Key Account Management:

# 4 Steps to Growing Revenue From Your Key Accounts

SALES BENCHMARK INDEX

It is estimated to be 7x easier to sell to an existing account than it is to open a new account.

A company's customers are their most critical asset, and planning for their success is critical. Revenue concentration, whereby a small number of accounts contribute the majority of the revenue, is the norm in today's marketplace. These key account revenue streams need to be defended and expanded. Sales geographies, other companies, even other industries.

Key Account Planning is focused on determining an account's attractiveness score, performing an account opportunity assessment, recruiting the identified customers into a key account program, and growing the revenue, profits, and satisfaction levels with this set of customers.

Key Account Development includes 4 phases in order to up-sell and cross-sell within a key account.
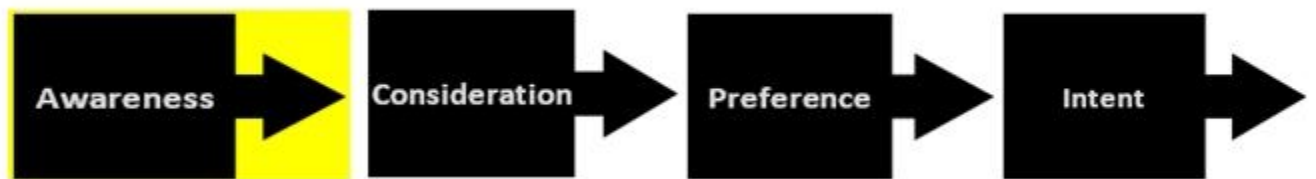
Awareness involves helping the client understand the opportunities they are missing.

4 key strategic activities required in awareness:

1. Define what the client is missing
2. Connect the opportunity to the objectives of the business
3. Identify the potential victims
4. Explain the method utilized to determine the opportunity exists

A tool commonly utilized to further develop an existing account is the "Root Cause" job aid. The purpose of the job aid is to bring clarity to an opportunity when a lack of clarity exists for either you and/or the client. Since we're talking about key accounts, let's assume you are working within an existing account and walk through the steps within the "Root Cause" job aid in an effort to further develop the account.

Steps 1:

Define the problem:

1. What problem are we solving?
2. Are these symptoms or by products of a different problem or perhaps a core issue?
3. Are we defining the problem at the right level? (too broad or too narrow)
4. Account Development: Have you utilized the overall sales strategy framework to determine if another area of the sales framework is causing the problem?

Step 2:

Conduct a Root Cause Analysis on your current project:

| Problem	Potential Causes	Discovery Tasks / Questions	Valid?
List name of the client problem	Identify potential root causes of problem	• Develop a discovery plan to validate each potential root cause. • Involve as much direct observation as possible. • What problem was solved that caused this one? • What problems may I create by solving this one?	Is Root Cause valid?

Step 3:

Define the Needs Hypotheses to develop the account:

Hypothesis	Potential Causes	How Discovered?	Victims	Impact	Relevance
What is your hypothesis of potential client need(s) you uncovered	Identify potential root causes of problem.	How did you come across this as a potential problem? Is this an expressed, unexpressed or unknown need of the customer?	Who are the victims that are affected by this issue?	How is it impacting the organization and its people?	Is the problem worth further investigation?

Step 4:

Sit down with the client and walk through the above steps and findings. The exit criteria is the client acknowledges a problem exists. You have now exited Awareness and moved into Consideration.
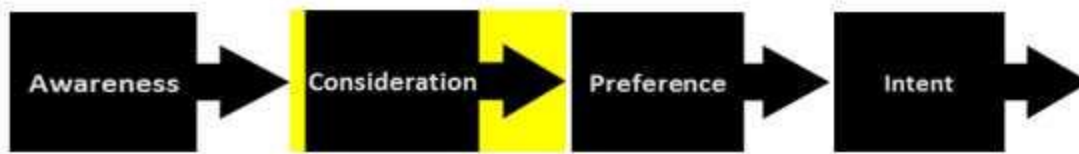
There are 3 key strategic activities required in **Consideration**:

1. Establish the complexity of the problem
2. Establish the complexity of the solution
3. Establishing a "value hypothesis" defining what it's costing the client to continue down the current path

Consideration may be the most difficult of all the key account development phases. In order to exit this phase in Key Account Development, the following 3 criteria must be met:

