



Account classification
and coverage

Sales Management
Coaching Framework

Objectives

At the end of this lesson participants will be able to:

- Integrate Account Classification and Coverage activities to grow revenue
- Coach and manage your Account Executives / Account Specialists to efficiently work their territories
- Build a solid platform for future innovation

You will learn

Why

- Account Classification ensures more effective coverage of the accounts in our territories
- Account Coverage is integral to our Go-to-Market strategy and revenue achievement goals

What

- Classifications of Accounts
- Concepts for Account Coverage assignments
- Tools available for managing Account Classifications and Coverage

How

- How to effectively classify Accounts and ensure the right coverage model
- How to use dashboards to evaluate your Account Classifications and optimize your Coverage model
- How to coach sellers on nurturing accounts

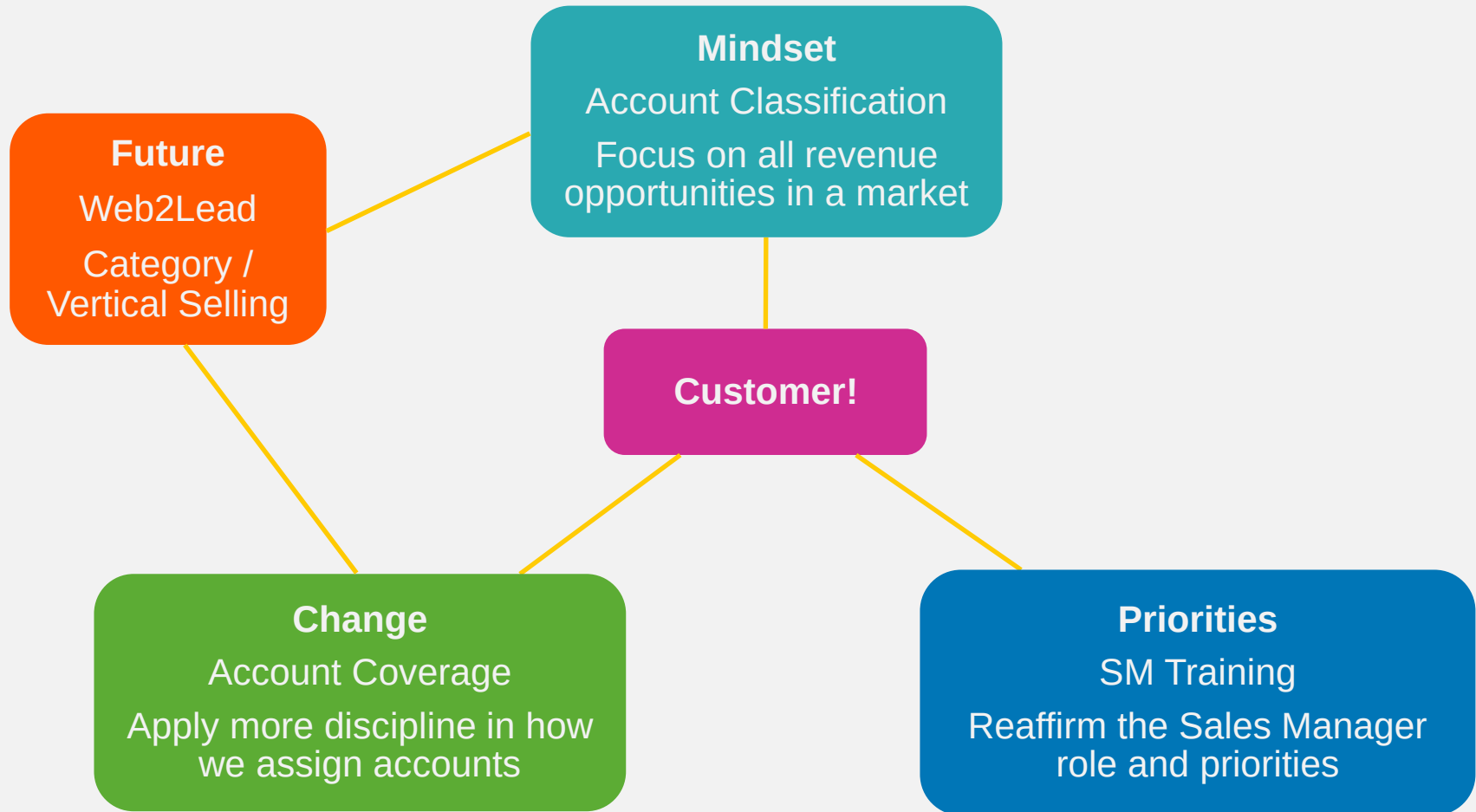
Good Account Management starts with good people management

Our sellers have different skills and strengths ... we need to **develop our SMs**, put our sellers in the **right roles**, handling the **right accounts** → **GROWTH**



***PRODUCTIVITY =
TALENT x (RELATIONSHIP + EXPECTATIONS)***

Account Management aligns mindset, change, priorities and future innovation



Why account classification and coverage

*“They will come to learn in the end,
at their own expense, that it is better
to endure competition for rich
customers than to be invested with
monopoly over impoverished
customers.”*

-Frederique Bastiat

Why account classification?

