



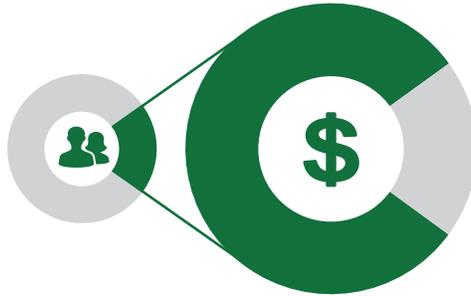
# Strategic Account Planning How to Get from Good to Great?

*Developed by Revegy, Inc.*

## Investing in Strategic Account Planning Excellence – Why Bother?

### It's revenue – right?

Not all customer accounts are created equal – it's a universal truth. Almost any B2B business can create a spreadsheet of their customers, rank order by annual revenue and see clearly those that bubble to the top.



The picture typically follows the Pareto Principle - 20 percent of your customers represent 50 – 80 percent of your revenue, depending on your industry and business model. Most companies solely look at revenue factors when selecting strategic accounts. That's a good place to start, but it's critical that you periodically take a fresh look at your key accounts to evaluate a combination of things including future revenue potential, changes in the landscape and your strategic alignment. Highly effective strategic account programs must include the evaluation of issues that will impact the current and future revenue potential of key accounts to assess if you should be investing your efforts elsewhere.



### According to the Strategic Account Management Association 2014 Trends and Practices Report, the top four criteria used in strategic accounts are:

1. Past/current revenue
2. Business growth/increased opportunities
3. Potential revenue
4. Strategic fit of the two companies



### However, the top two most EFFECTIVE criteria were:

1. Strategic fit of the two companies
2. Current level of trust and openness in customer relationships

## You've got to be invited to the party – and it's an exclusive affair.

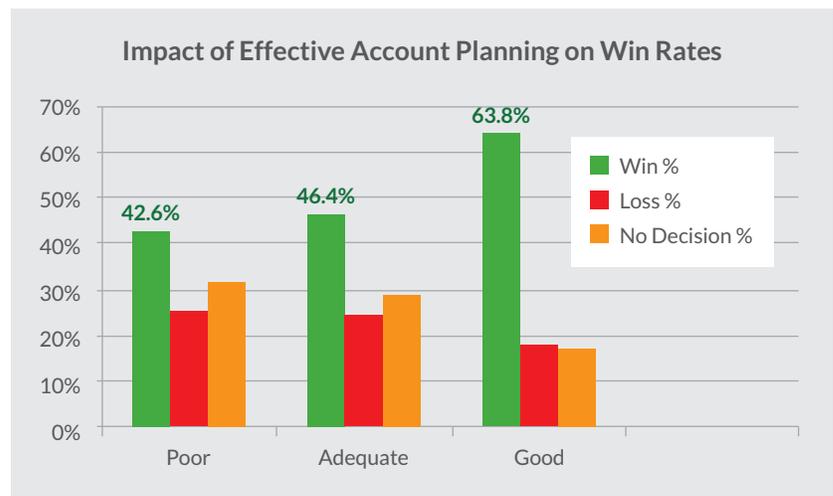
You can select a company to be a strategic account, but you won't get the greatest value until they also select you. Most global businesses are rationalizing their approved vendors. The Forrester Research Global Sourcing & Vendor Management Priorities Survey reported this trend as early as 2012. The survey showed that 81 percent of the companies surveyed had 20 or fewer strategic vendors/partners. Will you make the list? Not if you aren't able to establish your strategic value, and this requires excellence in planning for how you will develop your most important accounts for the short- and long-term.

## Surprises can break the bank.

Have you ever lost a critical account and had no idea it was coming? What would that revenue hit mean to your organization? Could you recover from this type of surprise and still make your annual sales goals? Probably not. Highly effective account planning and deal execution tools should eliminate these blind spots by measuring the risks in your customer relationships and identifying specific gaps.

## Learning from what top performers do.

In a recent study from CSO Insights, 56 percent of top sales performers conduct regular strategic account planning. And those that actually do it well see more than a 17 percent uplift in win rates. Yet, therein lies the problem. Doing something – and doing it exceedingly well – are two very different things. There are scores of sales organizations that engage in strategic account planning only to find that it is a painful exercise and the extra work doesn't really deliver the anticipated return. In this paper we will explain the common pitfalls of strategic account planning to avoid, and how companies of any size can easily implement best practices that will deliver significant gains in revenue and customer loyalty.



Source: CSO Insights Sales Performance Survey

## Avoid the Pitfalls of Poor Strategic Account Planning

Before we discuss how to engage in highly effective strategic account planning, it's important to understand where most sales organizations go wrong.