1. The client must provide the current path cost estimate
2. The client acknowledges they cannot capitalize on the opportunity themselves
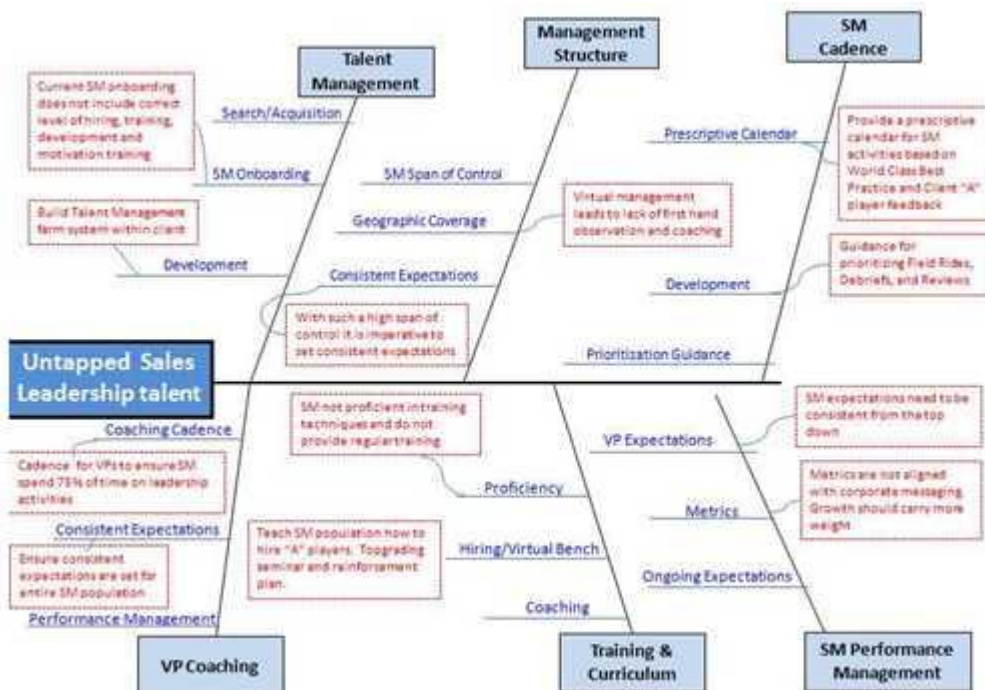3. Hard evidence exists to support the problem

 A few of the tools commonly utilized to support the ability to establish the complexity of the problem and the possible solutions are the Venn diagram and the Fishbone.

The Venn:

Draw 4 circles or print out one of the many templates online.

- First circle: list all the possible issues relating to the problem
- Second circle: list the various levels of awareness for each possible problem
- Third circle: list all the possible solutions to the problems
- Fourth circle: list the consequences of inaction of the problems (high, medium, low)
- Most Venn templates provide the intersection of the 4 circles, within this area list the common issues/awareness levels/solutions/consequence of inaction. These common items become the source content for determining cause-effect and eventual methods you will use to educate the customer

The Fishbone or often referred to as the story telling job aid is utilized to expand your thinking to discover all the possible problems a client might have (unknown, unexpressed or expressed). The Fishbone takes the output of the Root Cause Analysis and further explores the cause & effect.

Hiring wrong people — No hiring profile / No formal interview process

Poor Leadership — Exit Interviews / Doesn't ride w/ reps

Poor training — No onboarding program / No job aids/tools

Unrealistic Quotas — 5% attainment / Best rep at 101% of target

High Turnover

Talent Management — Search/Acquisition, SM Onboarding, Geographic Coverage, Development, Consistent Expectations

Management Structure — SM Span of Control, Virtual management leads to lack of first hand observation and coaching, Development, Prioritization Guidance

SM Cadence — Prescriptive Calendar, Provide a prescriptive calendar for SM activities based on World Class Best Practice and Client "A" player feedback, Guidance for prioritizing Field Rides, Debriefs, and Reviews

Current SM onboarding does not include correct level of hiring, training, development and motivation training

Build Talent Management farm system within client

With such a high span of control it is imperative to set consistent expectations

Untapped Sales Leadership talent

Coaching Cadence, Consistent Expectations, Performance Management

Cadence for VPs to ensure SM spend 75% of time on leadership activities

Ensure consistent expectations are set for entire SM population

SM not proficient in training techniques and do not provide regular training

Teach SM population how to hire "A" players. Topgrading seminar and reinforcement plan.

VP Expectations, Metrics, Ongoing Expectations

Proficiency, Hiring/Virtual Bench, Coaching

SM expectations need to be consistent from the top down

Metrics are not aligned with corporate messaging. Growth should carry more weight

VP Coaching

Training & Curriculum

SM Performance Management

The Preference phase is where the client fully understands the ramifications to selecting an alternative solution to the one you currently provide for them.

Be flawless in your approach by presenting all options which the client should consider for solving the problem. This includes **competitor options**.

It is better to bring them up now when you have some control rather than have them go off on their own. Remember you are a problem solver who is developing a long term relationship. Be flawless.

