THE KEY ACCOUNT MANAGER'S POCKETBOOK

By Roger E. Jones

Drawings by Phil Hailstone

"This compact, easy-to-read book on key account management reduces this complex subject to understandable proportions and easily beats most of the dense, convoluted current texts on the topic".

Professor Malcolm McDonald, Professor of Marketing Planning, Cranfield School of Management

"Building long-term customer-supplier partnerships is the foundation of business success. The Key Account Manager's Pocketbook shows how this can be done through planning, good communication and keeping up-to-date with customers' needs". **Roger Burnell, Managing Director, Britannia Airways**

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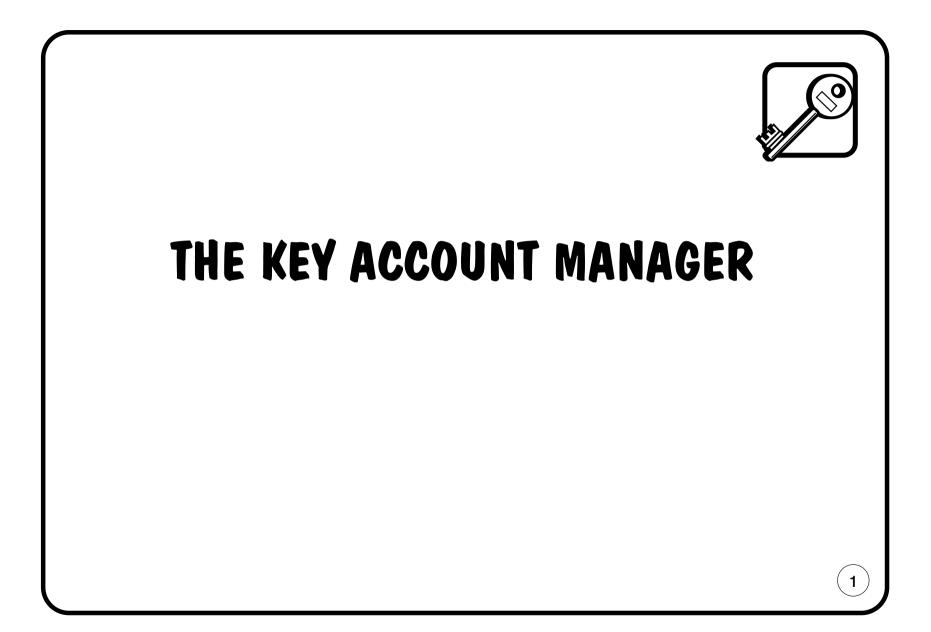


KEY ACCOUNT HANDLING

Taking on a new account, getting organised, the key account diary, account meetings, account follow-up, handing over an account



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WHO IS A KEY ACCOUNT MANAGER?

Anyone who wants to keep and develop business with important customers.

People like: management consultants, accountants, solicitors, merchant bankers, head hunters, surveyors, advertising and PR executives, stockbrokers, retailers and manufacturers of all types, IT and telecom service providers, travel agents, engineers, publishers, trainers, car salesmen, conference organisers, hospitality suppliers, architects, computer programmers, independent tradesmen, haulage contractors, insurance brokers, fund raisers, printers, media specialists, health service providers, etc.

And, most importantly ...

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....YOU



WHAT IS A KEY ACCOUNT?



A key account is one of your most important customers - with whom it is crucial to develop and maintain an added value relationship.

To identify which customers are key, decide if the customer/account:

- Is a consistently high revenue producer (remember 20 percent of your customers probably produce 80 percent of your revenue)
- Is offering opportunities to increase sales
- Is looking for a loyal business partner/adviser (you!)
- Is a strategically important industry or market opinion leader

Key Accounts Keep Your Business Growing



WHY A KEY ACCOUNT IS IMPORTANT



A key account customer offers long-term potential:

- A constant (and growing) stream of high quality revenue
- Reduced sales costs (it is cheaper to grow your business with existing customers than deploy a sales force to find and secure new ones)
- Targeted planning for the future (having a dependable source of sales will enable you to plan investments for your business)
- Improved knowledge of your marketplace (developed via in-depth knowledge of your key account's needs)

Nurture Your Key Accounts

WHY A KEY ACCOUNT IS DIFFERENT



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Key account customers differ from your other customers in many ways:

- Your competitors are constantly trying to win them from you
- Multiple decision-makers and many staff influence the buying decision
- An anti-sponsor may exist in the key account someone who may subtly try to sabotage your sales efforts or relationship
- It is especially important to understand your key account's business
- Strong relationships need to be developed across numerous levels between your two companies

Key Accounts Are Worth The Extra Effort

THE ROLE OF A KEY ACCOUNT MANAGER FROM THE KEY ACCOUNT'S PERSPECTIVE



Your key account will expect you to:

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- Be the main link into your company for all issues
- Understand its business, market needs and competitive environment
- Help sell them products/services that achieve their business objectives
- Add value to the business relationship with your firm by, for example, acting as a consultant on issues not directly related to your main business
- Help exploit market opportunities and, when possible, identify new and exciting business challenges
- Always act with integrity and in a professional manner

Remember, To Your Key Accounts You Are Your Firm's Ambassador

THE ROLE OF A KEY ACCOUNT MANAGER FROM YOUR FIRM'S PERSPECTIVE

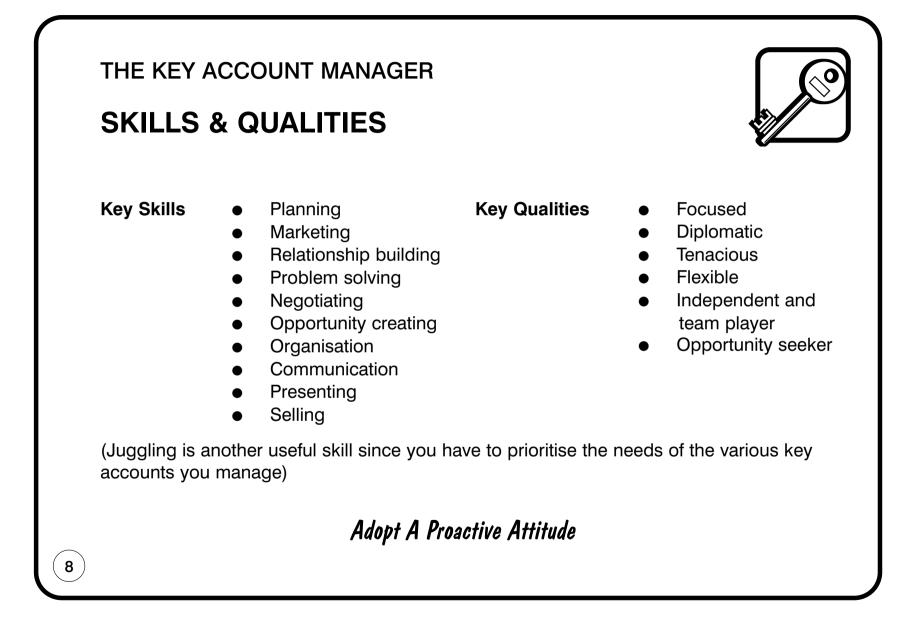


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Your firm will expect you to:

- Understand all aspects of the key account's business
- Proactively develop more business with the customer
- Establish strong relationships with the decision makers in your customer's organisation
- Build a wide awareness of your firm's capabilities throughout the key account
- Handle the key account in a professional manner on a day-to-day basis
- Develop a true business partnership with the key account

