

Strategic Sales Account Management How To Win More Business With Less Stress



The Sales Coaching Institute
PRODUCTIVITY TRAINING FOR SALES AND SALES MANAGEMENT

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As a business, maximizing profits is always a critical component of being successful and continuing to grow and expand. Within this fact is a hidden a conundrum that all business faces at some point, and that issue revolves around strategic sales account management or key account management.

There are some accounts in your business that are driving your corporate growth. These may be called your top accounts or your key accounts, or perhaps your VIP customers. Whatever the term you use, they are the accounts that are driving your business, but they are also the customers you work the hardest to maintain.

These strategic sales accounts are the accounts that get the most of your resources, and may even have dedicated resources that are not provided to other customers. This, by the very use of the resources, costs your company money.

On the other hand, in order to maintain these strategic sales accounts you are also offering them the best prices and the biggest discounts, which is another cost to your company in doing business with these strategic sales accounts. To create a balance, and to ensure you are still making money, it will be essential to develop a well-developed plan or program that is often known as a key account program or a strategic sales account management plan.

There are several key factors in developing these strategic sales account management plans that will build your key customer base while also reducing stress. Keep in mind that with the cultivation of a greater number of strategic sales accounts your company has more flexibility in allocating resources and offering special prices, reducing the very real concern of losing a key account if you only have a handful.

Examining each of these in detail will help the business to thrive, your sales team to be highly successful and the customer to continue to see the value in purchasing from your company instead of the competition.

Choosing Effective Sales Leaders

The most important factor for any business to consider is having the right sales professional in a position to be able to work directly with those key accounts. This is not a position that is just about sales; it is about knowing the industry, being able to assist in problem-solving for the customer, and being proactive in assisting the company to recognize gaps or potential issues and having options to consider for solutions.

All sales professionals are not qualified, nor do they have the temperament or the skills to be able to be in these sales leadership jobs for the key accounts. They need to be able to understand the big picture, and to understand how to manage hundreds of sales to multiple global locations and keep the account satisfied.

This is very different than working one-on-one with a single business, it is more like working in partnership with the customer with the goal to continue to increase sales, provide invaluable services, and position your company to be uniquely prepared to meet any new needs for services or product that the customer will have in the future.

Taking a closer look at each of the skills required by these key sales leaders for your strategic sales account management plans will require a professional who has:

- ***Deep knowledge of the industry*** – the sales professional has to know the business of the business. This is more than just having a general knowledge; they need to have a more than a basic grasp of processes, models, applications, trends and areas of growth. They also need to understand the challenges, problems, pitfalls and difficulties that the company faces, and be able to generate ideas, solutions and options.

The second part of knowledge and understanding is to be able to present unique ideas to the company that proactively address the known challenges. Companies want to buy from sales reps who are offering a real solution to their challenges and obstacles, but

they don't want to listen to a rote sales speech that indicates a lack of that empathy with their challenges and little or no actual expertise.

- **Preparation skills** – entering into the role as a strategic sales account manager requires additional levels of planning and organization. This is not only planning and organization on the company side, but it also includes planning and organizing for interactions, meetings and sales presentations with the customer side.

While it is possible to train a strategic sales account manager on how to prepare for a sales meeting with a global buyer as a potential new key account or to maintain an existing account, there are some people that are just more intuitive about how to approach these meetings. They don't simply make a presentation, they tell a story, engage the people in the C-suite, and come alongside them as a resource, a problem solver, and a collaborator in helping overcome challenges the business is facing with solutions and products from your company.

- **Communication skills** – having the ability to ask questions, facilitate discussions, and actively listen to what the customer is saying, is requesting and is seeking is critical in a strategic sales account manager position. This communication is also essential on the sales side to motivate, support and provide effective mentoring and leadership for the sales team.

When the strategic sales account manager has effective communication skills with both the internal sales team and the customer, misunderstandings, mistakes and missed opportunities are much less likely to occur. Communication can also assist in providing one-on-one or team support to the sales staff. Training, sales methodology reviews, discussing the sales strategy or working with the sales team to resolve challenges and

potential obstacles all require above average communication skills.

