we ARE referring to are those areas of value creation that may be “out on the horizon,” a priority for the future but not

yet a reality. With knowledge of “what's next” in terms of the customer's focus and priorities, we will have the opportunity to engage in visioning discussions about specific future objectives, as well as how we might work with our customer to achieve them.

How should we approach these visioning discussions that will focus on the individual success of the sponsors and supporters with whom we have developed relationships? We must do so with great care and deliberate consideration because it is these conversations that will likely determine our own long-term success with the account and will form the basis for the account manager's personal credibility and the trust-based relationships that will be developed with the customer.

### The importance of authentic relationships

To be most effective in discussions about the customer's future, we need several types of information. First, what are this customer's most important future objectives? The account manager's ability to obtain this information is an indicator of the relationship and alignment that he has with the customer. But before we go there, let's consider where this customer team member sits within his organization's decision-making hierarchy – which we think of as the customer's *decision orientation*.

Levels include people who can influence decisions but do not have an official vote in the final outcome (“influencers”),

people who can make recommendations AND have an official vote (“recommenders”), people who can ultimately make the final selection and decision to move forward (“decision makers”), and people who can approve and commit funding and resources (“approvers”).



Once we understand the decision orientation of the customer, we are ready to consider the relationship that the account manager has developed with him. How does he view us in terms of our business performance within his company's environment? Based on PMI's research with our clients' customers (and validated by SAMA), we would suggest that there are typically four levels of relationship that can exist between customers and suppliers. (For more detail, please see Articles 3 and 6 in this series, but in brief: *Relationship assessment* describes a specific customer team member's view of his relationship with the supplier.)

Levels include those relationships that are reactive and commodity-based in nature (“vendors”), those that have graduated to some level of preference through past performance (“preferred suppliers”), those that have grown to include partnering-type behaviors (“planning partners”), and those that are considered essential to the customer based on significant creation of past proven value and the creation of deep levels of trust between the organizations (“trusted advisors”).

Finally, we must consider the *personal alignment* that this customer has with us as well as other suppliers. We define personal alignment as the willingness and ability of the specific customer member to support, sponsor or remain neutral to us and our



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competitors. Categories of alignment include our customer's commitment to providing strong levels of support and even sponsorship within his organization ("sponsors"), his willingness to provide



support and express a preference ("supporters"), his neutrality and lack of preference for any one supplier ("neutral" - very rare!), and his potential alignment with another supplier or a competitor by sponsoring or supporting them ("supports or sponsors competition").

### The power of past proven value

Armed with this information and insight, we are almost ready to approach the development of our growth strategy.

But we need to arm ourselves with a bit of history first: Where have we created or co-created value with this customer before? The concept of *past proven value* – i.e., solutions an organization has provided in the past that created or co-created value for the customer – is one that we refer to in prior articles in this series, and it is the potential lynchpin of the collaborative process of building a strategy for account growth with a customer.

Perhaps more than any others single factor, past proven value can provide the necessary momentum for elevating the customer dialogue above the "noise" level and into the collaborative realm. After all, if the customer has experienced value creation in the past with a supplier, then they are likely to trust the supplier and may be willing to support or even sponsor that supplier. The sweet spot of account growth strategy is achieved when three factors are all in play:

- past proven value
- future visioning with the customer
- customer belief that supply-side account manager can be trusted to deliver again because they have done so before.

### Conclusions and recommendations: a plan to grow

A thoughtfully conceived account growth strategy is the account manager's

GPS to future success with a customer. It should be focused on the customer's objectives, it should be aligned with members of both the supplier's and customer's teams, and it should be advanced and implemented through the execution of plans between two organizations that are engaged as partners.

When account growth strategy is realized, the result is the creation and co-creation of mutual value between customer and supplier, creating an active platform for future planning-to-grow discussions.

When the customer has input into the journey ahead and understands how their supplier wants to grow with them, their willingness to partner increases – as does the likelihood of mutual success. It takes valuable time for the customer to engage in growth strategy discussions, and so the reality is that they are likely to do so with only one or two suppliers in any specific market. No matter the maturity of your relationship at the outset, it's sure to be a most interesting and rewarding growth experience for both parties. And this is the good news – unless you're cast in the role of "Supplier #3." You'll be on the outside looking in. 

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**About Performance Methods, Inc.** Based in Atlanta, PMI provides consulting and training services to assist clients in the design, development and deployment of customer engagement best practices. PMI's unique approach provides clients with customized and integrated solutions consisting of sales processes, best practices and consultative selling skills. PMI has been selected by many of the world's leading corporations as their sales best practices partner and has been widely recognized for the innovation, effectiveness and the strength of its contemporary suite of customized sales performance solutions. PMI is an active participant and sponsor in the Strategic Account Management Association (SAMA), the world's largest non-profit community of strategic account management and sales best practices, and will be featured in the ten-part article series ***The Keys to Effective Strategic Account Planning***. PMI has been cited by Effectiveness Solutions Research (ESR) for leadership in the areas of depth and breadth of the PMI sales best practices solution suite, strength of methodology, value-selling orientation, advanced selling skills, solutions effectiveness, ability to customize, change management, global implementation, sales performance and sales training measurement, return-on-training and innovation. PMI has been acknowledged by Training Industry as one of the top sales training and methodology providers for 2008, 2009, 2010, 2011, 2012, 2013 and 2014 and was featured in ***The Best Practices of High Performing Sales Teams*** article series. Training Industry published PMI's ***Raising the Bar for Customer Engagement*** article their Winter/2014 Quarterly. PMI creates worldwide client value and coverage through its global partnership with Mercuri International, the world's largest sales training and development consultancy.

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