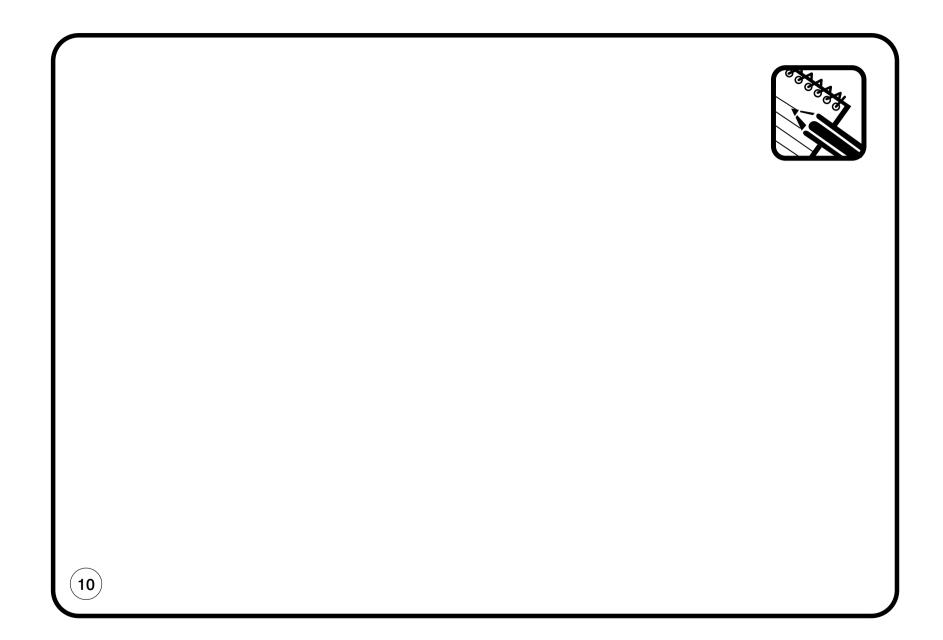
Your Efforts Should Make Your Key Account Want To Rely Exclusively On Your Firm For Products/Services



EXERCISE



- List your firm's key accounts. Why is each one important? Ask your colleagues in marketing and finance the same question. How does your list of key accounts compare with theirs? Can you explain the differences?
- Ask your main contacts in your key accounts what their expectations are of you, as the key account manager. If you don't know them well enough to do this then you need to develop closer business relationships - this pocketbook will help show you how.
 - Ask your boss what his expectations are of you as a key account manager.





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THE KEY ACCOUNT AS A BUSINESS PARTNER

THE KEY ACCOUNT AS A BUSINESS PARTNER

ABOUT THIS CHAPTER



Are you in trouble? Does your customer think you are merely the supplier of a commodity?

To grow your business your key account customer must think of you as a business partner. This chapter will show you how to achieve this; it demonstrates:

- The benefits of forming a key account partnership
- The importance of customer perception

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- The significance of the customer perception ladder
- How to climb this ladder to become a true business partner with your key account

THE KEY ACCOUNT AS A BUSINESS PARTNER **THE BENEFITS**



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If you form a business partnership with your key account you will:

- Profit from a mutually beneficial business dialogue
- Lock out your competitors
- Be able to focus on long-term planning
- Secure a constant and reliable revenue stream

THE KEY ACCOUNT AS A BUSINESS PARTNER

CUSTOMER PERCEPTION



How well you think you are progressing with your account is irrelevant. The key is how well your customer thinks you are doing. Does your customer:

P ick faults with your products?

E njoy discussing business issues with you?

R un when you call?

Consider you to be the best?

E nter into agreement with your competitors?

P ut off talking to your rivals?

T ick you off from time to time?

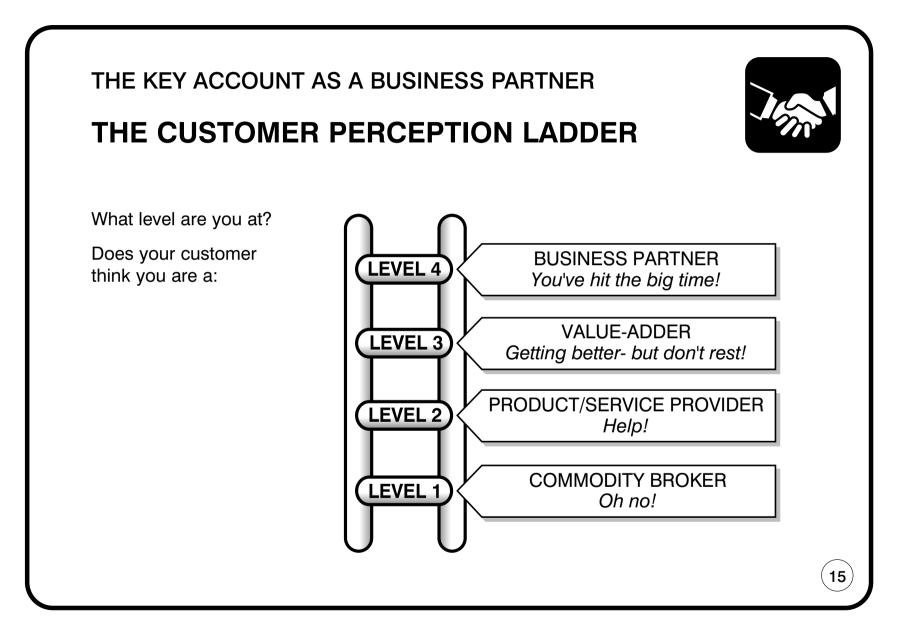
I magine you help him succeed?

Opt for competitor products from time to time?

N eed you as much as you need him?

Customer Perception Is What Counts

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THE KEY ACCOUNT AS A BUSINESS PARTNER

THE CUSTOMER PERCEPTION LADDER LEVEL 1: THE COMMODITY BROKER

To the customer, you are just a commodity supplier. Price is the only factor that influences the purchasing decision. A car owner, for example, might think all insurance companies offer the same product/service, so pick one based on price alone.

At level 1 you are in trouble because:

- Price sensitivity is sky high
- Customer loyalty is zero

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THE KEY ACCOUNT AS A BUSINESS PARTNER THE CUSTOMER PERCEPTION LADDER LEVEL 2: THE PRODUCT/SERVICE PROVIDER



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To customers you offer a product/service plus some benefits. Price is still the driving factor, though, in distinguishing among competitors' offers. If they think this, then when your competitors come out with a turbo engine for the same price, they will expect you to do the same... and quickly.

Level 2 is only the first step up:

- Price sensitivity is high
- Customer loyalty is low

THE KEY ACCOUNT AS A BUSINESS PARTNER

THE CUSTOMER PERCEPTION LADDER



LEVEL 3: THE VALUE-ADDER

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In the customers' eyes you add value by helping them achieve their objectives. Take, for example, the banker who helps to finance a customer's new overseas project and also gives advice on exciting opportunities that fit in with the customer's expansion strategy. Slowly but surely you are tying the customer in.

> Level 3 is a good position to be in but not the place to stop or, worse, slip! At this level:

- Price sensitivity decreases
- Customer loyalty increases

THE KEY ACCOUNT AS A BUSINESS PARTNER THE CUSTOMER PERCEPTION LADDER LEVEL 4: THE BUSINESS PARTNER

You've reached the top! The customer perceives you to be an insider. The strategic advice and insight you provide - as well as your product/service, of course - continually contribute to your customer's success.

At level 4 you have built a solid, long-term relationship:

- Price sensitivity is low
- Customer loyalty is high



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THE KEY ACCOUNT AS A BUSINESS PARTNER

CLIMBING THE CUSTOMER PERCEPTION LADDER



Up to Level 2

If your customer perceives that you are at level 1, a commodity broker, you can climb to level 2 to become a product/service provider by:

- **Differentiating your service from your competition.** For example, in Spain you can typically only buy plain potato crisps, so all a manufacturer has to do is add salt n' vinegar flavouring to climb to level 2 the provider of a differentiated product/service.
- Selling the benefits of your product/service. For example, if you are an account manager for an airline, tell business customers that by flying business class they will arrive at their destination feeling refreshed and ready for a full day's business (thanks to your comfort and service improvements, of course).