- **Coordination** – when working with the sales team and the customer, having a coordinated and consistent message between all sales staff is critical. Not only does this ensure that the approach to the account is consistent, but it also builds up your company's reputation as a top resource and customer service based business. When your customers are confident in the support they get from the sales team; they are more willing to place larger orders and to expand their business with your company.

It is also essential for the strategic sales account manager to have the understanding of how the order will be placed and how your company will fulfill the order for the customer. This allows the sales leader to be able to negotiate the sale at that time, with a complete understanding of what the process will be, providing a clear picture that is accurate.

- **Account management** – while this may seem obvious, the strategic sales account manager has to be able to see the big picture with regards to the specific account and the overall business goals. This means not only developing a plan for a specific account but developing a plan that also is effective for your company.

This can include setting up territories for sales team members to work that maximize their experience, expertise and their business relationship with the buyer's key team of players. Management also means being accountable for the successful implementation of the business plan, and also evaluating and monitoring the account. Business understanding and knowledge, as well as human resource management skills, accounting, marketing and project management types of activities and requirements, will also fall into this category.

- ***Satisfying the customer*** – maintaining customer satisfaction in both resources as well as pricing is critical for the strategic sales account manager as part of their overall management and planning requirements.

This means understanding what is possible to do and staying within the resource allocations, but also in building your business up as an invaluable resource for the customer. The key is in not giving away too many resources or offering too low of a price, keeping your margins of profit within the range you have planned and set.

In addition to these key characteristics, there are two additional components that anyone working as a top strategic sales account manager has to have. These are not impossible to teach and, in fact, should be an essential element to add to any professional training for your sales leaders responsible for developing and implementing strategic sales account management plans.

Develop True Business Understanding

Just having a sales leader who understands sales is not enough in today's fast-paced industries and markets. Instead, sales people have to possess a complete understanding of business, which is sometimes described as business acumen or business intelligence.

It is important to realize this is not business intelligence about your side of the sales transaction. Rather, it is about business intelligence or acumen on the customer's side of the transaction. Details about a specific company are not challenging to find, and with just a bit of research, this information is readily available. Knowing the customer's company profile is a strategic part of C-suite selling and retaining customers. It is often overlooked, but also a very effective tool in preparing presentations and planning for meetings.

In other words, at the top, an effective and efficient strategic sales account manager will understand what is driving or creating opportunities for growth for their customers, what will increase their profitability, and how the customer's business actually works as a company.

This information can be strategically woven into discussions, business case reports, planning and even in developing the strategic few questions you can ask to engage the C-suite even if you only are scheduled for a few minutes in a brief meeting.

By considering how this will impact the sales leader's approach to meetings with the C-suite professionals, how they will plan the account, and how they will coordinate the sales efforts of their team, it is evident how this type of training and knowledge is key for success.

Sometimes, and this is becoming even more evident in global marketing, the role of the strategic sales account manager may be to know about political changes that can impact how a company does business. It may also mean addressing how the customer may inherently be resistant to the changes that are coming by providing options to what may have been seen as the only possible consideration. Again, this only happens when the strategic sales account manager has that deep level of expertise about not only what is possible, but what is feasible for their customer.

With a true understanding of the customer's business, including changes in their market and demand on their products and services, the strategic sales account manager is uniquely positioned to make presentations that draw in the customers to create a demand for your company's products and services to meet an existing need or a future need. By proactively addressing this need, your sales leader and sales team are the first to approach the customer with a solution to a problem that is either just developing or the company is aware of as an issue they need to address down the road.

Making a Case

One of the most challenging aspects for any strategic sales account manager is to turn their sales talent to the more analytical task of creating a business case to prove or support the reasoning or strategy presented to the customer.

A business case, also known as a business case report, is an illustrative way to show how a specific product or service will be of value to the customer. This could be to boost profitability, decrease manufacturing costs, improve efficiency, enhance end-user satisfaction, decrease defective or DOA components or even in reducing maintenance costs.

This is a highly effective strategy for executives as they can actually see in analytics and data what the proposal is going to produce. Often in a top business case report, there will be a comparative component that also shows what will happen without any changes, or if the status quo is maintained. This comparison can be highly effective, highlighting in measurable and real terms the cost of change versus the cost of doing nothing at this point and in the future.