Awareness → Consideration → Preference → Intent →
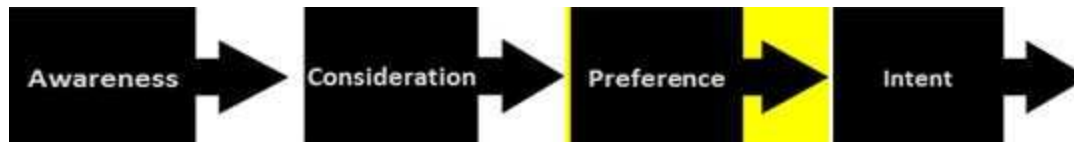
There are 5 key strategic activities required in **Preference**:

1. Present options to consider for solving the need
2. Explain how the options integrate into the current project
3. Show how improvement will be measured
4. Show how victims benefit
5. Develop a communication strategy

In order to exit this phase in Key Account Development, the following 3 criteria must be met:

1. Customer understands how each solution connects to the problem
2. Customer understands the upstream and downstream effect of each solution
3. Customer selects metrics to measure improvements

The tools commonly utilized to present the options to be considered and how those options best integrate into to the current project is the Affinity Diagram and the Solution Development Tool.

The Affinity Diagram example below was developed utilizing 8 different forms of discovery. The result provides those key findings within each discovery activity and the alignment of those findings with the solution options.
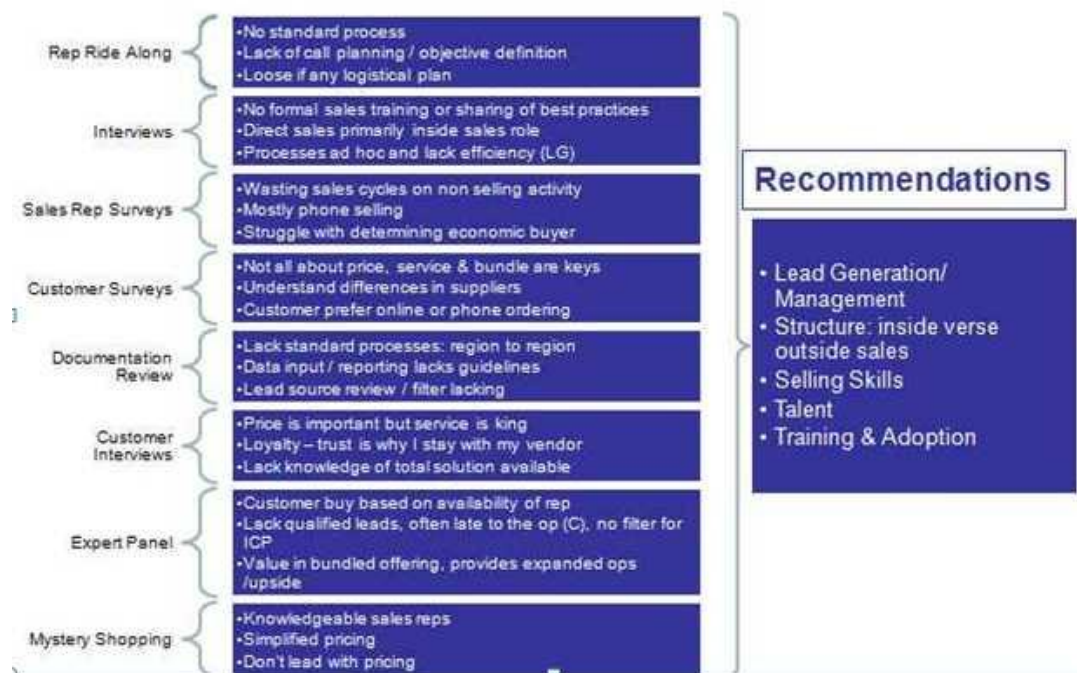
The partial Example of a **Solution Development Tool** below is utilized to help the customer prioritize the need, determine the impact, define the solution options, highlight the benefit and connect the options to the current project.

Step #1: Prioritize the Needs (Top 1-2 from Affinity/Venn)

Need Priority #1	Impact of Need	Solution Options	Connect to Current Project
Prioritize based on Fishbone analysis	What is this doing to the customer? Who are the victims?	What options should customer consider? Prioritize based on Affinity analysis.	How does this tie into the work we are currently doing with the client?
Need Priority #2	**Impact of Need**	**Solution Options**	**Connect to Current Project**
Prioritize based on Fishbone analysis	What is this doing to the customer? Who are the victims?	What options should customer consider? Prioritize based on Affinity analysis.	How does this tie into the work we are currently doing with the client?