Up to Level 3

You can jump from level 2 to level 3, a value-adder, by:

• **Simply setting account objectives that mirror your customer's business objectives.** This will ensure that your efforts focus on creating real value for your key account.

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THE KEY ACCOUNT AS A BUSINESS PARTNER

CLIMBING THE CUSTOMER PERCEPTION LADDER



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Up to Level 4

To reach level 4, a strategic business partnership, you must follow the steps described in this book:

- Discover opportunities within your key account
- Set account objectives and strategies that will help both you and your key account grow
- Design key account plans that will help you structure your planning
- Develop strong relationships with decision makers and political high flyers, to position yourself strategically within the key account organisation
- Generate strong positive awareness of your firm throughout the key account
- Win new business with your key account
- Proactively and professionally handle the key account on a day-to-day basis

THE KEY ACCOUNT AS A BUSINESS PARTNER **EXERCISE**



- > Ask yourself where you think you stand on the customer perception ladder.
- More importantly, where does your key account think you and each of your competitors stand on the perception ladder?
- List the reasons for your current position on the perception ladder?
- If you are not yet at level 4 then, before reading further, write down the practical steps you think you can take to climb the ladder. These might include: starting to actively differentiate your product/service, developing a closer understanding of your key account's decision-making process, and improving your image in the eyes of the customer by handling the business more proactively.



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DISCOVERING OPPORTUNITIES

DISCOVERING OPPORTUNITIES OPPORTUNITIES GALORE



Your key account is full of opportunities. For example, opportunities to:

- Develop more business
- Learn about the marketplace
- Discover new information
- Meet influential people

Let's discover how to locate opportunities and then focus on opportunities that can be found from looking at your key accounts' business objectives, their (and your) competitors and sales figures.

The simplest way to find opportunities is to ...

ASK YOUR KEY ACCOUNT ...

... how they think you can win new business with them, improve service levels, get closer to their subsidiaries, etc.



Be a detective and look for opportunities:

- At trade fairs
- In the trade press
- By talking to your key account's customers and other suppliers
- In market research reports

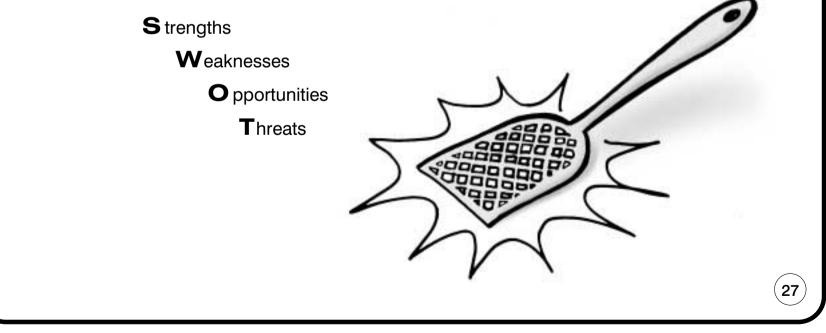


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When thinking about your key accounts and their/your competitors, you can find more opportunities by 'SWOT'-ting each.

List their:



VIA YOUR KEY ACCOUNT'S OBJECTIVES



Ask your key account customers:

- "What are your organisation's objectives for the next year/five years?" (don't rely on customers' annual reports for this information - they mostly say the same)
- "What do you need to help achieve those objectives?"

EXERCISE

► List what you can do to help them achieve their objectives.

VIA YOUR KEY ACCOUNT'S COMPETITORS

Ask your key account customers:

- "How do you view your competitors?"
- "How are you going to stay ahead of the pack?"
- "What can I do to help you?"

EXERCISE

► List how you can help your key account keep its edge.



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Ask your key account customers:

- "What do you think of my competitors?"
- "What do you think of our strengths, weaknesses, opportunities and threats, compared with those of our competitors?"

EXERCISE

- List the strengths, weaknesses, opportunities and threats of each of your competitors.
- List the opportunities you have with which to differentiate yourself from your competitors.



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The basics of life are too often ignored. Think about:

- Sales figures Are they going up (or down) and why? Are you responding appropriately? Is your competition hot on your tail?
- Past successes Why did you succeed? Was your service quality best? Were your financial terms unbeatable? Luck?
- Past failures Don't be bashful admit to past failures! Was your proposal lousy? Was your relationship with the decision makers not up to scratch?
 Tip If your sales pitch fails, always ask your key account the reasons why. Learn from your failures.

EXERCISE

- ► List the reasons for your successes and failures over the past year.
- What can you learn from your past sales successes and failures?
- Ask your key account customer how you can increase sales.

DISCOVERING OPPORTUNITIES GROUPING & PRIORITISING



- **Group** your opportunities into those that will help you:
 - increase usage or sell more of your existing product/service
 - win new business, eg: sales to new parts of your customer's organisation
 - improve your service levels
 - build strong relationships

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- **Prioritise** the opportunities by thinking about what you will need in terms of:
 - time, staff and money to achieve each
 - what the return/profit will be from each



THE KEY ACCOUNT DEVELOPMENT PLAN

THE KEY ACCOUNT DEVELOPMENT PLAN

WHAT IS THIS PLAN?



It is:

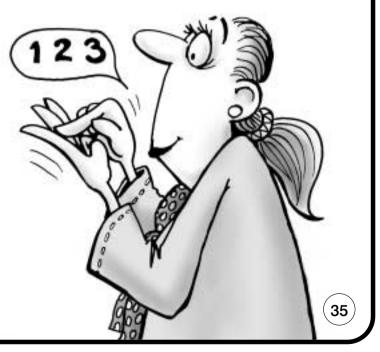
- A tool with which to achieve effective, efficient, added-value key account management
- An often forgotten step for planning strategy with your key account
- The place where you record all important objectives and actions regarding the development of your business with the account
- The ready reference for all colleagues involved
- The place where you get the long-term view on how your business is going to evolve and how to reach targets

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THE KEY ACCOUNT DEVELOPMENT PLAN 3 STEPS TO DEVELOPING THE PLAN

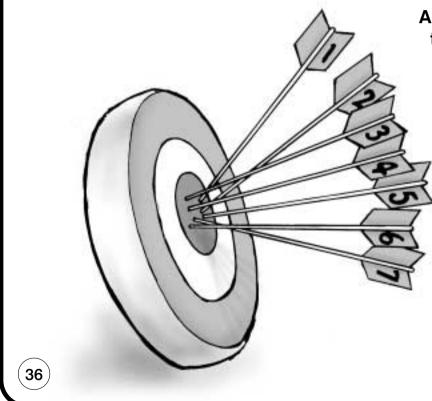


- 1. Set key account objectives
- 2. Develop key strategies and tactics
- 3. Write the key account development plan
- what you want to achieve and by when
- how you are going to achieve each objective
- put it all together in an easy to follow format



THE KEY ACCOUNT DEVELOPMENT PLAN STEP 1: SET KEY ACCOUNT OBJECTIVES





WHAT IS AN OBJECTIVE?

An objective simply states what you want to achieve and by when.

The objectives you choose should be based on your top seven opportunities.

STEP 1: SET KEY ACCOUNT OBJECTIVES



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When setting objectives:

Mirror your key account's objectives

For example, if you are a book publisher and your retail bookshop customer wants to launch a mail order service targeted to pensioners, then your objectives might be threefold:

- a) to help in an added-value fashion by supplying market research on their target market segment
- b) to develop an internal inventory management process to respond quickly to small yet regular orders from your customer
- c) to create a new range of home craft books and get 10 percent of mail order sales within six months of its launch

Set Objectives That Will Help You Climb The Customer Perception Ladder

STEP 1: SET KEY ACCOUNT OBJECTIVES



When setting objectives:

• Design them to:

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- a) increase existing sales
- b) win new business
- c) improve service levels
- d) build strong relationships
- Identify seven annual objectives
- Try to prioritise them according to your key account's main priorities

Always Involve Your Customer When Developing The Plan

THE KEY ACCOUNT DEVELOPMENT PLAN STEP 1: SET KEY ACCOUNT OBJECTIVES



EXERCISE

- How do you currently set your key account objectives?
- List your objectives for each of your key accounts.
- Do your objectives mirror those of your customer?
- Sit back and think are these objectives realistic and achievable?
- > Are they prioritised according to your customers' main priorities?