### Pitfall #1

The first and most dangerous pitfall is that account plans tend to be focused on the seller rather than the buyer. In the world of strategic account selling this is the kiss of death – to reach a strategic partner level in your accounts you must align your selling process with the buyer's journey. Few sales organizations understand how unique each buyer's journey can be and struggle to know how to drive their process accordingly. A symptom to look for is if your account planning process does NOT include collaborating with the customer on their goals and objectives.

### Pitfall #2

The second pitfall is the static, un-integrated nature of many strategic account plans. These documents tend to be long, complicated reports and created in a silo by the sales person. They aren't integrated into sales force automation and CRM systems, they aren't easy to digest and review, and they aren't conducive to ongoing reporting and tracking. When this occurs it is difficult for management to play an active role in the account planning process which prohibits a valuable coaching opportunity. A symptom to look for is lack of involvement from the extended account team in the planning process. When only the account manager has a strong understanding of the account strategy, it degrades the team's effectiveness in executing account activities. This is especially true when there is poor/no integration between the account plan and systems of record (CRM/SFA). This will require re-keying of information into the account plan to keep it an evergreen collaborative planning process - which won't happen.

### Pitfall #3

Another sign of poor strategic account planning is the lack of sophisticated planning tools. Instead, tools are highly manual, disjointed, and fail to facilitate collaboration throughout the entire buyer and seller journey. If your strategic account plans are being created and managed in PowerPoint, Excel, Word or through Google Drive and email, you can bet they aren't being updated and reviewed often enough to be truly effective. How often your customer is reviewing and updating the plan is a good test for this pitfall.

## Pitfall #4

Finally, one of the most common mistakes in strategic account planning is that it's handled as a "one and done" exercise. In many cases, this is due to the cumbersome, manual nature of the tools provided throughout the process (see previous paragraph!). As a result, account plans may be reviewed one or two times a year, rather than on an ongoing basis – and there is not a strong link between the plan and sales execution. Due to the changing and collaborative nature of strategic selling, the plans for your most critical sources of revenue can become outdated almost immediately after the review process. You need to have planning tools that are flexible, collaborative and visual so that your sales teams use the account plan as a tool to drive account management and deal execution.

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## Build a Strong Planning Foundation

So, how do you make the leap from ineffective strategic account planning to the level that drives high performance? Many sales organizations focus solely on fixing the plan itself and that's a common mistake. In fact, before tackling the actual planning process, these underlying foundational elements should be inspected.

**Set clear objectives.** Identifying strategic accounts isn't just about determining which accounts are bringing in the most revenue. For some companies, a strategic account may demonstrate high revenue potential or an opportunity to penetrate a new vertical market or differentiate from the competition. For others, they may represent an opportunity to increase customer loyalty and retention rates. Companies must first clearly define their goals for strategic account management and begin with the end in mind. If your goal is to penetrate a specific vertical, then strategically growing current accounts within that industry is a priority.



### What's your account objective?

- Retention
- Revenue Growth
- Vertical Penetration
- Competitive Differentiation

**Identify the right accounts.** Once clear, strategic account objectives and goals have been determined, it's important to objectively score and validate your strategic account candidate. An effective tool we use is a Relationship/Revenue quadrant, which plots your accounts based on relationship/fit (strong or weak) and potential revenue value (high or low). The most strategic accounts that fall within the high value/strong relationship quadrant will be your sweet spot!

**Relationship/Revenue Assessment Scorecard**

|                                    |                                     |
|------------------------------------|-------------------------------------|
| Strong Relationship<br>Low Revenue | Strong Relationship<br>High Revenue |
| Weak Relationship<br>Low Revenue   | Weak Relationship<br>High Revenue   |

**Account Prioritization Scorecard**

|                 |
|-----------------|
| First Priority  |
| Second Priority |
| Third Priority  |
| Fourth Priority |

**Get the tools and processes in place that foster collaboration with your customer and across your account team.** There is a method to the madness in effective strategic account planning – and that method is hinged on having a repeatable, scalable process, and tools that enable internal and external collaboration. This begins with a process map – a list of key activities that need to occur, who's responsible for what across your account team and a roadmap of what needs to happen for you to create opportunities and close the next deal with your customer. It also includes periodic roadmap reviews WITH your customer, so you can keep them engaged and accountable throughout the process.

**Determining the potential value of an account.**

- Are the customer's organization and revenues growing?
- Are current revenues strong?
- Are there potential opportunities to grow your footprint with the business?

**Determining the relationship strength of an account.**

- What is the level of trust with the customer?
- Do you have strong relationships with key stakeholders?
- Is the account a strategic fit for your company?
- How does the customer view you in your industry?
- How does the customer view you in their industry?

It's crucial that the tools used to create a strategic account plan be designed to drive execution and promote continuous collaboration and transparency across your account team. Too often, strategic account plans are engineered for failure because they are created and executed in a silo. Instead, they should be easy to work with, visual, sharable and easily accessible to every team member - including marketing. Engaging marketing in the account planning process will drive effective account-based programs to support your key objectives. Account plans should be fully integrated with your SFA or CRM systems to break down the internal barriers that impede strategic account planning effectiveness.

