

Strategic Account Management

A Trojan Horse strategy

By Joseph DiMisa

What can 21st century strategic account teams learn from the ancient Greeks? Plenty.

When Odysseus wanted to penetrate the city of Troy, he ordered construction of a large, wooden horse with a hollow interior to house his Greek warriors. The Greeks towed the horse to Troy's city walls and presented it as a gift. Thinking they had won the war, the Trojans pulled the horse inside the city and celebrated their victory. The triumph was short lived: In the night, the Greek army vacated the horse, fanned out across Troy, and established a stronghold.

While strategic account teams would not want to swarm their customers, or conquer them, they do want to fully serve and penetrate their accounts. So, as the Greeks did, the key is to establish a beachhead in a customer's organization. Working from a base of influence, a team of knowledgeable, well informed, aptly prepared strategic account warriors can identify the true potential of the account and launch multiple efforts to meet customer needs throughout the organization.

Given the increasingly complex business conditions and competition for time, attention, and budgetary dollars, strategic account managers who effectively build this capability will likely enjoy a long-term relationship that will produce significant returns for many years.

What it takes to Manage Strategic Accounts Winningly

A strategic account is a critical relationship where there is a proven or potential need for one or more of the following: purchasing a broad array of services or products, establishing a long-term collaborative and meaningful relationship, and/or generating significant revenue over multiple years.

With strategic accounts, the means to success is not an army prepared for battle, or a group of aggressive "hunting" sales people, but a team that builds credibility, trust, and thought leadership through a positive and mutually beneficial relationship with key contacts. Taking on strategic account management is a role, not a job. Individuals functioning in this role face a demanding set of accountabilities, including the following:

- Increasing lead flow and growing profitable revenue through more effective strategic account relationship management,
- Effectively managing key accounts as the company's most im-

portant assets,

- Leveraging the company's products or services and developing business across a broad network of customer contacts, and
- Contributing to the overall improvement of strategic account capability within the team.

Strategic account management starts with understanding who the customer is and how they would like to be served; it culminates in trust and respect. Figure 1 captures the nuance and behavior that distinguish strategic accounts from transactional sales. Strategic accounts require a business-based orientation and building personal relationships. It's not about "here is what we offer" but rather about "these are the business problems we solve." Clearly, the account team must be skilled in the behaviors on the left before they can move to the right, but building the capability to demonstrate those right side behaviors is critical.



Figure 1: The Shift from a Transactional Mindset to Strategic Account Success

Successful strategic account managers employ a rare blend of business acumen and relationship skills, engaging the key account in all facets of the relationship from developing new business and extending current business while delivering on current commitments. They build

multiple relationships within the customer organization. Driven by a commitment to impact, they proactively reinforce, measure, and assess their influence on the customer and their ability to differentiate their company from competitors.

The Strategic Account's Trojan Horse: The Strategic Account Relationship Tool

Clever strategy helped Odysseus and his band of brothers to triumph; similarly, smart strategy and attention to detail is the key to managing strategic accounts.

A Strategic Account Relationship Tool can help managers and team execute that strategy. The tool can be the means to:

- Orchestrate the strategic account and oversee delivery,
- Discuss ways to expand current opportunities and seek new ones,
- Identify the need for and effectively leverage other resources, and
- Engage the team in discussing impact and value added in the context of business strategy and results.

Figure 2 presents a sample Strategic Account Relationship Tool that can be customized to capture key information about an account and plan for strategic maneuvers. The Strategic Account Relationship Tool is more than a form to complete; it acts as a reference point that can be used to drive results. Employed wisely, the tool enables strategic account managers to actively manage the relationships, the resources, and the value the team is providing to the account. It engages the strategic account team in disassembling the account and the customer relationship to build a winning strategy.

The Strategic Account Relationship Tool focuses on the following categories of information. The key is to develop a robust account plan and execute it profitably.

Basic Account and Business Unit Information

Strategic account teams must know the customer inside and out — all business units and subsidiaries, not just those where a beachhead is established, and all contacts (names, location, role, and current relationships) within the businesses. Of particular importance is specifying the role of each contact, i.e. the influencers, the economic buyers, the decision makers, as well as the key relationships (such as next-generation leaders).

Central to any strategic account are the key contacts and the relationships formed with them. The goal is to establish and maintain a broad range of trusted relationships across functions and business units. Therefore, strategic account teams should actively invest in individual relationships and regularly engage in high-level business conversations with key customer contacts.

Above the Funnel Activities

Teams should identify what SOV can be used to open a door or strengthen a relationship. SOV stands for “something of value” — from free samples to customer testimonials — that will attract customers to the product or offering. The key is to give customers just enough information to pique their interest and stimulate demand, but not totally fulfill their needs. The team should use the SOV that presents an opportunity to extend relationships with targeted contacts.