Make Sure Your Objectives Are Quantifiable (Whenever Possible) And State When You Are Going To Achieve Them

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STEP 2: DEVELOP STRATEGIES & TACTICS



Remember:

- Key account development strategies:
 - set out the means to achieve key account objectives
 - consider the resources human & financial needed to implement each strategy
- Tactics:

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- are specific actions designed to achieve a strategy
- must be performed over a defined time period (eg: per quarter)

Don't Forget, Your Colleagues' Input Will Add Value To Your Strategy

STEP 2: DEVELOP STRATEGIES & TACTICS

ADP

When devising strategies for each of your objectives, think whether you need to:

- Revamp the product/service you provide
- Alter the price at which it is sold
- Promote your offer to the key account in a different way
- Change the place you sell it
- Obtain extra resources

When Developing Key Account Strategies, Ask Yourself: How Am I Going To Block My Competitors' Efforts?

STEP 2: DEVELOP STRATEGIES & TACTICS PRODUCT/SERVICE



Do you need to:

- Change the design?
- Stress other benefits?
- Develop a completely new offering?
- Phase out a product/service?
- Sell different quantities?

EXERCISE

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List how you need to adjust your product/service in order to achieve each of your key account objectives.

STEP 2: DEVELOP STRATEGIES & TACTICS PRICE



Do you need to:

- Price low to get a greater share of your key account's business and deter your competitors from copying your product/service offering? (Warning - once you offer a low price it's very difficult to increase it later.)
- Offer a new product/service at a high initial price in order to maximise your profits? (Warning - your competitors will quickly copy your new product/service and probably offer it at a lower price.)
- Trim your product/service to maintain your margins?
- Bundle your offer or separate it into individual elements?

EXERCISE

 Consider whether your current pricing policy needs to change to help you achieve your key account objectives.

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STEP 2: DEVELOP STRATEGIES & TACTICS PROMOTION



Promotion is about how you are going to use communication effectively to achieve your key account objectives.

For a key account manager, the best communication opportunities can be:

Meetings

• Public relations

- Presentations/seminars
- Trade shows

- Sponsorship
- Internal newsletters

EXERCISE

- Itemise the promotion methods you currently use and indicate how effective they are.
- Can you think of any other communication opportunities?

Note Communicating effectively with your key account is essential - see later chapters.

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STEP 2: DEVELOP STRATEGIES & TACTICS PLACE

Place is the location where you supply your product/service to your customer. To achieve your key account objectives you may need to:

- Change your distribution methods
- Enhance your quality control procedures
- Review practices with your distributor
- Reduce costs by outsourcing deliveries
- Seek additional channels
- Make better use of new technology

EXERCISE

- Consider whether your distribution strategy affects your ability to achieve your key account objectives.
- When was the last time you reviewed your distribution methods?



STEP 2: DEVELOP STRATEGIES & TACTICS RESOURCES

Ensure your strategies are achievable by evaluating your:

- People
 - Do you have enough staff available?
 - Do they have the right skill sets or need re-training?

• Time

- Is your time planning realistic?
- Are there any calendar constraints?
- Money
 - Is the budget available to implement your strategies and tactics?

EXERCISE

For each of your strategies, list the current (or extra) resources you are going to need and when you are going to use them.

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STEP 2: DEVELOP STRATEGIES & TACTICS TACTICS



Break down your strategy into specific actions that must be performed over a defined time period (eg: per quarter).

Here, for example, is the case of a graphic design firm looking to improve service levels to a key corporate account:

- **Objective:** Reduce the turnaround time for the production of corporate brochures from 60 days to 30 days.
- **Strategy:** Act as a technology consultant to account's in-house publications department.
- **Tactics:** Quarter 1: Evaluate in-house processes and propose improvements.
 - Quarter 2: Upgrade in-house technology as necessary and provide training.
 - Quarter 3: Monitor the department's progress.
 - Quarter 4: Together, evaluate new production trends and develop plans for the coming year.

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STEP 3: WRITING THE PLAN



Account development plans (ADPs) detail your objectives, strategies and tactics in an easy-to-follow format, helping you to manage your efforts on behalf of your key account.

Remember:

A chieve measurable increase in business

- Develop long-term business relationships
- **P** rofit from opportunities
- S trengthen communication with customer

Focus efforts to help you (and your) customer grow

- Organise internal resources
- Create awareness of your product/service within the account
- **U**nderstand customer's business environment
- Solicit interest in your customer among your senior management

ADPs Focus Your Business Development Efforts

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STEP 3: WRITING THE PLAN



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EXERCISE

Using a template like the one on the next page:

- Write your account objectives down the left hand column. For example, if you are a key account manager for a telecommunications company and your account is a growing international bank, an objective might be to: 'Deploy system XK in foreign exchange division by 3rd quarter.'
- State three strategies you are going to initiate to achieve your objective. For example: a) carry out full user needs analysis, b) reduce service call-out times from 3 hours to 1.5 hours, and c) agree revised pricing model with customer.
- Then for each quarter, alongside each strategy, write down your tactics. For example, for action a) the tactics might be: Quarter 1 - perform user workshop; Quarter 2 - evaluate results with customer; Quarter 3 - carry out any necessary product enhancements; Quarter 4 - test enhanced system.
- At the bottom of the template note other key dates customer's conferences, in-house seminars, sector events, etc.

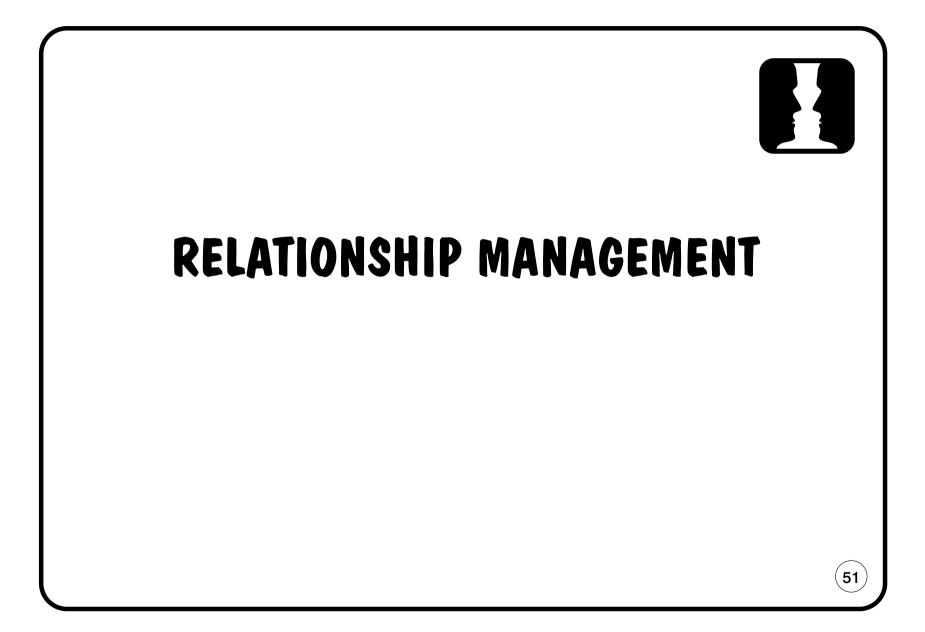
STEP 3: WRITING THE PLAN

EXERCISE TEMPLATE

OBJECTIVES	STRATEGIES	TACTICS			
		Q1	Q2	Q3	Q4
1.	A)				
	B)				
	C)				
2.	A)				
	B)				
	C)				
3.	A)				
	B)				
	C)				
4.	A)				
	B)				
	C)				
5.	A)				
	B)				
	C)				
6.	A)				
	B)				
	C)				
7.	A)				
	B)				
	C)				
Other Key Dates					

Account Name 1001

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INCREASE YOUR INFLUENCE

The key to successful relationship management is to increase your influence with the decision maker in your key account. To do this you must:

- Know the messages you want to communicate
- Find out who's who in the decision making process
- Understand the 'internal politics' in your customer's organisation
- Find your way around the key account company by drawing an 'organisational map'
- Initiate 'mirror relationships'
- Utilise 'leverage opportunities' whenever possible
- 'Network' in the key account and so become familiar with the whole organisation
- Develop and implement a 'contact plan'

KNOWING WHAT TO COMMUNICATE

Before you start your relationship management programme, you must first establish the messages you want your key account to take on board and the reasons why. The message needs to be:

How your product/service offer helps your key account to succeed

EXERCISE

- ► List components of your product/service offer.
- By each, state how their benefits help your key account to be more successful, for example: 'Our new accounting software package speeds transactions by 30 per cent which means that your accounting staff are now 30 per cent more efficient'.

