

STEVE HOYLE

REAL ACCOUNT PLANNING

A HANDBOOK FOR DEVELOPING ACCOUNT PLANS
THAT BRING ABOUT **REAL INCREASED PERFORMANCE**
AND RESULTS IN **COMPLEX B2B SELLING**

*"Read this,
use it and you
will be more
successful."*

MARIO DEMARCO

REAL ACCOUNT PLANNING

*A handbook for developing Account Plans that
bring about real increased performance and results
in complex B2B Selling*

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Finally, they are too numerous to mention, but the thousands of Account Managers that I have worked with over the years who have shared their experience and wisdom, allowing me to learn shamelessly from them and distil their knowledge, skills and best practices into this book.

Support

There are a number of resources, including additional articles and electronic copies of some of the tools presented in this book, available from www.realaccountplanning.com

Case Examples

What Would You Do ?

Throughout this book there are a number of Case Examples where the situation is described, but not the action taken. There are no 'right' or 'wrong' answers to case examples such as this, which are designed to help in thinking through classic situations that sometimes get clouded when you have the myriad amounts of data in a real life account. You can go to www.realaccountplanning.com/Cases to read a selection of model responses and to make your own comments.

Case Studies

A number of Case Studies are presented in the book.

All are based on real-life experiences, although names, and some details have been changed so that they cannot be identified. In a few instances actual situations have been combined to create a composite to better illustrate a point.

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PART 2: WHAT GOES INTO A REAL ACCOUNT PLAN

“No one starts a war - or rather, no one in his senses ought to do so - without first being clear in his mind what he intends to achieve by that war and how he intends to conduct it.”

**Karl von Clausewitz
On War**

“Real knowledge is to know the extent of one’s ignorance”

Confucius

An Overall Model for an Account Plan

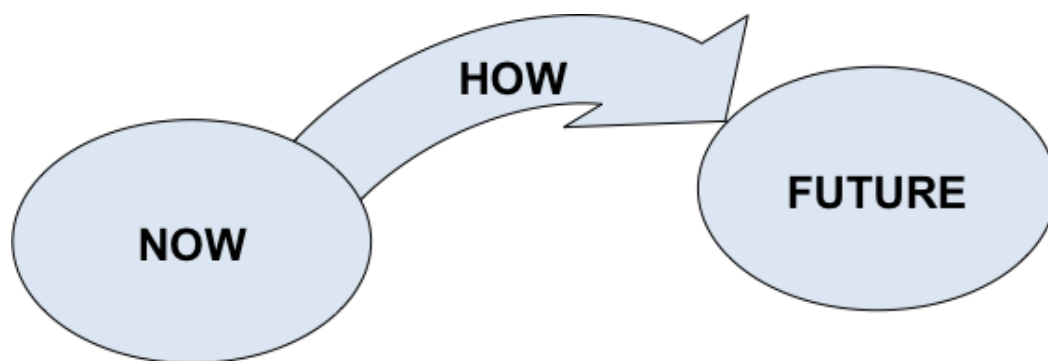
There are hundreds of templates and models for Account Plans, but at their heart the effective ones boil down to some very simple concepts.

The first thing that any good Plan will do is to define where you are at the moment, and describe the environment in which you are operating.

Secondly the Account Manager needs to look into the future and decide what it is that they want to achieve. Then they need to figure out how they are going to get there.

This approach always appears very simple, straightforward and powerful, yet is followed only by the few successful proactive real Account Managers.

When doing Account Planning, most salespeople do a reasonable job of understanding the situation, and indeed there are many 'account plans' which are primarily college essays about the customer. What the successful real Account Managers teach us is that understanding the customer and your situation is critical, but it is only the starting point for real Planning, which then looks into the future, evaluates options and makes decisions about where you want to end up, and what you are going to do.



All three questions need to be answered, and different people might do this in different ways:

Now-How-Future: what we call an Incremental Plan; essentially this involves thinking of some good stuff to do and seeing where it

takes us. This may result in good but not great Plans as it will be increasingly difficult to come up with effective new ways of working, and the Account Manager can be limited by their past experiences. It will often leave you open to others (competitors and possibly the customer) blind-siding you with new, innovative and different approaches.

How: Many 'account planning' sessions are simply idea generating 'what can we do in this account' meetings. Again some good ideas may surface, but not grounded in reality and with no sense of strategic direction. Idea generation is a critically important part of real Account Planning, but needs to be done at the correct stage in the process, and certainly not alone.

Future-How-Now: Again we have all experienced lots of 'the Vision stuff' where generally non Account Managers paint a picture of the future that looks wonderful, but then discover too late that it bears no relationship to the present reality.

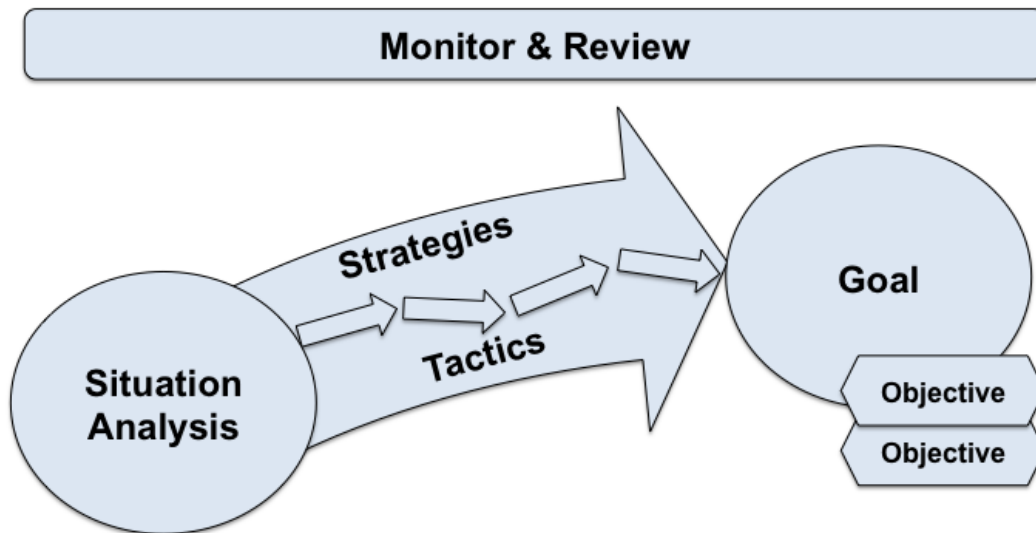
This kind of 'planning' is normally guaranteed to get seasoned Account Managers polishing up their LinkedIn profile or at best paying lip-service to the programme.