Step #2: Define Customer Benefit

Need Priority #1	Benefit	Measurement	Timing
List from above	How does this help the customer accomplish their stated business objectives?	How will customer measure improvements of this need?	When is the right time for the customer to look at this based on your knowledge of their situation?
Need Priority #2	**Benefit**	**Measurement**	**Timing**
List from above	How does this help the customer accomplish their stated business objectives?	How will customer measure improvements of this need?	When is the right time for the customer to look at this based on your knowledge of their situation?

The desired result, of the previously mentioned Key Account Development job aids, is to help the client reach the exit criteria.

The tendency for most key account managers is a desire to move quickly through each phase of key account development. Avoid the desire to move quickly.

Remember you are educating and being a flawless problem solver. Your goal is to avoid getting to the end of this process and having the client say "I just don't get it".

This typically occurs when an attempt to accelerate the process lacks evidence, measurement metrics, or skips a step in the process.

The **Intent** phase in Key Account Management is where you assist the client with the development of a buying decision process.

By this point in Key Account Development we have accomplished the following three objectives:

1. Made the client aware of the opportunities they are missing
2. Established the need for outside expertise
3. Developed your firm as the preferred solution provider

Often times the client needs help understanding how to make a decision. The need for a clear decision making process helps avoid the various resistance that will be encountered along the way. Make no mistake, you will have your champions or resistors, they often flip

flop throughout the process depending on whether they're able to manipulate the process or solution to their advantage.

If they don't see the ability to leverage the situation more than likely they will launch a wrench into the gears of progress or in politically charged environments, create enough questions to "time out" the deal and we all know time kills all deals.

We continue to refer to the 4 phases within Key Account Development in order to up-sell and cross-sell within a key account.
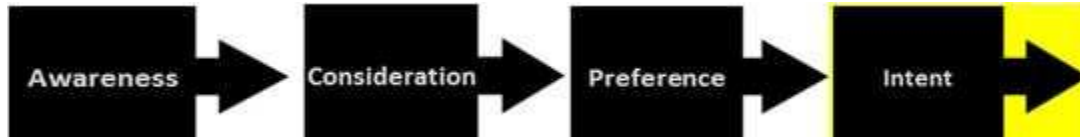
There are 4 key strategic activities required in **Intent**:

1. Help the client understand what they are looking for
2. Help the client comprehend the value of the solution
3. Help the client determine the evaluation criteria
4. Prevent the "my client just doesn't get it"

In order to exit this phase in **Key Account Development**, the following 3 criteria must be met:

1. Client knows what to look for
2. Client knows how to measure the value
3. Client knows how to compare the options

The solution development tool is also utilized within the Intent phase but it is the Option Assessment Tool that supports the core exit criteria of measuring and comparing the options. I've included 2 examples below, the evaluation criteria is listed on the left hand side, the options along the top (this includes "do nothing") and the measurement input where they intersect. The tool utilizes a scale of 1 - 10 with 10 representing the highest level of confidence of that option meeting the evaluation criteria. In most complex sales the solution may be broken up into multiple components, solutions or services. The option assessment tool must be completed for each piece of the solution to avoid not providing a complete option decision path.

Option Assessment

Evaluation Criteria	Options				Avg
	Potential Sltn	Potential Sltn	Potential Sltn	Potential Sltn	
1. Ability to Execute	2	9	9	9	7.3
2. Time to Result	7	9	4	4	6.0
3. Positive Impact on Existing Project	1	9	1	1	3.0
4. Measures of Success	1	1	2	9	3.3
5. Proof of Root Cause	4	3	1	1	2.3
6. Benefit to Victims	2	9	1	9	5.3
7. Benefit to key stakeholders	3	4	5	8	6.0
8. Customer Impact	3	1	4	6	3.5
Avg	2.9	5.6	3.4	5.9	

Option Assessment

Criteria	Options			Avg
	Internal	Outside Resource	Do Nothing	
1. Time to get result	2	10	1	4.3
2. Staff Time Investment	2	8	1	3.7
3. Competition with other Projects	2	8	1	3.7
4. Measures of Success (selling efficiency)	2	10	1	4.3
5. Ability to Execute	6	10	3	6.3
6. Cost	2	6	10	6.0
7. New Insight (Outside Perspective)	4	10	1	5.0
8. Experience in Area of Concern	7	10	3	6.7
Avg	3.4	9.0	2.6	

The output of the above Key account development job aids is to help the client reach the exit criteria. The decision process cannot be overly complex, if the path to a decision is not clear, the client won't see the path and other decisions or projects will take the place of yours. We all know your project is not the only one competing for the same dollars. This includes all internal and external projects, so a clear path and well understood benefit analysis are "key" to putting your project at the top of that list.