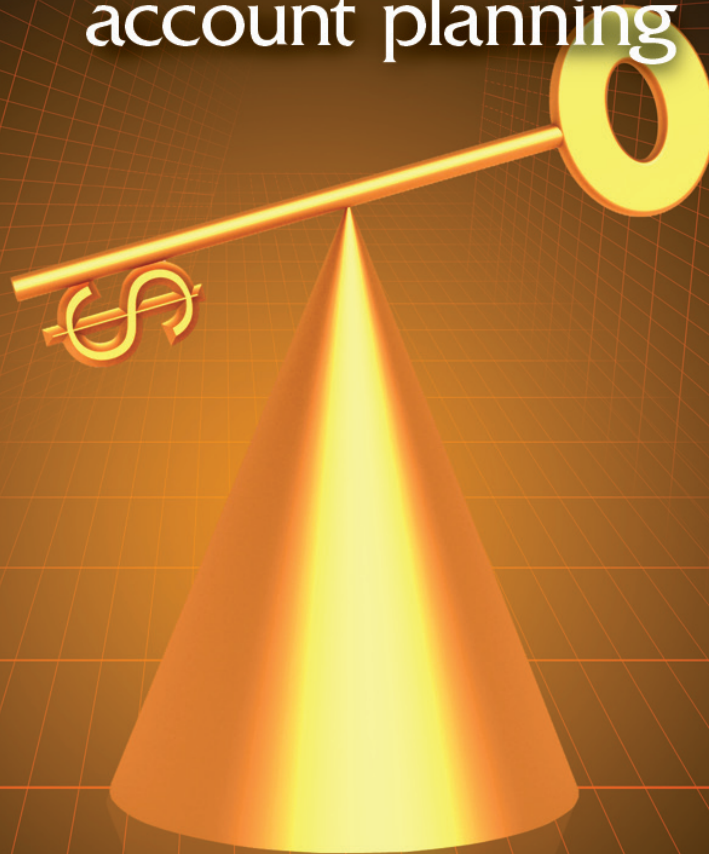


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Turning the keys

How global industry leaders deploy
the keys to effective strategic
account planning



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By Steve Andersen

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this article: Adecco, Assurant
Solutions, John Deere, Honeywell,
Schneider Electric and Zurich
Financial Services*

If you want to discover account management best practices at work, all you have to do is spend time in or around the Strategic Account Management Association and its member companies. Sharing best practices is part of the SAMA community culture, and there is no better place to find examples of how global industry leaders have achieved strategic account management (SAM) excellence.

This article's purpose is to recognize companies that have reached high levels of effectiveness with their SAM programs. Our deepest appreciation goes out both to the organizations that agreed to participate in this story and to the individuals who invested their time with one purpose in mind: sharing their best practices with other people. As we all know, the path of least resistance when it comes to helping others is sometimes to do nothing at all. Kudos to these organizations for their generosity with proven SAM best practices: Adecco SA, Assurant Solutions, Deere & Co., Honeywell International Inc., Schneider Electric SA and Zurich Financial Services Ltd.

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 growth 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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The keys to effective strategic account planning are a model of best practices Performance Methods Inc. has developed as a result of our extensive client work in the SAM area as well as our association with SAMA. Chances are, if you've recently participated in a SAMA conference or university, you may have even attended a session bearing the same name. This model, based on 10 critical best-practice areas, establishes a SAM execution framework, and we will use it as a reference point to demonstrate how global industry leaders have achieved SAM excellence.

Key 1: Define "What is a strategic account?" and assess the ongoing fit.

Our client work has taught us much about the importance of defining strategic or key accounts and communicating this effectively both internally and with selected customers. Experience shows that the account selection process is typically ongoing and a critical component of any successful SAM program. At first glance the accounts and customer relationships that are most important to a supplier's business may seem obvious, but on closer inspection it is usually the case that these decisions can be challenging and even stressful to an organization.

How can something that sounds so good for both the supplier and customer become such a difficult decision process? Among other factors it depends in part on the customer's willingness to partner with the supplier, as most suppliers have limited resources and wish to focus on a select number of key customer relationships and deploy resources accordingly. Zurich Financial Services (www.zurich.com), an insurance-based financial services leader, has implemented a successful SAM program led by a global corporate business division. Zurich's approach to defining and assessing strategic accounts and strategic account performance is a best practice.