In a survey of 200 Fortune 1000 companies, most were able to raise revenues and profits by more than 20% on average through collaborative initiatives with existing customers. (McKinsey)



**Change the game to create
big breakthroughs...**

Why account classification?



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

Why account coverage?

- Sell new business and show new customers the value your business
- Offer outstanding service to our existing customers to retain and grow accounts

What gets in the way of growth?

New business	Retain and grow our current accounts
– AEs don't spend as much time developing new business – AEs do not always have a clear sense of "high growth opportunity" prospects or who should call on them – AEs don't always understand how Outdoor works with other media	– Keeping customers happy requires great service, follow-through and hard work – A large number of accounts can lead to under-attention and loss of our smaller accounts

Account management basics

“Profit in business comes from repeat customers, customers that boast about your product or service, and that bring friends with them.”

- W. Edward Deming

Some definitions

- **Account Classification:** “The process and criteria used to divide accounts into different classifications.”
- **Account Coverage:** “The process and criteria used to allocate accounts to Account Executives and Specialists.”
- **Opportunity Management:** “The actions and sales process steps used to convert opportunities to closed deals and customers.”
- **Account Management:** “The process of maximizing the return on your investment in an existing customer by defining and actioning appropriate plans that will enable you to build on the present, to manage the future.”
(August deliverable)



Account Management Planning vs. Execution

Planning and strategy tasks (today)	Execution tasks (August deliverable)
– Analyzing accounts – Classifying accounts – Assigning resources – Reviewing accounts	– Visiting Accounts – Handling issues – Mapping Accounts – Account Planning – Upselling / Cross-selling – Adding value (being consultative)

Account Classification Playbook

Account classifications	Prospect	Seasonal	Secondary	Target	Key
Revenue potential	Non billing in last 12 months	- Only billing in season - No revenue growth	- Billing in last 12 months - No revenue potential to become Key Accounts	- Non billing or billing less than Key Target threshold - Revenue potential to become Key Accounts	- Billed in last 12 months - Group of Accounts at Branch that have billed by X (criteria determined by each Branch)
Definition	- Accounts that have not yet been qualified (e.g., no access or credibility established) - Don't know where to classify them, but an AE has decided to claim and pursue and qualify Account	- Accounts which bill seasonally and driven by events - Seasonality, and other similar drivers	- Small to Medium billing accounts held by AEs that do not have potential to become Key Accounts - The collective opportunity for these accounts is still fairly large	- Accounts that are qualified (AE has access and credibility) - Accounts that have growth and market potential to be Key Accounts - Dollar potential is understood - Access and influence to decision maker	- Typically top "20%" of Billing Accounts (Customer) - Billing at Key Target threshold and plan to bill at this level - Plan to proactively address needs and deliver differentiated compelling proposals
Examples	Newly opened business, business spending with competitive media	Gun Show, Circus, Bridal Show	Small to Medium enterprises	Medium to Large enterprises that represent revenue growth potential	Medium to Large enterprises
Coaching	Limited number of Prospects Accounts per AE for a Branch - should be set by VP Sales	Unlimited number of Seasonal Accounts	Non billing in last 12 months should consider re-classifying to Prospect	- Target Accounts should receive the highest Account development attention - Active Executive engagement	- Limited number of Key Accounts to Branch Key Account threshold - Executive engagement

Account management advice

Common Mistakes

- Account Management is a once a year activity
- Account Management equals Relationship Management
- Account Management is for Agencies

Critical Success Factors

- Account Management must be a part of every sales meeting
- Quarterly reviews of Account Classifications and Coverage
- Communication is integrated in the Key account management system
- Be sure your Key account thinks you are strategic, too!

Account management questions

- How should you treat your Key Accounts differently from your Prospect and Secondary Accounts?
- How does the sales organization translate your customer's needs into your organization's strategy?
- How have you leveraged internal resources to improve your competitive position? (Marketing, Creative, Chartist, etc.)
- Are you prioritizing your time efficiently across the various accounts you are working on? (Key, Target, Prospect, etc.)

