

10

Steps for Growing Your Key Accounts



Retaining current customers costs 6-7x less than acquiring new ones,¹ and improving customer retention rates by a mere 5% can increase profit per customer by 25-95%.² So it makes sense that top companies focus on building relationships, increasing loyalty, and selling more to current customers as a growth strategy. Use the following 10 steps to replicate their successes.

STEP 1

Get leadership buy-in

Get your leadership team on board with your plans early. The more senior management is involved, the better account management works, from planning and implementing processes to providing training and building the right team.

83%

RAIN Group's strategic account management research revealed that 83% of high performing companies believe that getting senior management involved and supportive of strategic account growth contributes most to revenue maximization.

STEP 2

Implement a strategic account management process

Make sure your process is right for your organization and that your account managers are intimately familiar with it so each stage is executed for each key account.

Average/below-average performers find having an effective strategic account management process 2.7x more challenging than high performers.

A 2% INCREASE IN CUSTOMER RETENTION IS THE SAME AS CUTTING COSTS BY 10%.³

STEP 3

Know your company's full suite of products and services

While you don't have to be an expert on your organization's entire product/service line, you should be able to uncover needs across the spectrum of areas of where your company can help.

36% of average/below-average performers struggle with cooperation and collaboration among various groups at their companies.

STEP 4

Develop a strategy and action plan to grow key accounts

Craft a compelling strategy for growing accounts, and make sure the implementation plan is rock solid.

CREATING STRATEGIES AND ACTION PLANS TO GROW STRATEGIC ACCOUNTS DRIVES REVENUE GROWTH

75%

75% of high performers believe creating strategies and action plans to grow strategic accounts is one of the most effective ways to maximize revenue.

IMPLEMENTING STRATEGIC ACCOUNT PLANS AFTER THEY'RE BUILT IS A TOP CHALLENGE

54% Average & Below-Average Performers

29% High Performers

2x more challenging

STEP 5

Select the right accounts

Not all customers are created equal. When looking to grow accounts, you should target those accounts with the greatest opportunity.

Top 5 factors identified as important or extremely important for proactive account development*

- 83% Your profit potential with an account
- 85% Strategic fit with an account
- 79% Current level of mutual trust with an account
- 76% Target account's size
- 93% Revenue potential you believe you can generate with an account

* % of total respondents

60% OF COMPANIES BELIEVE THEY SHOULD BE GENERATING 25% OR MORE REVENUE FROM STRATEGIC ACCOUNTS.

STEP 6

Use an account management tool

Having an effective planning tool is 2.8x more challenging

53% High Performers

19% Average & Below-Average Performers

Using the proper tool allows you to work step-by-step through what you know about your accounts and helps you discover areas in which you can provide value.

STEP 7

Build a solid account team

Construct a team comprised of the 8 roles that must be played to grow accounts:

- 1 Relationship lead
- 2 Entrepreneur
- 3 Innovator
- 4 Collaborator
- 5 Technical expert
- 6 Researcher
- 7 Project manager
- 8 Skeptic

While one person may play multiple roles, it is unlikely one person can play all of these roles well.

78% of all respondents believe creating a team-based approach contributes most to revenue maximization.

STEP 8

Communicate value

If buyers value you and what you bring to the table, they'll buy, keep buying, and be open to expanding their relationship with you. When it comes to account growth, high performers are better at both internally assessing the additional value they are able to provide accounts and working with accounts to co-create value.

High performers are **2.8x** more effective

Internally assessing and evaluating additional value they can bring to strategic accounts.

Working collaboratively with strategic accounts to co-create value in innovative ways.

! THE PROBABILITY OF SELLING TO AN EXISTING CUSTOMER IS 60-70%, WHILE SELLING TO A NEW PROSPECT IS ONLY 5-20%.⁴

STEP 9

Maintain and build the relationship

Building and maintaining your relationships with accounts will insulate you from threats from competitors. Existing relationships are also critical for establishing new relationships in other buying centers at the account.

A CBS/New York Times poll asked:

"Of people in general, how many do you think are trustworthy?"

The answer: 30%

But when asked, "Of people you know, how many do you think are trustworthy?"

The answer: 70%

When people get to know you and start to like you, they begin to trust you. This is essential for growing accounts.

STEP 10

Get account management training

High performers tend to provide training for both strategic account management and selling skills, deliver higher quality training, and get more out of the training.

Belief that training in sales and relationship skills contributes most to their efforts to maximize revenue from accounts

68% High Performers

51% Average/Below-Average Performers

Belief that training in strategic account management skills contributes most to their efforts to maximize revenue from accounts

61% High Performers

43% Average/Below-Average Performers

STRENGTHEN CLIENT RELATIONSHIPS, BUILD LOYALTY, AND GROW YOUR EXISTING ACCOUNTS WITH STRATEGIC ACCOUNT MANAGEMENT TRAINING FROM RAIN GROUP

With RAIN Group's strategic account management training, your team will gain critical skills and knowledge needed to help you achieve the greatest possible success in key account management. They'll learn a proven process for strategic account planning that will allow them to systematically review and grow their accounts. To learn more about bringing training on-site to your organization, click here.



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Sources
Unless otherwise noted, the research in this infographic comes from RAIN Group's Benchmark Report on High Performance in Strategic Account Management, which you can learn more about here: <http://www.raingroup.com/sambenchmark>.
¹ Christopher W. Hart, James L. Heskestad and W. Earl Sasser, Jr, "The Profitable Art of Service Recovery," *Harvard Business Review* 68, no. 4 (1990), <http://hbr.org/1990/07/the-profitable-art-of-service-recovery>.
² Frederick F. Reichheld and Thomas Teal, *The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value* (Boston: Harvard Business Review Press, 2001).
³ Emmett C. Murphy and Mark A. Murphy, *Leading on the Edge of Chaos* (New Jersey: Prentice Hall Press, 2002).
⁴ Paul W. Farris et al., *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance* (New Jersey: Pearson Education, 2010).