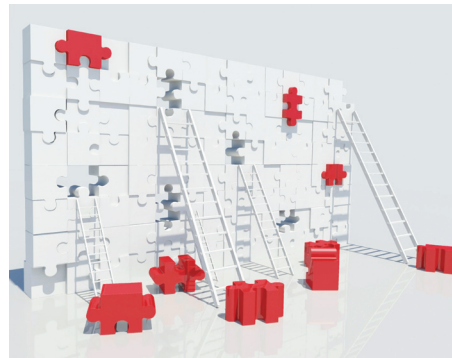
Ron Davis, executive vice president of customer management, offers these perspectives on strategic account definition: "Our model of defining strategic accounts requires direct input from our customers. Our relationship leaders (that is, strategic account managers) talk with each customer in advance to determine if there is mutual interest in establishing a strategic relationship." I couldn't agree more with this philosophy, as we see far too many so-called strategic customers that don't know they are strategic, don't care that they are strategic or don't understand what it means to be strategic. Davis went on to add that it is considered the Zurich relationship leader's responsibility to perform an ongoing assessment of both parties to determine if each performs and executes as expected, and Zurich uses qualitative and quantitative metrics to support this assessment.

Key 2: Discover what the customer values most and validate it.

Assurant Solutions (www.assurantsolutions.com) is a leading provider of specialty insurance, extended-service contracts and other risk management solutions. Assurant's deployment of best practices focused on the discovery, creation and development of customer-specific value is impressive. The company's SAM deployment

(referred to as global client management) includes a program specifically designed to align and connect with customer value. Senior Vice President Allen Tuthill puts it this way: "We take pride in the partnerships that we have been able to develop with our strategic clients, and to do this requires that we invest the time and effort into understanding our clients'

Experience shows that the account selection process is typically ongoing and a critical component of any successful SAM program.



businesses, what makes them successful and how they define and measure value. We expect all of our account managers to conduct ongoing discovery with their strategic clients, and this requires that they have the discipline to aggressively listen before trying to rush to solve the problem and propose a solution."

Honeywell (www.honeywell.com), a diversified technology and manufacturing leader, is another organization that excels at discovering and aligning with what customers value most. Kevin Madden, vice president of global sales at Honeywell Building Solutions, says, "We have always been a company focused on growing strong relationships with our customers, and the consistent creation of value for our customers sets us apart in our market. Suppliers must listen to their customers

before pitching their products, and this means investing the time and effort upfront to understand the customer's business and how they define success." These industry leaders recognize that without customer value creation and co-creation, SAM programs fail to offer a solid WIIFM (What's in it for me?) to strategic customers. Our experience is that value and the following key establish the foundation upon which suppliers and customers can build and grow authentic strategic partnerships.

Key 3: Assess and strengthen the account's most strategic relationships.

The development of strong relationships is a main component of any successful account management program. I have never seen an effective SAM program or successful strategic account manager not committed to developing trust-based customer relationships. But what seems less obvious to many organizations is the importance of conducting ongoing assessment and measurement of these relationships. John Deere (www.deere.com), a leading provider of farming, construction and forestry equipment and financing, is an organization that understands relationships' importance in business.

Jim Heseman, John Deere Credit's senior vice president of sales, shares these perspectives: "We go to market through a global network of dealers, and as the finance division of John Deere we are here to work with our dealers and their customers as effectively as possible. Strong, trust-based relationships provide a solid foundation upon which all can grow, and we consider relationship development to be one of the highest priorities of our account management program." Many organizations have learned that it is one thing to build customer partnerships grounded in trust but quite another to sustain and grow these through periods of market change. It is only through ongoing assessment and measurement of SAM execution that

suppliers can leverage the early warning indicators of potential relationship strain and take appropriate proactive action in advance.

Key 4: Position and differentiate the supplier's unique value with the customer.

We constantly hear customers say they are confused about their suppliers' value propositions beyond immediate products and prices. In a recent sales best-practices assessment in which we specifically interviewed seven strategic customers about their relationships

them." Assurant's Tuthill adds, "Our commitment to strategic account management requires that we enable our account teams with the skills and tools required to help our strategic clients understand 'Why Assurant?' How can we expect to be perceived as a strategic supplier by clients that do not have a clear understanding of what makes us different in our markets? Our strategic account relationships are based on the ongoing creation of unique, differentiable business value, and we expect our account managers and account teams to help our key clients understand this."

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approach from the outset was to define the company's processes, develop supporting tools and job aids, equip and train the team and enable everything under the technology of salesforce.com.

Joe Vance, vice president of enterprise sales, offers this about the importance of integrating and connecting the account and opportunity planning processes: "The balance between long-term account planning versus near-term opportunity planning is a critically dependent relationship. Opportunity wins and losses can have a significant impact on not only the account plan but also on strengthening or potentially weakening strategic relationships. By connecting and integrating these processes, we are able to have a more harmonized view of SAM and sales execution as well as immediate visibility to account and opportunity information through our CRM solution."

In any economy and certainly this one, it can be very tempting to let the large opportunity or "big deal" of the day command attention

and resources and take precedence over almost everything else. But in authentic strategic relationships between customers and suppliers, it's important to be mindful that beyond these opportunities there's still an account plan and planning process that should be extending partnerships and driving growth into the future.