Now-Future-How: is the preferred method of successful real Account Managers. Understanding the Now, often analytical in nature, provides a solid and realistic foundation for the plan; indeed a good Situation Analysis will provide many of the clues for the future. Deciding on where you want to get to comes next as this enables the team to be realistic yet not limited by short-term actions. Leaving the How until the final part of the process will stretch you to come up with Strategies and Tactics that can meet more challenging Goals and Objectives.

Obviously in this process, once you look at the How you may discover that your original Future was too stretching or not stretching enough, so you may go and revise them in a very iterative process.

SA-GOST Model

While *Now-Future-How* is the overall approach, we need a little more precision to be able to put in place a real Account Plan which is succinct yet powerful and easily used and communicated by the Account Team.



A more useful model is one where we talk about:

- Situation Analysis: describing the relationship today
- Goals and Objectives: describing where we want to be in the future
- Strategies and Tactics: describing how we are going to get there

The difference between Goals and Objectives is that a Goal Statement is a simple and descriptive 'headline' of where you want to be that is memorable and gives a sense of direction, while Objectives are very hard things that give precision and can be measured. Similarly, Strategies are broad descriptions of approach to achieving Goals and Objectives. Dealing in strategies allows you to have choice, whereas Tactics which are action items going straight into a To Do list, can be too numerous and too detailed to allow for effective planning.

A standard way of looking at this planning process is the SA-GOST Model. This is a standard planning tool, and can be adapted to suit the needs of the Account Manager by first asking the right questions during the Situation Analysis phase.



We have all seen many Account Plans that consist mostly of historical data about previous orders, installed equipment and services etc. This information may be relevant for the Account Team, but generally should be placed in the Backup Information to the Plan, because highlighting it in the main body will lead at best to obscuring the real issues and in many cases promoting a wholly tactical view of the opportunity.

Situation Analysis (SA) is how we refer to the 'Now'. It encompasses some relevant history and perhaps a little about the envisioned future environment, as well as solid information about the position today. It will include enough information to allow us to firmly ground our Account Management activities and planning, yet is succinct enough to be readable and manageable. Later we will go into detail about the three key elements to be considered for a great, sales focused, real Account Plan, together with how you can start to summarise the whole situation. In reviewing the best real Account Plans they generally examine three perspectives:

- The Client Business
- Our Competition
- The Playing Field

Situation Analysis: The Customer's Business

A critical and often overlooked aspect of good real Account Planning is to ensure that you understand the customer from their business perspective, and this doesn't mean that you simply copy and paste huge chunks from their Annual Report. You should interpret all the information that is available to you (publically and through private conversations) into a succinct summary that will help you in crafting winning strategies.

When reviewing an Account Plan, a senior manager will have a few questions that they want answered in the first one or two slides, so that they can start to understand the customer and the opportunity:

- What do they do?
- Are they successful – revenue, profit, EBITDA, market share, student numbers, number of patients, or whatever metrics the customer actually uses in their business. Are they getting better or worse (are the numbers rising or declining)
- How do these measures compare with others in their industry?
- What are the key issues that they face in their marketplace?
- What are their key Strategic Issues: the things that keep the CEO awake at night (as this will drive many decisions further down the organisation)?
- What are the key Operational Issues that they face in our area of expertise (lower level issues, for example, specialist functions such as the IT Department)?

It is tempting for some Account Managers to get carried away with this analysis, particularly since it is relatively easy to do by looking at publically available information. You are strongly encouraged to keep this section short and succinct as you are only looking for key trends that will affect your relationships and your strategies. If you have pages of data about the organisation, that is great, but

please put it in an appendix otherwise you will burden yourself with too much detail that will make it very difficult for you to use the analysis, and you will likely switch off Account Team members and senior managers who are trying to help you in reviewing the Plan.

Similarly, some Account Managers only pay lip service to this part of the Analysis, seeing it as too far removed from the day-to-day reality of managing the account. These Account Managers are probably too myopic and tactical, failing to see that corporate top-level direction will have a big impact on buying decisions. For example, consider the different purchasing factors in:

- The major corporation, being successful in a growing market, trying to differentiate themselves on quality and innovation
- The struggling corporation, operating in a stagnant and price-sensitive market, who are only concerned with this quarter results
- The diversified corporation which has grown rapidly by acquisition, now looking to drive profitability

Often it may be that a major global customer should be broken down into smaller entities, and each entity approached in a different manner, especially if you detect different business drivers according to geography or product set. For example the tone in a division that is trying to grab market share in a high growth emerging market will be very different from that in a traditional stagnant market.

In some cases, where the account is made up of a number of distinct business units, it may be worthwhile to use some form of business analysis tool such as the famous Boston Matrix, originally developed by Bruce Henderson for the Boston Consulting Group in 1970 (simply Google it for many thorough explanations of the model). While the model which classifies business units into Question Marks, Stars, Cash Cows and Dogs has largely fallen out of favour with marketeers and management

consultants, it can still be very useful for real Account Managers trying to understand the overall business thinking within different business units.

In summary, it is essential to 'put yourself in the shoes of the CEO' at some stage early in the account planning process. Ask yourself how does life like look from their perspective, as this will drive investment and purchase decisions further down the organisation, and give strong clues as to where to go hunting for possible new business.