**Make coaching an integral and continuous part of the process.**

In the day-to-day chaos of selling, coaching can easily become just a series of "check ins" between sales leadership and strategic account managers. Effective coaching is ongoing, focused on critical areas of improvement and drives specific behavior changes that lead to self-sufficiency. For the coach, the challenge is having the foresight to know when and where coaching can have the greatest impact to move accounts and opportunities forward. This precipitates a need for tools that identify coaching opportunities based on a performance roadmap, not just at periodic account reviews.

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## 5 Steps to a GREAT Strategic Account Plan

Once equipped with the right focus, tools and processes, it's time to create the all-important strategic account plan. Keep in mind that these practices may need the same amount of overhaul as the processes and tools discussed in the previous section.

1. **Get the customer involved.** Conventional sales thinking says, "don't show your cards to the customer." But, millions of sales organizations still struggle to meet their goals. It's time for a shift in

### Top 5 Internal Barriers to Strategic Account Development

- Internal silo conflicts
- Too much short-term focus
- Global vs. local conflicts
- Inadequate corporate support
- Internal collaboration challenges

Source: Strategic Account Management Association, 2014 Key Trends and Practices Report

mindset. Involving the customer up front engages them in the selling process. Start by understanding their strategic goals and how they measure success. What are their overall business objectives and key initiatives of each department or business unit? Where do they see opportunity for you to align your solutions with their business challenges?

2. **Identify and nurture key relationships.** The next step is creating a relationship map. This map allows you to see where you and your account team have relationships within the customer organization...and where you don't. It underscores where you need to develop and nurture relationships with key decisions makers - driven by *their* business concerns and responsibilities.

3. **Have customers score you.** How valuable are you/ your solutions to your customer? If you really want the answer to this question, have them score you using a customer value scorecard. This will help you



**Customer Value Scorecards** will show how valuable you are as a collaborative partner.

understand how well they perceive you, if you're truly delivering valuable and innovative solutions, and if they view you as a collaborative partner. This information will help you identify areas of strength and weakness that will be instrumental in steering the account planning ship.

4. **Build a collaborative, team-based, living action plan.** With an understanding of the customer's buying process, where you need to nurture relationships and how the customer views the value you deliver, it's time to create an action plan that focuses on execution. What needs to happen in the first 3 to 6 months based on this insight? What needs to happen over the next 12 to 36 months to keep this customer satisfied and revenue growing? It's critical to keep your action plan current and use it to keep everyone informed. Your plan should also provide a clear understanding of the responsibilities and contribution of each team member.

5. **Measure the results.** Strategic account planning is not a once a year exercise. It's continuous and it should drive execution. It's important to leverage automated tools and analytics that measure your performance, not only in terms of planning effectiveness and plan execution, but also in trends that result from the revenue generated and customer value delivered. This information will help you understand what's working, what's not, and the adjustments that need to be made to keep you on track.

## Don't Forget the Mission

Strategic account planning is not for the faint of heart...but neither is complex selling. Achieving great strategic account planning requires strategy, focus and orchestration. The payoff for those sales organizations that do it well and take a strategic approach to managing their most valuable customer...it can be game changing.

Effective strategic account planning is instrumental in increasing win rates against key competitors and maximizing revenue growth per customer. Through the use of collaborative and execution-focused tools, sales organizations can transform strategic account performance. The results? You'll elevate the value you deliver to customers, uncover new opportunities and improve forecast accuracy - all while minimizing concessions and reducing sales cycles. An investment worth the rewards.

### Learn more about Revegy.

Revegy serves B2B sales organizations that have complex sales cycles and our customers include leading companies such as **SAS, Oracle, JDA, Informatica, Ryder, Fiserv, First Data, McAfee, Allscripts, QAD, SAP, mongoDB, Redhat** and **GE**. For more information visit [www.revegy.com](http://www.revegy.com).



### Download Free eBook!

*Learn how world-class companies are using innovative strategic account planning approaches to grow revenue and account penetration.*

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## Getting Started

Having the right sales tools in the shed is critical to jumpstarting effective strategic account planning. Text documents, presentations and spreadsheets are great for assembling thoughts, but they're terrible at guiding the planning process or promoting collaboration, sharing, coaching and customer engagement. Instead, sales organizations should invest in visual planning tools that will help them:

- Identify accounts that offer the best revenue growth opportunities
- Collaborate and communicate with account teams and customers
- Assess the true health of any account relationship and identify customers at risk
- Build customer loyalty by aligning resources and solutions with key customer strategies
- Save time by automatically aggregating account research and social media content
- Create consistency in execution while adapting to the buyer's journey
- Drive sales execution without creating a mountain of administrative work