Key 6: Align the supplier's objectives with the customer's.

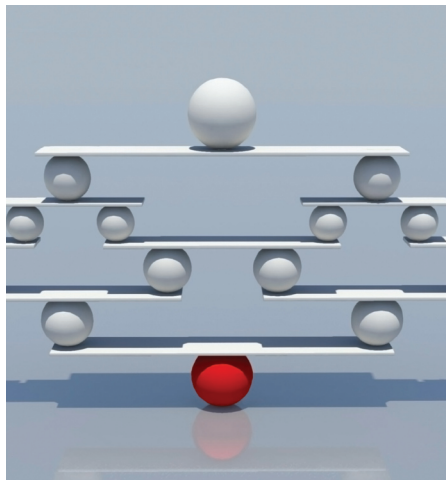
Schneider Electric (www.schneider-electric.com), a leading provider of energy management solutions, has achieved a high degree of adoption with the company's implementation of SAM best practices. Perhaps this should be expected since SAMA's chief executive officer and president, Bernard Quancard, drove the development and deployment of Schneider's global strategic accounts

with one of our clients, only one customer was able to describe the value proposition existing between the two firms, and the interviewee admitted that her understanding was "fuzzy." While this may not be avoidable in all customer-supplier relationships, we must do a better job with our most strategic customers lest we simply look like all their other vendors. Honeywell demonstrates excellence in this SAM best-practices area by empowering the global field organization to have "value conversations" with customers.

Madden says, "Perhaps now more than ever, today's customers expect their most strategic suppliers to create business value in the relationship. We expect our people to help our customers understand how we are positioned in our markets and what makes doing business with Honeywell different—for

Key 5: Integrate and balance the account and opportunity planning processes.

The stress of balancing the short- and long-term objectives that define SAM programs can at times feel overwhelming. This is especially true when priorities are unclear and there is a lack of definition, clarity and harmony around the opportunity planning process (planning to "win" sales) and account planning process (planning to "grow" accounts). While it may seem obvious these disciplines should be connected, we have observed many cases where they are not. Adecco (www.adecco.com) is a leading global provider of work force solutions. Adecco's deployment of an integrated sales best-practices solution is aligned with the company's implementation of customer relationship management/sales force automation technology. Adecco's



program in his previous position there. Michael Sullivan, vice president of global strategic accounts, recently had the idea that Schneider should be proactive about aligning its growth objectives with those of its most strategic customers. To accomplish this his team selected customers that were similarly interested in connecting at the strategic level with suppliers and initiated this alignment process.

Sullivan has this to say about Schneider's experiences: "As we solve customer business problems it becomes very important that we co-create value with our customers. It's only realistic to align objectives if both parties are willing to share critical business information, and this is only feasible in a customer-supplier relationship that is based on trust and credibility. At the end of the day if you don't know what your customer's business objectives are, then you certainly can't align with them!" How true this is, and it's also important to note how keys 2 to 4 support this. Aligning objectives requires that:

- The supplier understands the customer's value expectations.
- Strong, trust-based relationships exist between the parties.
- The customer understands the supplier's unique business value.

It's not too difficult to imagine some very powerful, positive outcomes when these keys all turn together in harmony.

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

If you look at account plans from the previous millennium, it's hard to find a plan that has a section referred to as the account growth strategy. There are always plenty of references to existing sales opportunities and the importance of closing them but typically very little on future growth and the next wave of opportunities. This is surprising since most SAM programs consider customer relationship growth a key success metric. Dennis Wallrath, vice president

of strategic accounts at Honeywell Building Solutions, says this about the importance of proactively planning to grow his 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."

A growth strategy is not simply an accumulation of existing, defined opportunities but rather a look into the future based on actual customer business objectives and an understanding of the customer's vision for future success and growth. Again, Zurich provides us with an excellent example by defining the account manager role to include this type of business thinking. The responsibilities of Zurich's relationship leaders involve a demonstrable understanding of the customer's business strategy as well as the planning and execution of an annual stewardship meeting with each strategic account in which business objectives are aligned and growth strategies are developed.

Key 8: Engage the customer in the account planning process.

Schneider has innovated by extending its account planning process to include direct customer involvement. This level of mutual or joint planning between suppliers and their most strategic customers is an indication of both parties' willingness to innovate, co-create and collaborate. Sullivan goes on to say of Schneider's approach: "We see collaborative planning as a logical component of the account planning process, and we take a customer's willingness to engage at this level with us very seriously. To deploy and drive this process, we create a mutual team with our customer and vision and shape new solutions around the customer's business drivers. We become a partner with our

'How can we expect to be perceived as a strategic supplier by clients that do not have a clear understanding of what makes us different in our markets?'

customer, and because of that we can do new things together that we couldn't do before."