Situation Analysis: The Playing Field

By the Playing Field, we mean that collection of individuals who are involved in decisions that affect the future relationship that we might have within this account. This will start with the organisation chart and include considering each individual in terms of their position in the decision making process, how they are likely to behave and how we might be able to influence them. The best real Account Managers will look at each person as an individual, and then consider how they play together.

Player Analysis

Understanding all of the 'players' in a purchasing decision is key to success. Research and observations over the last ten years clearly points to the fact that successful real Account Managers are very skilled at reading the people involved, and spend a lot of time analysing them as individuals and as part of the buying team. Typically answers can be easily supplied to questions such as:

- What is their current position in the organisation?
- How long they have been in this position?
- What is their background, including previous employers, education etc.?
- How are they perceived by their own senior management; are they a Rising Star / Performer / Question Mark / Deadwood?

- What is their previous experience of buying our kind of product or service?
- What are their career aspirations; especially what do they see as their next step and what they need to do to get there?
- How much risk are they likely to want to take with regard to our type of solution?
- How do others perceive them?
- What do they see as the key issues affecting them in their role today, and in the future?
- What do they see are the key issues that buying of our type of product or service are likely to affect?
- What is their position in the formal decision making process?
 - Decision Maker
 - Ratifier / Approver
 - Influencer
 - Recommender
 - Spectator
- How do they perceive us as a supplier; what would they say are our strengths and weaknesses?
- Are they, or could they be, our Agent / Inside Salesperson / Supporter; what do we have to do to create or nurture this relationship?
- Could they be a competitors Agent; our Enemy?
- How do they perceive each of our competitors?
- Who, within their own organisation, influences them?
- Who externally influences them?
- Who do they influence?

- How easy or difficult is it for us to get access to them?

In all cases, it is good practice to ask the question “why?” for any of your responses. For example, if they are an Influencer, then ask “why do they have this position, and why will they seek to use their influence?” If they perceive us as technically competent, then why is this; do they have previous direct experience of working with us, have we been recommended, is it our general industry presence or some other factor?

Testing our Agents

Having strong Agents (Inside Salespeople, Supporters etc.) will often prove crucial in securing large, strategically significant orders in complex B2B environments. Indeed many successful real Account Managers and Sales Managers would qualify out any complex deal where there was not at least one very strong internal supporter, as they have learned from experience that it is normally impossible to win without someone feeding you inside information, intelligence and insight, as well as advocating and arguing your position when appropriate. Having participated in and facilitated literally thousands of Account Plans reviews, one major issue for more junior Account Managers (and even some seasoned professionals) is that they mistake an individual who is ‘nice’ to them as a true Internal Salesperson, whereas real Account Managers will scrutinise the individual and the personal relationship that they have, by asking questions such as:

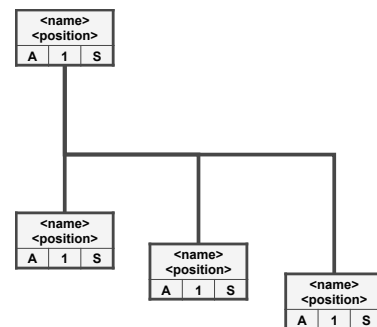
- Why is this person our Agent?
- What will they personally perceive as a gain if we win?
- What will they personally perceive as a loss if others win?
- Are they passing us crucial information, intelligence and insight, which they are NOT passing to our competitors?
- Can we verify the information that they give us?
- Will they agree to some kind of joint plan or approach?

- Do we have demonstrable proof that they have directly or indirectly advocated our position ahead of our competitors?
- Have they shared their understanding of the politics at play in any significant purchasing decisions?
- Have they directly or indirectly introduced us to other people who will be useful in the future?
- Do they initiate conversations about future potential projects, or do they just respond to questions?
- Overall, do I feel confident enough in this individual to share with them my Account or Opportunity Plans?

While not having to have all of the above answered with a resounding 'yes', a good Inside Salesperson / Supporter / Agent will have positive responses to most of the above.

How they play together

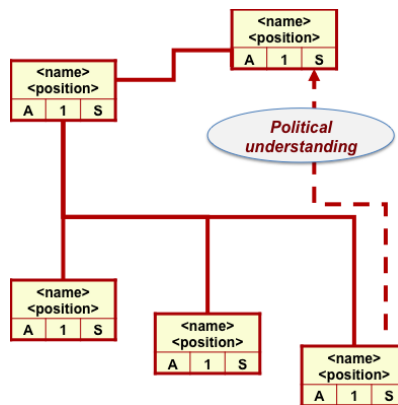
As well as analysing each individual, it is normally critical to look at how they all play together, and the Playing Field will look at all of the people that we interact with, or could interact with. The example in Appendix 1 is typical of how real Account Managers would draw out a Playing Field.



In this case the starting point is the relevant parts of the organisation chart, and then answer three critical questions:

- How do they perceive us as a supplier?
- How powerful are they (in determining choice of supplier)?
- How easy is it for us to gain access?

In this example the answers to each of the three questions are coded, however some people find it easier to use colour codes or differing shapes. Whatever is easiest for you to implement is probably best.

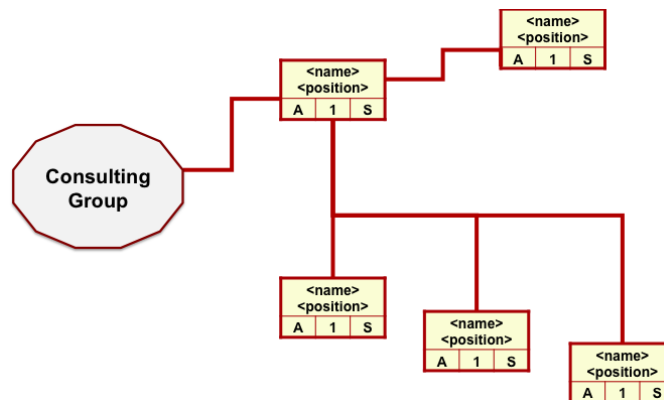


In highly complex organisations you may wish to go further and add in not just reporting lines, but lines of influence, specifying who has direct personal influence over others. This will enable you to start appreciating the more subtle discussions that occur for example who does a senior executive go to when they want some

technical advice, or when they want to know how front line employees might react. Physically showing the influence lines is most often done by using different shaded or coloured lines.