A business case study, however, is not always a formal written project. A top strategic sales account manager can utilize information in a sales meeting with executives to provide a clear picture of how a product or service has been utilized by another company, providing a verbal report on how that problem was solved and the benefits provided through the use of your products and services.

Understanding what to involve in a business study, how to develop a concept and share the data and analytics that will be important to your specific key account executives is both an art and a science. In many ways, it goes hand in hand with top business intelligence, as without business acumen it will be impossible to generate the information and data that is relevant to the key account.

The business case is often the least considered by the most important part of any sales presentation or meeting with the C-suite executives of your key accounts. These are professionals who have limited time to hear narratives, but who are provided with "ideas" all day. By combining the idea of the solution to a problem you are proposing with the actual reality of the data, you are creating a winning combination for this highly sophisticated type of client meeting.

Evaluating Key Accounts

While the top strategic sales account manager will take a lot of stress out of adding to your large account customers, there is also the challenge of having to actually evaluate which accounts fall into that key account category and which are just good accounts or major accounts for your business.

To be able to market effectively to these accounts, thereby reducing stress and even reducing the additional resources and cost savings you may have to offer to incentivize the customer to become and remain an account, there are other considerations that should be in place. In this assessment, the role of the strategic sales account manager in determining if an account has the potential to rise to this level will also be critical. That training provided in business intelligence and acumen is going to be invaluable in this aspect of planning.

The top factors to consider in determining if a customer will become a key account and have access to those additional resources and discounts should be based on a set of criteria. These are not subjective but rather objective, based on data, trends in the marketplace and industry, and a thorough understanding of the infrastructure of the customer's business.

1. **Growth of the customer** – it will be essential to choose customers as key accounts who have an industry average growth rate or above. However, it is also essential to consider the growth rate of the industry. Your company does not want to be

allocating resources and offering pricing discounts to a company in an industry that is slowing down and not increasing over time.

2. **Actual sales and projected revenue potential** – the amount of sales the company will generate should be a factor in determining if they qualify as a key account. In many companies, there is a cut-off of 15 or 20 % of gross revenue for your company for the customer to be considered a key account. This can mean that some previously key accounts may not stay in that position as your company grows and expands into new markets or with new, larger clients.
3. **Understanding of the customer's industry** – the more that a sales professional understands the industry and the company infrastructure the more it is evident if the company is on the cutting edge in the industry or is somewhere in the middle or the bottom sector. Of course, if the customer is planning changes or is moving to respond faster to marketplace needs, this is another factor to keep in mind.
4. **What the customer wants** – it is essential to have a plan as to what can reasonably be offered as either discounted prices for volume sales across multiple locations or markets, as well as what the customer may be expecting in resources from your company. It will be essential to develop a plan of what can be offered with either the discount or the resources, and then propose this to the customer with the option to negotiate. It cannot be stressed enough that the strategic sales account manager who has the ability to anticipate what the C-suite with insight into probable customer wants and needs can position your company to make a highly attractive offer that keeps your profits in the margin required and also provides to levels of customer satisfaction and service.

Finally, the last step, and one that is very crucial is to have the strategic sales account manager work to develop the best sales team to work with the customer. This is true if the sales team will have ongoing personal contact with the business, or if most of the transactions and sales calls will be completed by phone or, even more commonly today, through online interaction in virtual meetings.

This means that the sales leader has to be able to create the territories that maximize the potential for each sales rep to be a resource to the custom at each location, unit or aspect of the customer's business under their territory.

It also means have the ability to match the personality of the sales representative for a territory with the needs of the customer's buyer on the other side of the table.

This may mean bringing in sales staff with specific experience in that industry. New staff will need to be hired with care not just for their experience, but in their understanding of your sales model and their ability to work within the system your company utilizes.

The strategic sales account manager for the account will also have to develop sales quotes that are obtainable, but that also challenge sales reps. Providing training, mentorships, one-on-one feedback and providing effective compensation packages for sales reps will also assist in ensuring that custom satisfaction and sales will continue to grow and expand in a positive, proactive and very lucrative way.