DECISION MAKING

PEOPLE TYPES (1)

Find out who within your key account is the:

• Decision maker

- signs-off on all strategy and deals
- varies depending on who you talk to, so ask a few different people within the account "Who makes the final decision?" and then decide yourself
- develop a rapport with this person if you can

Influencer

- influences the decision maker
- has expertise in a particular area finance, strategy, operations, information technology, etc.
- gives valued input to the decision maker
- make sure this person is on your side



DECISION MAKING PEOPLE TYPES (2)

Find out who within your key account is the:

- Sponsor
 - feeds you with non-confidential information on what is happening within the key account
 - tells you who's who and who does what within the account
 - may suggest business development ideas to you
 - solicit this person's help judiciously and offer added value information in return
- Anti-sponsor
 - watch out! ... there is one in every company
 - promotes your competitors' products/services only
 - is typically negative to all your ideas and even tries to block your efforts
 - try to develop at least a neutral relationship with this person

Important note These people groupings often overlap. For example, the decision maker for a smaller purchase may only be an influencer for the bigger purchase; a sponsor may also be an influencer.

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RELATIONSHIP MANAGEMENT CUSTOMER POLITICS (1)

Understanding the political environment within your key account will give you valuable insight into such things as:

- Why decisions do (or don't) go your way
- Whether your main contact is on his way up (or out of) the organisation
- Who holds the real power

To do this you must think of the people within your customer's organisation in terms of 'political groupings', namely:

The Top Gun

- A top decision maker managing director, functional director, or maybe the department head
- The power in the organisation is centred here with one person or several
- Has the organisational trappings that go with being a big shooter; for example: big office, big budget, lots of staff and lots of responsibility
- Never upset a top gun; long-lasting memories make for slow forgiveness

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CUSTOMER POLITICS (2)

POLITICAL GROUPINGS

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The Rising Star

- Is rapidly climbing the organisational ladder
- The star rises normally via a mentor someone that coaches and guides (often a top gun)
- Become associated with a rising star his progress upwards will help yours
- Rising stars are trusted by the top guns so they can help get key information to you quickly

The Fallen Star

- Maybe a protected species, kept on for 'old times sake' or originally recruited by a top gun (who has been secretly regretting it ever since)
- Maybe suffering from the Peter Principle that states 'people get promoted to their level of incompetence'
- Has limited influence within the organisation
- Is normally by-passed when decisions are made

CUSTOMER POLITICS (3) POLITICAL GROUPINGS

The Fox

- Can be sly, move quickly, and attack at the right time
- Is hard to spot, working quietly behind the scenes and not engaged in open battles
- Normally has a good network of connections within the company, especially with a top gun

The Foot Soldier

- One of the mass of people within the key account
- Maybe an aspiring top gun
- Enlist support here (all top guns and rising stars were once foot soldiers)

EXERCISE

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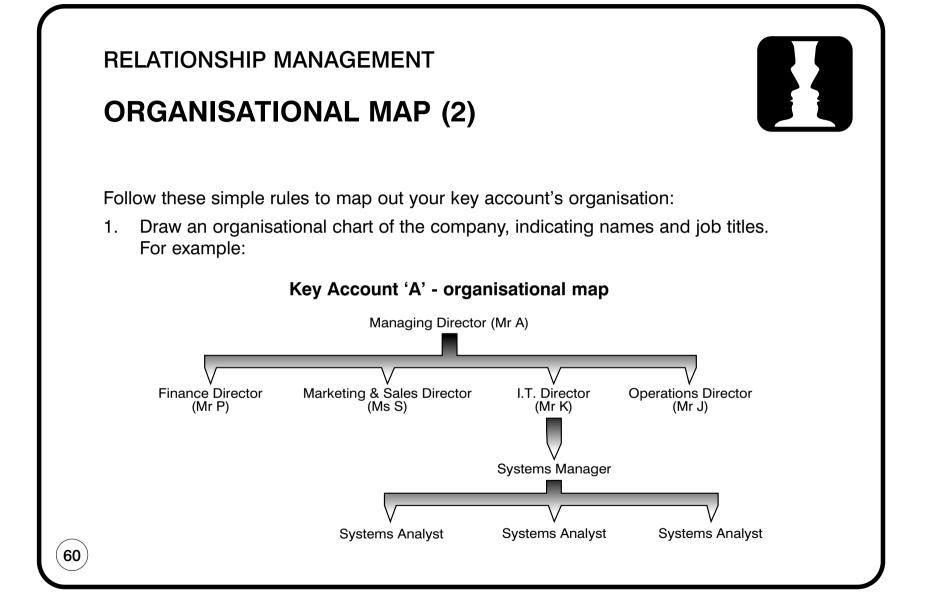
- List the people in your key account according to these 'political groupings'.
- Which group does your main contact fall into?
- Do you know a rising star? If not, consider how you can become more closely associated with one.

RELATIONSHIP MANAGEMENT ORGANISATIONAL MAP (1)

A map helps you navigate and plan travel. An 'organisational map' will help you to find your way around your key account. It will enable you to identify:

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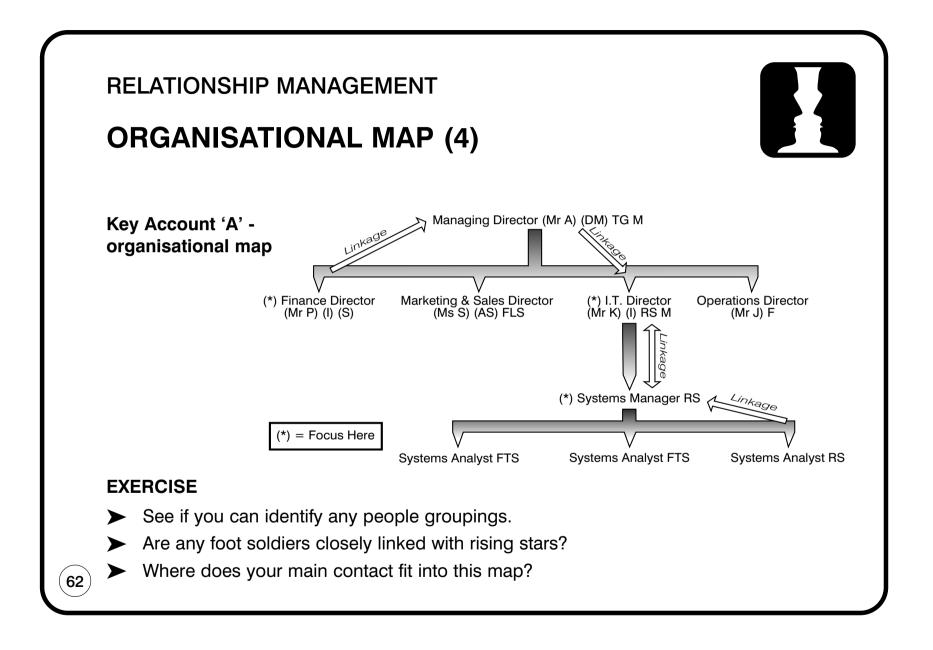
- The people groupings decision making and political in your key account
- Those with whom you should develop 'mirror relationships'
- Networking opportunities



RELATIONSHIP MANAGEMENT ORGANISATIONAL MAP (3)

More rules to map out your key account's organisation:

- 2. Mark in red your main contact
- 3. In a different colour show who is a decision maker (DM) influencer (I), sponsor (S) or anti-sponsor (AS) for your product/service
- 4. Now note the political roles each has: TG = top gun; RS = rising star (and M = his mentor); FLS = fallen star; F = fox; and FTS = foot soldier
- 5. Show the main linkages who is aligned with whom



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To build a stronger bond with your key account, ensure 'mirror relationships' are developed.