Often, with large accounts you will need a number of Playing Field

diagrams to give an overall view of the situation, and make sure that you reference the linkages between them.



It is worthwhile experimenting with different forms of Playing Field to discover which is best for your style of accounts, or get a good external consultant to help you. A key consideration may be any tools that are available in your CRM or SFA application.

When you have settled on a format that works for you, then you should apply it rigorously so that it becomes easy to draw and interpret. Just as some technical people can look at a network diagram, or an application flowchart, and know instinctively where any problems may occur, the majority of real Account Managers and real Sales Managers become very skilled at viewing the Playing Field and understanding the politics of the situation very quickly.

Situation Analysis: Our Competition

When completing the Situation Analysis from the perspective of the Customer Business, you were asked to 'put yourselves in the shoes of the CEO' and look at the situation from their perspective.

Whatever your marketing department or senior management tell you, in practically all situations customers have choices, and in most markets you will have competitors who can deliver products and services which meet the customer basic requirements. It would be prudent to assume that these competitors also have salespeople who are reasonably good at what they do; maybe not as good as you, but people who have won deals in the past and who have customers (possibly including this customer) who quite like doing business with them.

Good real Account Managers, as well as putting themselves in the shoes of the customer, also put themselves in the shoes of their competitors. Specifically they put themselves in the shoes of the Account Manager from the competitor who is managing this account. This may require some research and also a bit of lateral thinking, getting over the prejudices that will have been built up over time.

If you can, imagine that for some crazy reason you have left your current employer and gone to work for your chief strategic competitor in this account; you are now managing this account for your new employer, and have all of the knowledge that you have gained over time about their customer. You could ask a number of key questions as the competitive Account Manager:

- What is the company history with this customer?
- What is our installed base?
- How many good Agents / Inside Salespeople / Supporters do we have in the account?
- How wide, deep and strong is our political coverage?

- What are our strengths in the account?
- What are our key weaknesses or exposures?
- How would we summarise the relationship that we have with this customer?
- If we were building an aggressive Account Development Plan, what would be the Goals and Objectives that we would set ourselves?
- What would be our Strategies and Tactics?
- In particular what would we do to put ourselves ahead of competitors?
- How does our senior management view this account and the opportunity?

For most real Account Managers, it is only through answering these questions honestly that they can get a true and realistic position of the competitive situation within the customer. This is needed in order to give us the clues so that we can construct a Plan that will keep us that little distance ahead. In a competitive market it is probably a collection of small gains that will make the difference between success and failure in an account.

Situation Analysis: Summarising the Relationship

Summarising the Situation Analysis is a really excellent time to take a pause from the planning process. By summarising you are trying to pull together and integrate everything that you have discovered or brought to the front of your mind during the planning process so far.

Doubtless, many clues as to what you should be doing in the future have already emerged and there is a big temptation to start writing down lots of actions for people to take. This might be a mistake as you will probably be focusing on short term fixes or opportunities, and your ideas may be dominated by actions that

you have previously taken in other situations which may appear to be similar.

You may want to capture these initial action thoughts, as many of them could be useful, but excellent real Account Managers will hold off actually putting them into a plan right at this moment.

A good summary, using a SWOT Analysis, SWOT Plus, Relationship Evaluator or something similar will allow you to put everything into context and fully appreciate all aspects of the Account.

The most simple, and some would argue one of the most powerful is a SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats). Even this simple tool has some variations and Appendix 5 gives a working definition for Account Managers.

Situation Analysis tends to be analytical by nature, with a lot of challenging and verifying of information. As we start to look into the future you will want to put yourself into a different state of mind, being much more open to new ideas, creative, imaginative and not stifled by what has gone before you in the account or even in your own experience.

When facilitating a major real Account Planning session best practice is to complete the Situation Analysis and Summarising on one day, and then reconvene either the next morning or maybe a few days later (but not too many days later when momentum has been lost). If time does not allow this, then at least take a break between finishing the Situation Analysis and starting the GOST future planning elements.

Goals

The purpose of a goal statement or statements is to give a clear sense of direction, describing the future in terms that can be inspirational and memorable.

Deciding on the Goal requires the Account Manager and the Account Team to project themselves into the future; to first

imagine what might be possible and then deciding to commit themselves to achieving this future state.

Examples of Goals might be:

- To be the preferred supplier of all X class solutions to this account
- This account to be an industry reference for our Y type of solutions
- The most efficient and effective account in our region
- A trusted partner
- Our first \$x million account

As can be seen, the choice of Goal reflects how we want to be able to describe the relationship at some point in the future. The Goal will be very dependent on what is possible, where we are starting from, the rest of our portfolio of accounts and what our product roadmap tells us about future opportunities.

A good Goal will be simple to articulate, paint a picture of the future, be memorable and appeal to all members of the Account Team.

Trusted Advisor / Partner

In many Account Planning sessions the term Trusted Advisor or Partner is often used. When quizzed some people really just use the phrase as a means of not having to think about what the relationship should actually be, however in general the sentiments behind these terms are genuine and powerful. *Real* Account Managers talk about how the terms imply going beyond simple supplier / customer relationships.

While the sentiments are good and indeed fit in with modern Consultative Selling approaches, with New Norm Selling and with real Account Management the use of these terms is now very clichéd and in many cases meaningless. In particular if used in front of your customer they could be negative, simply because

they have been over-used in the past by lazy sales people who are just giving out platitudes. So the sentiments are to be applauded and encouraged, but please find different forms of your own words to express these sentiments.