Account History

An active record of prior and current sales will reveal buying patterns, configurations of service and deals, pricing history, sales cycle and length of the cycle. It also confirms who the buyers and decision makers have been — all valuable information that can influence a



team's approach to expanding account relationships. Knowing what did or did not contribute to past success informs future strategies and allows new team members to streamline their ramp-up curve.

Key Customer Issues and Business Imperatives

This is the heart of the strategic account management. Teams should review business issues, the fact base, and possible product/service implications. With strategic accounts, the team must remain/informed about the customer's business environment, the business model, strengths, weaknesses, opportunities and threats (SWOT), and strategy. It's about knowing the customer's industry and the hot trends, as well as the issues of customers' customers.

Strategic account teams should know what does and does not make the customer effective. Armed with such insight, a team can spot deficiencies in a customer's operations (e.g., failure to use latest technologies). This delta or gap can create a sales opportunity, and once uncovered, an expert and experienced team can close that gap.

Account Goals

Strategic account teams must set goals to continually expand relationships across the customer's organization. A few key contacts in a single organization are insufficient; better to keep expanding and meeting people, positioning the team at all levels in order to withstand any future organizational change.

Working from the customer's issues, imperatives and current account relationships, the team can establish mid-term, long-term, and annual



goals for managing the account. The key is to invest in the relationship through continual touch-points and substantive time on-site, including after the sale to demonstrate how much the company values the relationship.

Opportunities and Action Plan

With the goals in mind, teams identify opportunities and establish their action plan, the opportunity, customer issues, product or offering, potential value to customer, estimated annual sales, key contacts, as well as action plan steps, participants, expected outcomes, timing and status.

Strategic account teams must avoid being perceived as only looking to generate more sales. Trying to sell too much can hurt the customer relationship. A well-managed team is always on the lookout for opportunities, but they let them come naturally by being “present.” They focus on opportunities for impact or those that fit the team strategy. Sometimes it’s necessary to turn down low-impact or non-conforming opportunities.

Throughout the relationship with a strategic account, strategic teams should strive for impact at both the enterprise and the individual level. Successful teams continually add value to the relationships and the customer’s organization.

Focus on Impact and Stick with the Plan

The last point of success for strategic accounts is the actual impact the team is making. If the team is not having an impact, it is not successful. It is valuable to formally measure and assess the trajectory of the account relationships, showing the impact and ROI. Winning teams establish measures for assessing penetration, e.g., year-over-year revenue growth and consistency, sales by divisions/business units, number, and quality of relationships at senior and mid-levels, including range across the organization, number of contacts and activities conducted at target account over the bi-annual measurement period. These are all important “dashboard” indicators that show success.

Just as the Greeks had a strategy and executed against a plan, strategic account teams should stay the course with their accounts. Strategic accounts take years to develop, as do strong relationships. Teams that are well positioned in their accounts win customer confidence, expand their sphere of influence, and generate meaningful revenues for many years to come. Teams that maintain this position will be very hard to dislodge from their accounts. **SSE**

Figure 2: Strategic Account Relationship Tool

Basic Account Information			
Account Name (Parent Company)			
Industry			
Annual Revenue			
Total Employees			
Business Units			
Key Subsidiaries, Divisions, or Business Units	Type of Business	Annual Revenue	Number of Employees

Contacts						
Key Contacts Name/ Title/Phone/ email	Corporate, Subsidiary, Division, or Business Unit			Role and Influence in Organization (Decision Maker, Influencer)		Relationship with
Key Contact Activity Ledger “Above the Funnel Activities”						
Key Contact	Division	Title	Phone	Email	SOV (Something of Value Offer)	Last Contact Date
Account History						
Prior Project Types		Corporate, Subsidiary, Division, or Business Unit			Approximate Revenue	
Key customer issues and business imperatives						
Business Issue	Fact Base	Focus (e.g., division, line of business, function)			Possible Sales Implications	
Account Goals						
Overall Mid-Term, Long-Term Goals						
Goals for Next 12 Months						
Opportunities and Action Plan						
Repeat this section as many times as needed to capture all account opportunities and action plans						
Opportunity						
Opportunity Description						
Customer Issues						
Offering						
Potential Value to Account						
Estimated Revenue (by year)						
Key Account Contact(s)						
Opportunity Description						
Action Plan						
Steps	Participants (and Customer)			Expected Outcomes		Timing and Status
Summary of Opportunities and Status						
Opportunity		Offering	Estimated Fees (by year)			Status

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