Mirror relationships result when staff at the same functional level within both organisations - yours and your key account's - have built up a rapport. Such relationships can exist between, for example:

- managing director and managing director
- technical director and technical director
- finance director and finance director
- product specialist and product specialist

Key benefit: If the managing directors build a good rapport, then you are likely to obtain political acceptance for your business proposition. As a result, senior management on both sides are more likely to buy into your ideas.

How can they meet? The opportunities are numerous: eg: trade events, company golfing day, conferences, a meeting, etc.

Tip Give your colleagues briefing notes and a list of key messages they need to convey before they meet their counterparts.

LEVERAGE OPPORTUNITIES

	_

'Leverage opportunities' occur when an outside body can lobby or influence your key account on your behalf. Outside bodies could include:

- Your key account's shareholders
- Non-competing suppliers

- Trade organisations
- Consultants

• Your shareholders

Messages to get across might include: you can't be more generous than your current financial offer; your expansion plans are backed by a firm financial base; and there is glowing industry feedback on your new product/service.

EXERCISE

- Identify how you can use 'leverage opportunities'.
- > Are there any business links between your shareholders and your key accounts?
- Do you have a rapport with any of your key account's non-competing suppliers?

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NETWORKING



Successful key account managers have a wide base of influential contacts within their key account, in addition to their main day-to-day contact. To get to know more people, 'network', ie: get someone to introduce you to a person who introduces you to someone else, etc. Here's how to network:

- List the people you want to meet in your key account; e.g. a rising star that may have influence over your product/service area in the future or a decision maker for one of the subsidiaries
- List options to meet them, such as:
 - via your sponsor or main day-to-day contact
 - by invitation to your marketing communication events seminar, exhibition, etc
 - by asking one of your key account's other suppliers to introduce you
- Aim to meet as many people as appropriate, but do not go behind the back of your main day-to-day contact

CONTACT PLAN

Relationship management will, like all business activities, benefit from being handled in a systematic planned manner. So:

- Know who are the decision makers
- Learn the internal politics
- Define your key messages
- Develop an organisational map and initiate 'mirror relationships'
- Identify and action your 'networking' and 'leverage' opportunities



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MARKETING COMMUNICATION PROGRAMMES

MARKETING COMMUNICATION PROGRAMMES PROGRAMME'S FUNCTION



Key Account Managers need to develop, whenever possible, a marketing communication programme to:

- Build widespread awareness of their product/service throughout the key account
- Convey information about the evolution of their offer
- Strengthen their strategic business relationship

To do this you must:

- Define the messages you wish to communicate
- Select the best communication tools

MARKETING COMMUNICATION PROGRAMMES THE MESSAGES



Typical messages deal with:

- Your company size, market share, innovations and expertise
- Your product/service offer benefits, current range and planned developments
- Trends in your key account's business sector
- Critical market issues facing your key account (and how you can help) such as:
 - technological changes
 - customer demographics
 - government regulations
 - new competitors

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MARKETING COMMUNICATION PROGRAMMES COMMUNICATION TOOLS (1)



Options include:

Newsletter

- Many companies have an internal newsletter or magazine
- See if you (or your PR department) can include a regular article or column
- Rather than an advertisement, make the column an added value feature that leaves readers thinking they learned something from it

Customer bulletin

- Create your own bulletin for your key account
- Keep it brief and informative

Seminar

- Organise a seminar for your key account on a relevant topic
- Gain the support of your main contact, agree on the attendee list, choose whether to do the administration yourself or use a consultant and ask for feedback to determine its effectiveness

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MARKETING COMMUNICATION PROGRAMMES



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Options include:

Company conference

- Ask if you can speak (or run a workshop) at the account's annual conference
- Try to arrange a good slot first thing in the morning to avoid the graveyard session just after lunch
- Look for sponsorship opportunities the printed programme, a dinner, etc.

Trade conference

 Speak at or run a workshop at an industry trade conference to help demonstrate that your company is an opinion leader

Trade press articles

• Write an article for a relevant trade magazine to gain recognition as an expert in the eyes of your key account (make sure you send your key account a copy)

Corporate hospitality

- From motor racing to croquet
- A great way to network

MARKETING COMMUNICATION PROGRAMMES



Consider what marketing communication methods you use. If they are carried out in a haphazard fashion rather than planned, then develop a communication programme. Here is an example:

Objective: to ensure all staff within the key account understand our strength in new technologies. To get this message across, the following programme is suggested:

- Quarter 1 Newsletter article on expertise of our research team
 - Press article on launch of product XYZ
- Quarter 2 Speak at customer's regional conference on how new technologies can improve internal efficiencies
- **Quarter 3** Hold seminar on emerging technologies and how to manage them
- **Quarter 4** Speak at key account's annual convention on prioritising technology investment decisions
 - Host a corporate hospitality event at Science Museum where guests can participate in technology-based games evening

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SEIZING OPPORTUNITIES



Discovering opportunities and developing your key account development plan are central to developing business with your key account. But, how do you seize the new business opportunities?

The only way is to:

- Perfect your face-to-face communication skills
- Sell solutions
- Write convincing proposals
- Give winning presentations
- Negotiate effectively



ACTIVE LISTENING

FACE-TO-FACE COMMUNICATIONS



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The most successful sales people spend as much time listening as they do talking. Try the following to improve your listening skills:

- Don't interrupt; let the other person finish speaking before talking
- **Relax**; if you feel tense and uptight you are unlikely to listen effectively
- Try to **understand the other person's point of view**, even if you don't agree with it
- Show you are listening by paraphrasing what the speaker has said
- Take notes sparingly, it's difficult to write and listen at the same time
- Try to avoid distractions

Active Listening Helps You Show Empathy

FACE-TO-FACE COMMUNICATIONS RAPPORT BUILDING



Words

- Use words similar to those being spoken by the other person:
 - if enthusiastic and expansive, then use words loaded with emotion like 'great', 'vital'
 - if concise and precise, then use planning words like 'decide', 'agree', 'progress'

Pace

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Match the pace of other person's speech

Body language

Mirror (but don't mimic) your customer's body posture

The Key Is To 'Match' The Other Person's Personality

WINNING BUSINESS **SOLUTION SELLING (1)**

Solving problems

A mount **P** rioritise **A** ctions **S** olution **A**sk

Probe problems - are they key? how much is it costing them? - how big an issue is it for them? - what have they done about it? - can you present one? how to move forward? -

> Key Account Managers Sell Solutions To The Customer's Problems



SOLUTION SELLING (2)



Probe problems

 Ask questions that explore the difficulties and dissatisfactions your key account is experiencing, in areas where your product/service can help For example: "Are you worried about your assembly line down-time?"