A question that many Account Managers ask is 'How far out should we be planning?' There is no set answer to this but a rough rule of thumb is based on how long it takes to make a major change in the relationship. Examples of changes to relationships would be introducing new technology, changing the perceptions of the technical recommending department or perhaps breaking into a new division. In setting the Goal and the Objectives many real Account Managers would then double the longest time that we are considering. For example if we primarily want to be the preferred supplier of high end solutions in all countries globally for this account, and we think that this would normally take nine months, then we should set Goals and Objectives for the whole account eighteen months out, allowing for ramp up of activities, follow through and setting the next major activity.

In practice, for many technology or knowledge based companies, these types of changes are often between six to twelve months, and so they end up with account plans of between one and two years, which appears to be good general practice. In some instances going out to three or four years may be appropriate however it is rare for a plan beyond this to have much relevance, as the environment of technology, politics and relationships changes too quickly.

In complex Business to Business selling plans of less than twelve months are also quite rare and generally based on some event occurring soon that will bring severe disruption to the business and cannot be predicted. Putting effort into planning beyond this event would not make sense; for example the account as a viable business in its current form might be heavily dependent on renewing one of their contracts or licences.

As an Account Manager you could make alternate plans for each possible outcome, or you could simply plan up to the point of the major event, and then agree to re-plan once the future situation has been clarified (although even in this case, a good real Account Manager has probably created relationships, technical or contractual tie-ins and processes that would be useful in the event of any outcome).

Example Case: Mobile telephony infrastructure

Jorge Rodriguez had taken over responsibility for TotaCom, the country's third largest and fastest growing mobile phone operator. He was very excited about the possibility of selling next generation mobile phone infrastructure systems to TotaCom.

Having met with the rest of his team and been introduced to a wide variety of people at TotaCom, Jorge realises that he needs a clear Account Plan to move things forward in a coordinated way.

One of the big problems in managing this operator is that no one knew for certain if and when they would be awarded licences for next generation mobile telephony; TotaCom themselves were very confident in gaining the licences 'sometime over the next two years' and while they wanted to do everything possible to prepare, this fell short of spending any significant actual money.

Jorge also realised that while his company was well positioned technically and had good relationships with the technical recommenders, he was quite exposed as he did not have strong relationships with the eventual business decision makers. He would also not want to ignore the technical community as there is still quite a lot of good add-on, upgrade and services business to come from the existing implementations.

Faced with this situation, Jorge decided to create a plan that was unusual in having two major Goals:

- A short-term 12-month Goal of maximising this year's business, and positioning his company to be able to mount a

successful bid for next generation infrastructure. All this activity to be self-funded with a checkpoint in activity when the timescale for award of licences is better known.

- A multi year Goal of becoming the infrastructure partner for all next generation services. The objectives would show a massive increase in revenues, with a major investment by his company probably in the second year but moving into profit by end of the following year.

Objectives

A single, simple to articulate Goal Statement (or even statements) is very powerful in allowing you to firstly debate and then easily communicate where you want to be with the account.

By their nature Goals can be aspirational, imprecise and difficult to measure against. This is why we need Objectives to sit alongside our Goals.

Objectives are very precise and give hard definitions of what is to be achieved. They allow easy measurement and promote absolute clarity. Particularly as business becomes more complex with larger Account Teams, often involving multiple partners engaging together in developing an account, the need for clarity becomes more and more important. 'Be the Preferred Partner' may be a powerful concept, but it means many different things to different people – a sure recipe for conflicts in the future if not clarified amongst the Account Team up front. Many people use the acronym SMART to describe Objectives, being:

Specific: defined in very clear detail

Measurable: a very clear yes/no test can be applied

Achievable: setting Objectives that are not achievable is a complete waste of everyone's time

Relevant: to the overall Goal

Time-bound: with absolute limits

There are many areas in which to set objectives, for example:

- Revenue received
- Orders received
- Gross margin received
- Sales of particular strategic products
- Pilot projects
- Approval / preferred lists / accreditations
- Customer satisfaction
- New accounts / new divisions
- References
- Resources used (cost of selling)
- Competitive knock-out

There is some work to do in turning these into fully SMART Objectives. As can be seen from the real-life examples below, they are not always easy to read, but pass the Acid Test of being suitable for payment of bonus against, where the decision to pay could be made by a financial controller with no knowledge of sales or the account (this is always a good theoretical Acid Test, but is not particularly recommended as a way of managing Account Managers).

Examples of SMART Objectives

- Obtain an official preferred supplier status, from group purchasing department, by end September
- Win 3 out of 4 of the following identified projects, by end of calendar year
- Obtain an average score of 9.2 from a representative sample of at least 6 people in this account in the annual customer satisfaction survey

- Both FD and GM agree that their projects can be used as reference sites, including that they can be mentioned in Press Releases, by end August
- We obtain at least 2 orders worth a minimum of 650K revenue each, from business units who have never previously ordered from us, by 31 December
- The frame agreement which is currently being discussed is signed by end July, committing the account to a minimum of 3m spend with us over the next 2 years, and with an incentive in place which makes it in their interest to spend at least 5m with us
- Starting in our third quarter, at least 50% of the business that we secure is for non-standard business, and this percentage increases every quarter for at least the next 4 quarters
- From 1/10, all business is won at a gross margin of at least 35%, and for next FY average GM on all business from this account is at least 45%
- Ensure that in the next 6 months, XY (our main competitor) does not secure any new project with a value of greater than 100K
- During the next 12 months, at least 3 projects of minimum value 350K are won where the initial lead was generated by our own sales activity, and which were not put out to open tender. (i.e. we generated initial interest in the business solution)
- Over the next 12 months we generate revenues of at least 200K every quarter, and at least 1.5m over the 12 months

Strategies

Creating, crafting, deciding on and moulding strategies are at the heart of the real Account Planning process.

A strategy describes how you are going to get from the current situation to your Goals and Objectives. It is a broad approach, and does not have to specify direct action, which is the job of Tactics later.