It's important to mention that Schneider's implementation of collaborative planning has been deployed in two formats: bringing the parties together geographically (meeting face to face) and bringing the parties together virtually (meeting avatar to avatar) in Web 3-D. While the formats may differ in appearance, the process, results and tools are consistent in both approaches. Perhaps more than any other single key, customer engagement in the account planning process can dramatically impact the customer-supplier relationship. This type of collaboration brings the customer and supplier together at the planning table to align objectives (Key 6) and build a strategy to grow the account relationship (Key 7).

Key 9: Establish performance metrics to measure and track SAM execution.

Sustainability should be a top objective of every SAM program. The appropriate measurements of SAM performance should consider both the short- and long-term dynamics of successful account management as well as the quantitative and qualitative dimensions of SAM effectiveness. We feel that every account plan should include a customized metrics score card developed as a result of corporate SAM program objectives, global SAM strategy, regional/local SAM execution and customer input regarding how to measure the relationship's effectiveness. Yet the problem for many organizations

is a lack of available, accurate data: In a lot of cases there just isn't access to the information needed to allow for proper measurement of SAM execution.

Adecco's Vance offers expertise and insight: "Companies that concurrently marry a strategic account management deployment with an information technology platform that supports their

management as being similar to team sports. And like other teams, strategic account teams can get real benefit from timely, effective coaching."

Coaching and sponsorship are critical components of the successful SAM programs we see today. Our experience is that both roles require definition and even a little advance training to ensure consistency (SAM coaching is not the same as sales coaching) and the coaching and sponsorship dimensions of the modern SAM

'The balance between long-term account planning versus near-term opportunity planning is a critically dependent relationship.'

SAM and sales methodologies will reap the benefits of efficiency. We have realized value in several key interrelated areas: our SAM methodology, our integrated technology platform and the proactive management review and coaching that is now possible as a result. Our managers are able to see what's working and what's not in a timely manner, and we are able to access data that provides insight into our effectiveness throughout execution."

Key 10: Provide coaching and sponsorship to account teams as needed.

Account management is a business discipline, not just about sales. When you consider the numerous facets of managing and growing strategic customer relationships, it is apparent that on any given day, within any given account, there can be a lot of things in motion at once. We have observed the effectiveness of coaching, sponsorship and support from management and leadership to be a critical success factor for many SAM programs. John Deere Credit's Heseman shares this perspective: "When our account teams are working with our dealers and their customers, opportunities are created for managers to listen to what's happening in the field and provide feedback and insight based on experience. We see account



program are key determinants of the predictability, repeatability, measurability and sustainability of account management success. Important early steps for some organizations include focused discovery and greater understanding in these areas:

- Why are top-performing account managers successful?
- What do they do in daily SAM execution that causes their success?
- How do they deploy best practices to create/co-create customer value and build/grow customer relationships?
- Where are performance gaps even with these top performers?

Armed with the answers, effective SAM coaches and sponsors can add value to their account managers through an approach that is more meaningful to the recipient and more focused on driving the right business outcomes.

Conclusions and recommendations

Many of today's most successful

companies are becoming more strategic to their most important customers through the deployment and implementation of effective SAM programs. The global industry leaders referenced herein have graciously shared examples from within their own organizations, and we hope this article has provided insight into the impact an effective SAM program can have on your business. So how can you use this information to ignite your SAM performance and accelerate SAM execution?

Whether your SAM program is relatively new or fairly established, the first step is to assess your performance in each of the 10 best-practice areas offered in the keys to effective strategic account planning framework and *select the keys* that require immediate attention. Next determine which of your selected keys can have the greatest impact on your organization's SAM effectiveness and *prioritize the keys* accordingly. Then choose a few strategic customers and candidly discuss with them their expectations of strategic suppliers and how they assess your SAM effectiveness and value creation efforts; *connect the keys* with their feedback to validate your selections and priorities. Now it's time to *turn the keys*, ignite your SAM performance and accelerate your SAM execution to the next level of effectiveness! 🔄

Steve Andersen will conduct workshops about this topic at SAMAs 46th Annual Conference in April in Chicago, where attendees will also receive an account planning template supporting the keys. He is president and founder of the Atlanta-based consultancy Performance Methods Inc. (www.performancemethods.com) and can be reached at (770) 777-6611 or sandersen@performancemethods.com.

Additional resources

For more information on this subject by this writer in SAMAs library, the editors recommend: Steve Andersen and Allen Tuthill, "Charting the future with your customer: how Assurant Solutions implemented collaborative account planning," *Velocity*®, Vol. 9, No. 2, Spring 2007, www.strategicaccounts.org; and Steve Andersen, "On-demand webinar: keys to effective strategic account planning," Feb. 20, 2007, www.strategicaccounts.org.