Amount

 Ask questions to find out the amount each problem is costing your key account in money terms

For example, if the assembly line breaks down for two hours every week, ask questions that identify the true cost of this problem to the business (including any clients lost because of it): "Having your assembly line down for two hours every week must mean that your operators are also idle for this time and, importantly, you lose two hours' production each week?" Then get your customer to quantify this in money terms:

- (2 hours x number of staff x salaries)
- + (2 hours lost production)
- + (extra overtime to get through backlogs)
- = total cost per week

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WINNING BUSINESS SOLUTION SELLING (3)



Prioritise

 With your customer, prioritise the business problems you discuss according to how much money each problem is costing

Actions

 Establish what has been done about each problem? Were the various actions successful?

Problem Solvers Win More Business



SOLUTION SELLING (4)



Solution

If you can, present a solution to the problem
 For example, if your assembly line has a 99.99 per cent up-time performance, ask:
 "Would you be interested in a solution that might save you over \$10,000 a week?"
 The only thing he is going to say is "YES!"

Ask

80

 Ask - many people forget to; ask if you can implement your solution and agree a timetable

People Like Talking About Problems If You Offer Them Solutions

PROPOSALS STRUCTURE & CONTENT



Proposals must be easy to follow and logical. Try this general format:

Executive summary	-	one page summary of the proposal
Introduction	-	state how you were asked to submit the bid
Statement of experience	-	record your business dealings, including those with other non-competing customers of a similar size
Product/service offering	-	stress how your product/service benefits will help
Customer support	-	detail the back-up facilities you can provide
Costings	-	leave yourself room to negotiate
Timing	-	indicate how long your proposal is valid for
Appendices	-	include technical details, project plans, referrals

A Logical Structure Makes For Easier Reading

WINNING	BUSINESS
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PROPOSALS

STYLE & LENGTH



Easy to read proposals are always well received, so:

Plan	 make an outline before you start writing
Be brief and punchy	 if unsure whether to include a fact or piece of information, then leave it out
	- aim for 10 pages maximum, if possible
Minimise fog factor	- use short words, short sentences and bullet points

Keep Proposals Simple

(82)

PRESENTING

14 KEYS TO SUCCESS

- 1. Know your audience
 - what do they want to hear?
- 2. Adopt one theme with three messages
 - build up an argument that leads to an irresistible conclusion

3 Summarise, summarise, summarise

- to reinforce your three messages
- 4. Don't be a bore
 - never talk for more than 8 minutes on a topic; summarise, then move on
- 5. Signpost
 - show an agenda slide after each topic so your audience can see how far they have travelled through your presentation and what lies ahead
- 6. Present word pictures and strong visual aids
 - reinforce your message and help conjure up mental images
- 7. Use cards
 - to remember the sequence and key points (never a script)

Go For An Oscar!



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PRESENTING

14 KEYS TO SUCCESS (cont'd)

- 8. Encourage participation
 - to motivate your audience (try a quiz, allow questions or ask their opinions)
- 9. Start powerfully
 - begin strongly and confidently to grab your audience's attention and interest

10. Rehearse

- in front of friends and colleagues; ask for feedback

11. Make eye contact

- glance around the room in a 'W' motion
- 12. Check posture
 - be natural, but stand up straight to feel more confident
- 13. Check the room
 - know the layout and facilities, including how the audio visual equipment works
- 14. Go for it!
 - the more you rehearse, the more confident you will be; and the more presentations you give, the better you will become

Hollywood Is Waiting For You!



(84

NEGOTIATING (1)



When do you negotiate? After your key account has decided to buy from you. The next task will be to negotiate the terms and conditions, and possibly elements of your product/service offering. This is a six step process:

Step 1 - Prepare

- List overall benefits of the deal to you qualitative and quantitative
- Identify individual components of the deal, and the cost of each to you
- Itemise the small things you may trade and prioritise them
- Itemise the big things you won't trade
- Fix the bottom line the point at which you will say "no" and walk away
- List the above from your key account's perspective too

Better Deals Are Made By Better Prepared Negotiators

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NEGOTIATING (2)



Step 2 - Establish the playing field

- Ask up front what deal is ideal
- State what you can give
- Identify areas of common ground

Step 3 - Probe

- Find out how important the things wanted are and prioritise them
- Ask 'what if' questions

Step 4 - Propose

- Propose a solution that meets your mutual aims and expectations
- State when you have no freedom to move
- Stress long-term benefits
- Emphasise value, not \$\$\$

Know When To Say "NO"

(86)

NEGOTIATING (3)



Step 5 - Trade

• Make small concessions seem BIG



- Know when to stop
- Never give away points, always trade

Step 6 - Agree

- Confirm what has been agreed
- Ensure both parties agree
- Put it in writing
- **Tips** always aim high
 - take time to think
 - be confident
 - if you reach a deadlock, take a break

If They Say "YES" Straight Away You Have Probably Given Too Much Away

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WINNING BUSINESS **NEGOTIATING (4)**



Recognise your customer's style:

Salami slice		when you thought you had agreed, he comes back and asks for more
Best offer		asks for your best deal immediately; don't give it as he will want to come back and negotiate anyway
Mr Tough Guy		slams hand on the table and shouts, "It's not good enough"; don't be scared, just respond in a professional manner
Yorkshire terrier	-	just like the dog, the customer keeps barking for more; only trade small concessions, and then only when you really have to
Oh no!		simply doesn't like negotiating; don't be too hard on these customers
		What's Your Key Account's Style?
88		



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KEY ACCOUNT HANDLING

AREAS OF FOCUS



Key account handling is about the day-to-day management of your key customer account. To do this in a professional and proactive manner you must focus on the following areas:

- Taking on a new key account
 - The key account profile
 - Getting organised
 - The key account diary
 - Keeping up to date
 - Reviewing the Account Development Plan (ADP)
 - Internal communication
 - Account meetings
 - Account follow-up
 - Handing over an account (or what to do when the project ends)

Business Partners Get Involved

(90

TAKING ON A NEW KEY ACCOUNT (1)



This can happen either because 1) the existing account manager moves on; or 2) you win a new key account customer.

- 1. The existing account manager moves on and you inherit the customer. The secret of being accepted as the new key account manager is to:
- Ensure your boss has explained the reasons for the change to your key account's senior management
- Make certain the outgoing key account manager briefs you fully on all issues and then STAYS OUT!
- Review the ADP
- Meet your key account contact and discuss current activities
- Tell everyone relevant in your company of the change
- Get involved in a new project if you can

Be Proactive From Day One

TAKING ON A NEW KEY ACCOUNT (2)



2. You win a new key account customer. Congratulations, now:

- Hold a kick-off meeting to start the planning
- Ensure mutual expectations are expressed and matched
- Try and have an early achievable success
- Develop an ADP
- Start relationship management activities from week one
- Brief your colleagues on your new key account's importance
- Establish clear lines of communication
- Be the main point of entry into your company

Speak Often To Your Key Account Contact And Develop A Personal Rapport

(92)

KEY ACCOUNT HANDLING THE KEY ACCOUNT PROFILE



Make a key information profile of your key account; include:

- Name and full company contact details
- Head office decision maker, influencer(s), sponsor and anti-sponsor contact details
- Current sales volumes keep this figure up to date
- Planned growth of your business in next budget cycle
- Three main strengths the key account has over its competitors
- Three main weaknesses the key account has over its competitors
- Names of your main competitors and their main opportunities with your key account

If Your Key Account's Performance Is Falling Behind That Of Your Other Customers, Find Out Why ... You May Both Be Missing A Business Opportunity

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KEY ACCOUNT HANDLING GETTING ORGANISED (1)



You will only become a winning key account manager if you first get organised. Try these tips:

- Clarify objectives
- Prioritise your work
- Write daily 'to do' lists
- Plan projects

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 Break projects down into a series of smaller tasks

- do this with your boss so you don't waste time on minor tasks
- into A must do; B should do; and C could do
- calls to make, e-mails and faxes to send and tasks to begin/complete
- in advance and review regularly
- remember Parkinson's Law states that the 'work expands to fill the time available', so set deadlines for each task

GET ORGANISED - and you will be more effective

GETTING ORGANISED (2)