Because strategies are broad in their construction, you can be creative in coming up with new ones, you can debate the strengths and weaknesses of alternate strategies, and make proactive decisions about what to do and what not to do.

One of the tools developed by ProAct Business Development is the PROFT model for Account Strategies (Positioning, Relationships, Operational, Financial, Technical):

Positioning

How do you want the account to perceive your company; this is basic differentiation and key messaging. Are you specialists in one or a number of areas or are you a generalist with a proposition based on relationship? Are you the least cost or the highest quality supplier? Are you local or global? Are your propositions based on technical excellence or are they based on the relationships that you have built up?

Clearly your account specific Positioning has to be in line with your overall company positioning, but given that individuals in the account will describe you in a particular way, you will clearly want to proactively shape these perceptions. Positioning may also change over time, for example a break-in account strategy will often emphasise speciality in a particular application / discipline / geography, however once the initial engagement is secured you may want to position more broadly.

In developing your Positioning strategy you may want to ask some senior Decision Makers in your customer “How would you describe us as a business?” You would then decide how you want them to answer that question in say twelve months time, and what you are going to do to bring about this change in perception.

Relationships

Your analysis of the people and relationships in the Playing Field section of the Situation Analysis will often point to the fact that you are not perfectly aligned for how you want to take the account forward. As part of your strategy you will want to decide where to focus relationship building activities, priorities involved and the risks that you are prepared to take. For example you may decide that you need to build relationships outside of mid level technical recommenders, to focus on senior business executives. You might then be prepared to sacrifice some strength with existing lower level recommenders in order to be better placed with the business leaders who will sponsor new projects taking off.

Case Example: United Aerospace

What Would You Do ?

Sylvie Jenson is the ColaTel Account Director for United Aerospace, a European based global defence equipment manufacturer.

ColaTel is in a very strong position, exclusively supplying traditional telephone services across all of United's European facilities and being the preferred supplier globally. She is very content with the situation, having exceeded her target for the last three years, and forecasting to easily beat target again this year with a series of inter-linked projects from United.

Sylvie is however under pressure from her senior management to expand the business into new services that have become available over the last few years, particularly supply of data equipment and services. Recently she was given a directive that she should at least present the ColaTel entire product and services portfolio to all key decision makers in United Aerospace.

Sylvie is in a dilemma. Sylvie has had numerous conversations with her existing contacts in the IT Function and Procurement, who are very happy for ColaTel to supply all traditional telephone

systems, where they are perceived as a 'trusted partner', however they have made it very clear that they do not want Sylvie to have discussions in any other areas, where they are equally content with their existing suppliers.

Sylvie knows that all is not well with all of the other existing suppliers. In fact she recently took a call from Basel Karanovich the COO of Maritime Surveillance Systems, one of United's smaller business units, asking her if she could quote for a new data based service. She has already sent him some general literature, however knows that she must keep a low profile otherwise her existing contacts, mainly Ken Sharpe, United's Global Director of Communications Systems, would be very upset at ColaTel promoting products that are not 'in the approved portfolio' and talking to user departments. In the past Ken has been very adamant that he expected all suppliers to have all conversations through 'the correct channels'.

Sylvie now has to make a decision, as Basel has invited her to submit a formal proposal, and has also invited her to meet with 'a number of senior United executives' and speak at an upcoming internal management conference.

Should she risk the wrath of Ken Sharpe and start building relationships with the business units, or should she continue with strong allegiance to the central function, protecting the current revenue stream.

What would you do? There are no 'right' or 'wrong' answers to Case Examples such as this, which are designed to help in thinking through classic situations, which sometimes get clouded when you have the myriad amounts of data in a real life account. You can go to www.realaccountplanning.com/Cases to read a selection of model responses and also to make your own comments.

Operational

As well as the strategic moves that you will be making as part of a real Account Plan, there are going to be a whole series of many and varied operational issues that will arise, and this part of the strategy deals with how you will handle the day-to-day requests, complaints, emergencies, and myriad other items that will get raised. Questions that you might want to consider include:

- Will you have regular internal account team reviews?
- Who handles special pricing requests?
- How will you efficiently deal with small quotes for add-ons and upgrades?
- Do you have regular reviews with the customer?
- How are service and support handled?
- What are the escalation points for customer complaints?

In many cases these type of topics are dealt with as they arise or become critical, whereas excellent real Account Managers will proactively plan on how to handle them.

It is amazing how often significant amounts of time can be saved, and customer satisfaction improved, by simply taking a little time as part of the Account Planning process and asking these types of questions. Additionally this area can serve to challenge Account Managers who in some cases will be handling all of the above types of issues themselves, as a means of staying in their own personal comfort zone.

Financial

Depending on the nature of the products and services that you are providing, there will be different financial relationships that you can have with the account.

You could historically have done business on a one-off project cost basis, in which case traditional Return on Investment (ROI) models will have been used, comparing a capital outlay with inflows and outflows of money over time.

Recently many customers are looking to different ways of regarding projects. ROI will still be used, but many senior business managers are less likely to want to take on the risk associated with large amounts of capital expenditure.

You can look to spread the cost of capital investments with different types of finance such as leasing, or provide some form of managed service, and even a form of risk sharing where your returns are based on the financial benefits accrued by the customer.

A financial strategy may be different for different projects although typically the financial proposition will look to get leverage by binding separate projects together, making an overall proposition more attractive, increasing stickiness and making it more difficult for new competitors to enter the account.

As well as the pure financial aspects, this is probably a good reminder to consider different contractual strategies, again deciding whether or not to tie together different elements with different timescales. This might be more attractive to the customer, but may make it easier for competitors to compete.

Technical

Lastly (and in most situations it should be the final piece of the jigsaw rather than the primary defining element) in the technical strategy you will decide the actual products and services that you are going to promote to the account, again taking into account acceptability, fitness for purpose, providing solutions to the customer business drivers and competitive positioning.

The detailed technical proposition may differ from project to project, but if appropriate, here you would look to define the overall architecture or preferred technology routes.

PROFT is a simple acronym for common strategy elements that many real Account Managers find useful.

Other Strategy themes

Other areas in which you may want to set strategies include:

Channel / Business Partnering strategies for suppliers to you or organisations that you want to partner with in the supply chain or influence map.

Service sales strategies in the majority of cases sales of service products should be totally integrated into your overall sales strategies, however in some rare examples it may be worthwhile to consider initial or renewal of services as a separate topic, particularly if your customer procures these through a different process or if you have sales people dedicated to these areas.

One-time services only strategies typically involving some form of professional services, where again there may be merit in looking at these separately as you will want to heavily involve the people responsible for delivery (Practice Managers, Consultants, Programme Managers etc.) in the messaging, positioning and selling of these services.

Particular product / propositions strategies again, in the New Norm of consultative and relationship based selling, we would not normally want to focus on particular products. In some cases however reality is that you may need, for sound overall business considerations, to focus demand creation or competitive selling of a particular proposition. This is often during the early period of product introductions where you want to gain traction in the market generally and within particular accounts.

Geographic coverage strategy may be applicable in certain cases.

Press Relations & Marketing Strategy will be critical in any account where you are either selling through (a reseller type arrangement) or selling alongside (for example a Service Provider who uses your solutions to meet their end user requirements). In a classic end-user environment this will include how you will use

various marketing events to enhance your relationship strategy, who is going to get invited to what over time, and are you going to organise any special marketing or PR events specifically for this customer?

Deciding what NOT to do

Deciding what NOT to do is the test of an excellent real Account Manager. When we discuss Implementation of Account Plans and in particular reviewing Plans, then the question that normally is the most powerful is 'What have you decided not to do?' If you cannot answer this then you have not done any real Account Planning, you have simply documented what was in your mind – and probably what you always do.

Excellent professional real Account Managers will come up with many different strategies and make conscious choices between them, rather than just doing what seems natural. It is this constant challenging of themselves and their team that sets excellent real Account Managers apart from the merely good.

Tactics

Tactics are where your strategies come alive and are put into action. Tactics are where 'the rubber hits the road' and will define firm actions to be taken with owners, timescales and possibly outcomes specified as well as costs / budgets allocated.

Tactics should be detailed enough that they can go straight into someone's To Do list and be reviewed with a simple yes or no during account review sessions.

Most Tactical Action Plans will simply lay out:

- The action to be carried out
- Who is responsible for making sure it is carried out
- The time by which it will be completed
- Any outcome that is expected

- Plus perhaps some comments, where appropriate, to help the action owner and the rest of the team to be clear about what is expected.

Developing a set of great, hard hitting tactics which really move you forward in the account will be a matter of using your experience, creativity, innovation and the experiences of others (great real Account Managers tend to be enthusiastic stealers of good ideas from everywhere).

It is also an analytical exercise in that there are probably many actions you could take, but doing everything to every account is simply not feasible. Real Account Managers will explicitly or subconsciously evaluate all possible tactics against the difficulty of execution, which is normally time and / or cost, and the impact on helping to deliver a strategy that will lead to the desired Goals and Objectives. The best Tactics will clearly be very easy to implement and have huge impact.

In developing Tactics, you may also want to check:

- You are using the Account Team wisely and not all of the actions are owned by the Account Manager
- The timescales are realistic, in that they are achievable and will lead to meeting your time-bound Objectives
- They all integrate as part of the overall Strategies
- All Strategies have Tactics associated with them
- Are there any particular dependencies which have to be managed?
- Have you applied creativity and innovation, or are you simply doing what you have always done (not necessarily bad, but your Tactics can be a powerful way in which you can differentiate yourselves from competitors)?

- In reviewing the whole list of Tactics, can you combine or modify individual tactics to make them more efficient and effective?
- As with Strategies, have you decided on things that you will NOT do (the test of a good thorough planning process)?

An example of a tactical Action Plan is included in the ProAct MAP3 example in Appendix 1.

Business Proposition

By Business Proposition we mean the proposition from the real Account Manager back to his or her company.

It is generally accepted, particularly in the New Norm of Selling, that a successful real Account Manager will behave as if he or she were running their own business as a small subsidiary of the main company. Whatever reporting and remuneration is involved, having the mindset and attitude of running your own business turns out to be a strong characteristic of most successful real Account Managers.

The proposition back to the main company is at its heart very simple:

- *This is what I need from you...*
- *In return this is what you will get back...*

In this respect it is just like the owner of a small business going to their bank manager, or indeed the CEO of a major organisation approaching the Board of Directors with the overall business plan.

For a sales oriented real Account Manager, then the equation is normally:

This is what I need from you:

- Some of your time
- The time of members of the Account Team (presales, service delivery etc.)

- Some specific resources (normally time of specialist consultants etc.)
- Executive time (for Executive Sponsorship)
- Money (for campaigns, events etc. which are detailed in the Tactical Action Plan)
- Special pricing / terms
- Commitment to particular offerings (product / service features)

In return this is what you will get back:

- Orders
- Revenue
- Gross profit
- Other intangibles, often the ability to compete for other follow-on or linked business in this or other accounts (but a special plea to Account Managers: please avoid the word 'strategic' in your proposition; it is over used and will do you no favours with senior executives who have heard the word many times and normally when sales people want to give a big discount).

Where possible the resources requested will have been monetised and the whole proposition turned into a full business case, although in practice today there are few organisations doing this for anything but the very largest accounts.

The Business Proposition should make sense to any senior executive reviewing the plan, and a real Account Manager will have compared this proposition to others for similar accounts, and also compared against the norms that are expected.

Assumptions, risks, contingencies

In order to both help better understand the Business Proposition, and to put the Plan Conclusions into context, at this stage it is

often useful to consider any assumptions, risks and contingencies that are inherent in the Plan.

Of course this section may be blank and totally redundant but often it is useful. Avoid the temptation to write extensively about all assumptions that your company makes in doing business or the global risks that you face; instead focus on the particulars of this account.