- Be ruthless with your filing
- Follow-through is the key
- Make phone calls first thing in the morning
- Organise your desk

- throw away everything you are not going to need again
- if you have been out visiting your key accounts, allocate sufficient time to action the follow-up work
- arrange call back times if necessary
- messy desk = messy work

GET ORGANISED spring-clean your desk and files today



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KEY ACCOUNT HANDLING GETTING ORGANISED (3)

- Prioritise your reading
- Keep a separate file for each key account
- Have a file containing all outstanding items
- Keep the key account profile by your phone
- Review sales figures

- if it doesn't look interesting or relevant put it straight into your 'out' tray
- with target completion dates on each

- do this as frequently as relevant; daily, weekly or monthly
- Don't leave tasks incomplete they will always catch up on you
 - GET ORGANISED start today, your colleagues and customers will soon notice the difference



(96)

KEY ACCOUNT HANDLING THE KEY ACCOUNT DIARY (1)



A tool for effective personal planning. Include (and remember):

F ollow-up actions - put in bold
O bjectives with target completion dates
L ist times and dates for next customer calls
L ook for opportunities at conferences, etc.
O rganise tasks according to customer priorities
Warning signs - put in red - when projects slip

'FOLLOW' Through Is The Key



THE KEY ACCOUNT DIARY (2)

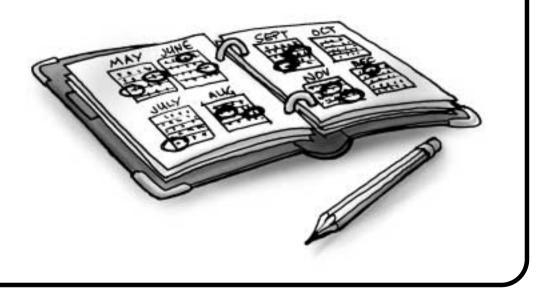


Use:

- Monthly planners to help you forecast and see ahead
- Daily schedules for meetings and daily 'to do's'

Type of diary

 Hand held computer or personal organiser whatever works for you







KEY ACCOUNT HANDLING REVIEWING THE ADP

Re-evaluate your key account development plan (ADP) because: YOUR KEY ACCOUNT'S ...

- Circumstances
 - End customer wants
 - Market conditions
 - ... CAN ALL CHANGE.

Frequent Reviews Help You Both



(100)

KEY ACCOUNT HANDLING INTERNAL COMMUNICATION



Key account management is about:

T eam meetings to involve everyone
E nthusing your colleagues
A cting as the team leader
Market research sharing (helps understanding)

Teamwork - You Need The Support Of Your Colleagues



KEY ACCOUNT HANDLING ACCOUNT MEETINGS (1)

Account meetings make things happen. Remember:

- **Objective** every meeting must have one, and everyone should know it
- Agenda develop it with your key account
- **Time** allocate enough for each agenda item and cover them all
- Participants should all participate?
- Irrelevant issues don't allow them
- Summarise discussion points to clarify understanding
- Long meetings bore people keep them brief and punchy
- **Minutes** summarise key points and action items; distribute within 48 hours
- **Finally** if one member of the key account team goes away thinking, "I didn't get anything from this" then your meeting has failed

Effective Meeting Management Is The Key



KEY ACCOUNT HANDLING ACCOUNT MEETINGS (2)



Meetings for what and how often?

- Account objective setting annually
- Business updates every three months
- ADP reviews with key account every three to six months
- Project review as agreed and appropriate
- Internal review every fortnight
- Problem solving when required
- Proposal negotiation as appropriate

Meetings Make Things Happen

ACCOUNT FOLLOW-UP



Formal follow-up

After the meeting or presentation, send a letter or fax within 48 hours that:

- 1) says thank you for the time
- 2) summarises points discussed
- 3) adds new information
- 4) notes the next steps

Informal follow-up

After lunch or dinner, send a note to say "Good seeing you".

Staying in touch

If your key account has a special interest, send an industry article that provides extra information; for example: "Sarah, I thought the enclosed article on orange plantations in South America might be of interest".

Following-up Shows You Are Serious

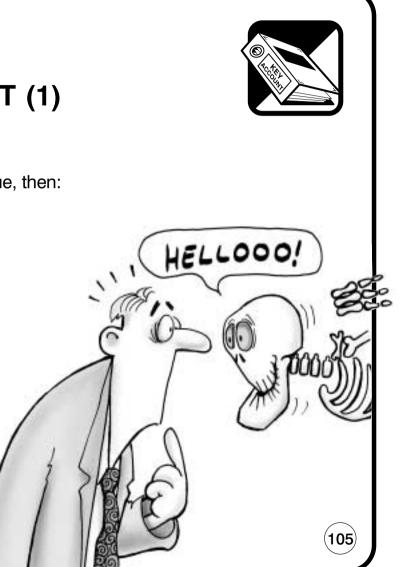
(104

KEY ACCOUNT HANDLING HANDING OVER AN ACCOUNT (1)

If you need to hand over your account to a colleague, then:

- Tell your key account that you've enjoyed the work
- State the reasons for the change (relocation, moving departments, etc.)
- Complete all tasks don't leave any skeletons in the cupboard
- Go over the ADP with the new account manager
- Introduce your successor
- Tell him where to concentrate to gain an early success

When You Are Out ... STAY OUT!



KEY ACCOUNT HANDLING HANDING OVER AN ACCOUNT (2)



So, your project or contract with the key account is about to end; don't delay:

- Hold a round-up meeting ensure expectations have been met
- Ask the customer if he or she has been happy with the results; and ascertain if you are going to be asked to work for this company again and, if so, when
- Devise an appropriate contact plan, including:
 - informal meetings (think solution selling)
 - information snippets, copies of relevant press releases
 - update phone calls
 - invitations to company events
- Keep up your industry profile if you can speak at conferences

Stay In Contact & Stay Patient Always Keep Selling Into Other Potential Key Accounts GOOD LUCK!

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About the Author

Roger Jones, MBA, is the founder of Success Talks International Ltd, a leading international management consulting firm whose commitment is to help clients positively transform management and sales results by addressing the real issues that drive measurable and sustainable performance.

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To find out how Success Talks International Ltd can positively transform the results of your managers and sales professionals worldwide visit now: www.successtalks.com or e-mail: client.services@successtalks.com

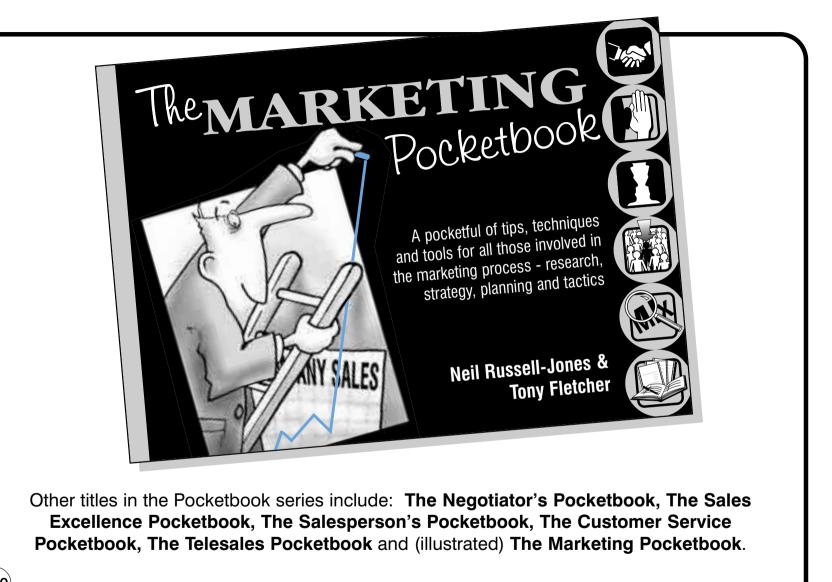
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