Assumptions could be about the account, your ability to do business with them or the external world. Assumptions are aspects of the plan that underpin it, and if an assumption were to prove unreal, then the whole plan would need to be reworked. Assumptions therefore are seen as very safe bets. Examples of Assumptions might be:

- The planned merger between X and Y is confirmed
- A third party continues to be able to supply a particular component
- No repeat of the major outage suffered last year

Risks are issues of which you are not so certain, and where you judge it prudent to build contingency moves. If a risk were to materialise then you would instigate the contingency, which might cause you to review and refine the overall plan.

Examples of risks and contingencies might be:

- The intention to merge with XYZ does not go ahead; *contingency is that we would downgrade our six month plus forecast by 30% and reduce resources accordingly*
- The third party is not able to supply a particular component; *contingency is that we can switch in another supplier, but some projects would be delayed by up to three months, however we can accelerate some background projects for a short period, to cover any shortfall in revenue*

- No major outages similar to last year; *if any do occur then we must be prepared to use emergency budgets to put in place a replacement system which will hit this year's profits*

Plan Conclusions

Having developed the plan and specified it to the level of detail demanded by a good Tactical Action Plan, the temptation for the Account Manager and the team is to sit back, relax and congratulate themselves on a job well done.

Clearly this is a mistake as firstly the plan is only a plan and will have to be implemented. Secondly, the plan can be enhanced very easily and with minimal effort, enabling it to be significantly more memorable, succinct and effective both for the team and others who will get involved in reviewing it.

Writing some conclusions on a separate slide or paragraph will force you and the team to really examine whether or not you have thought through all the issues that are relevant to this particular customer.

One useful tool that many real Account Managers use is the concept of **Critical Success Factors**.

A Critical Success Factor (normally termed simply a CSF) is one aspect of the Strategy or Tactics that is the most significantly important in achieving Goals and Objectives.

By thinking through and then stating the CSF's the real Account Manager and Account Team will ensure that they are clear on where the focus of activities will be.

Once you return to the 'real world' after having spent a short time planning, you will be faced with the normal torrent of activities that most customer facing people have in front of them today. When you and the Account Team are faced with mountains of emails, IM's, calls, meetings and a To Do list that stretches out forever, a set of simple CSF's will help to guide prioritisation.

In practice it has been found that having at most five CSF's will allow for sufficient focus, yet should enable coverage of the really significant elements.

Examples of CSF's might be:

- Gain higher and wider relationships
- Deliver the pilot on time and budget
- Develop joint business case process
- Evolve to a Managed Service ahead of competitors
- Renew the maintenance agreement for at least 3 years
- Turn Freda Smith from Enemy to Neutral
- Deliver an excellent proof of concept

The concept of the CSF is very simple, and its power lies in using it; try it out once you have developed a good overall plan to discover the power and usefulness.

Summary

- *Now – Future – How are the recommended steps for developing a real Account Plan*
- *SA - GOST is a well established tool to help with all planning*
- *Situation Analysis enables you to accurately understand the true nature of the relationship, and gives clues for the future*
- *Goals and Objectives state where you want to be; the real Account Manager has to take that walk into the future ahead of anyone else*
- *Strategies and Tactics define how you will reach your Goals and Objectives*
- *The process is designed to put you in control of your business, to really manage it, by giving you choice*
- *Deciding what NOT to do is a key attribute of a good planning process*
- *If you are operating this account as though it were your own business, then you would prepare a Business Proposition back to your own company: this is what I need, and this is what I will deliver*
- *A review of major Assumptions and Risks will quickly and easily significantly increase the plan realism*
- *Reflecting on the whole plan to determine Critical Success Factors is a great way of being clear on the key elements and to 'see the wood from the trees'*
- *You need to review the plan continuously, but from a solid foundation*

About ProAct Business Development

Throughout Real Account Planning we have used materials, and examples from ProAct Business Development.

For over ten years ProAct has been providing sales transformation programs to clients in the complex B2B environment.

Since 2008 the approach has been updated and refined to take account of the New Norm of Selling driven by changed customer stances.

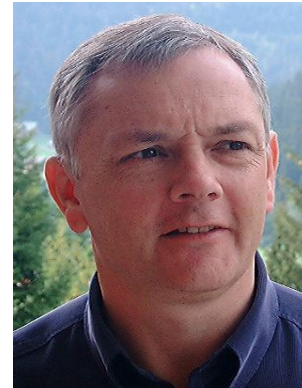
ProAct can deliver 1-1 coaching of Account Managers and sales leaders through to complete training programmes for thousands of sales people across the globe. Training utilises real workshops that focus on real accounts as well as a unique, high impact Sales Simulation to develop behaviours, experiment and gain confidence in new approaches.

For more information email info@proactbd.com or call +1 (800) 528-7759



About the Author

After graduating with a degree in Computer Science from Imperial College, London, Steve joined Burroughs Machines as a sales and marketing trainee. A brief period with Data General followed, after which he spent nearly ten years with Digital Equipment in various account management and sales management roles.



Steve then spent three years with Apple Computer setting up and leading their Large Accounts Division. He initially ventured into consulting and training in the 1990's before joining 3Com Corporation firstly as Sales Director for UK and Ireland and then as European Business Development Director.

Steve was one of the original founders of ProAct Business Development in 2001 and sold his controlling interest in 2008, although he still works very closely with the company and its network of fantastic coaches, consultants and trainers.

He still occasionally 'keeps his hand in' and recently completed a six-month interim management assignment with Avaya, being responsible for managing their UK business – an experience that he says was refreshing and taught him a lot.

In addition to training and consulting, Steve has written many articles and papers, and is a popular speaker at conferences and seminars. He is married with two children, lives in Bookham, Surrey in the United Kingdom as well as Abondance near Evian in the French Alps. He lists his hobbies as cycling, skiing, tennis, mountain biking and hill walking.

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