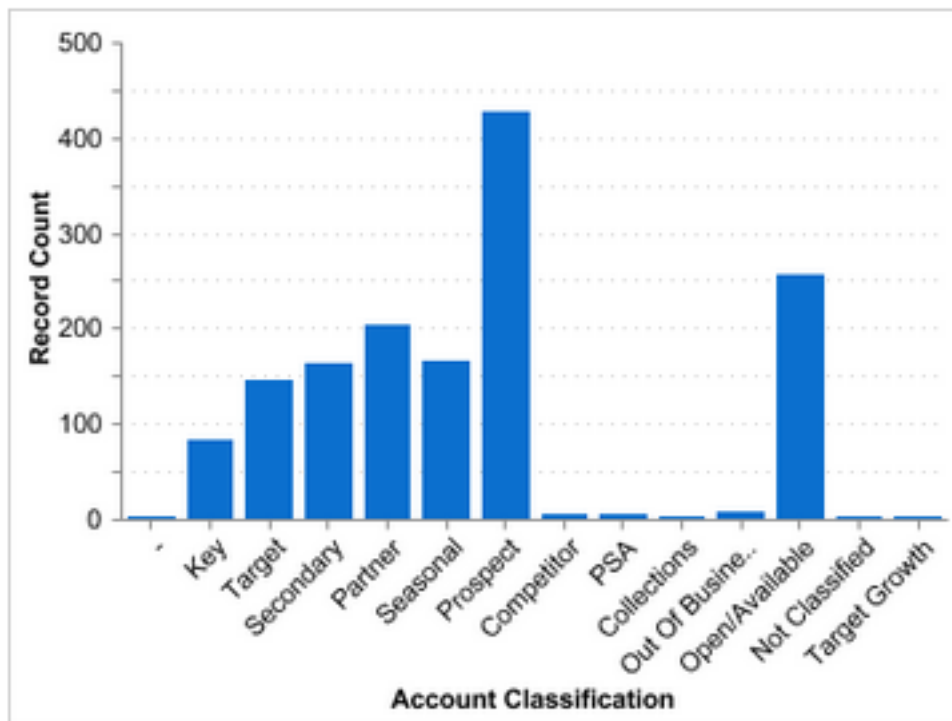
Account management tools

*“Repetition makes reputation and
reputation makes customers.”*

- Elizabeth Arden

Strategic account “landscape”

Accounts By Classification



Who are my accounts by their Classification?

☐	<u>Shelia Dinger</u>	Record Count	0	0
☐	<u>Tami Conway</u>	Record Count	0	2
☐	<u>Tim Gregory</u>	Record Count	0	7
☐	<u>Tom Muench</u>	Record Count	0	12
Grand Total		Record Count	2	115

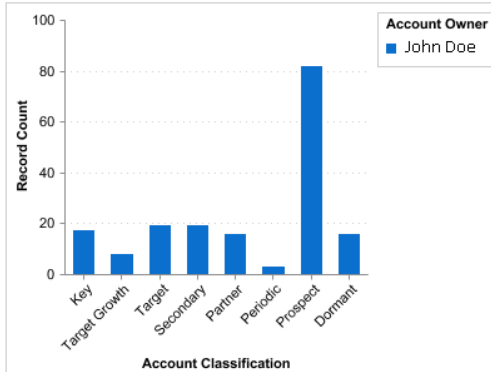
Account Classification								Grand Total
Net Growth	Target	Secondary	Partner	Periodic	Prospect	Dormant	Not Classified	
1	0	26	3	11	62	204	0	308
34	156	18	1	12	76	60	0	364
1	0	6	3	5	8	0	0	23
0	0	2	0	0	0	0	0	2
0	0	7	5	6	51	3	0	72
0	0	3	0	0	3	1	1	9
0	2	17	14	33	39	47	0	152
0	0	1	0	0	10	0	0	12
4	3	27	0	3	12	54	0	115
14	37	1	30	23	56	2	0	176
1	4	44	26	39	52	48	0	217
9	3	36	16	14	28	36	0	157
8	23	10	35	20	42	10	2	162
10	5	29	17	15	18	21	1	129
8	30	15	43	52	82	4	1	247
5	0	19	2	6	111	1	0	144
0	1	12	7	23	51	26	0	126
1	3	2	0	3	15	0	0	26
1	0	175	2	13	8	192	0	398
12	24	9	26	13	42	3	1	142
109	291	459	230	291	766	712	6	2,984

Strategic account list management

A2 - Strategic Account Management Dashboard

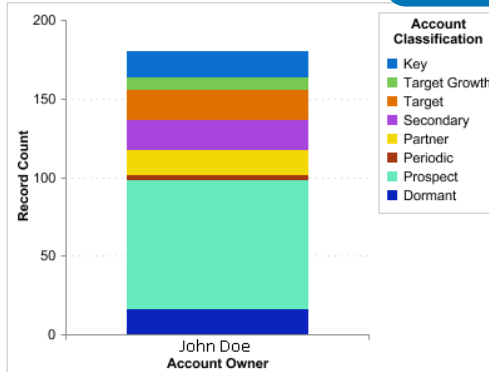
Instantly determine your AE's Account Landscape and Pipeline

Accounts By Classification



Who are my accounts by their Classification?

Accounts By Owner



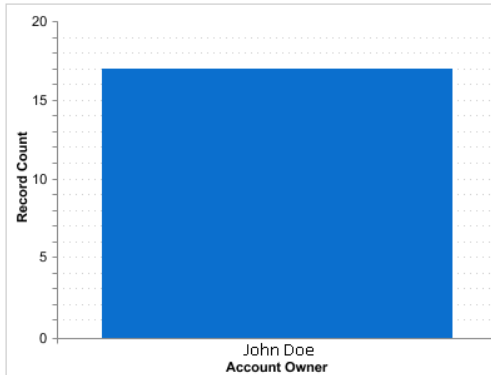
Who are my accounts by Owner?

Account Classification	Sum of 2012 Pipeline
Target Growth	\$64K
Target	\$36K
Secondary	\$16K
Partner	\$0
Periodic	\$0
Prospect	\$228K
Total	\$344K

What is my current year pipeline by Account Classification?

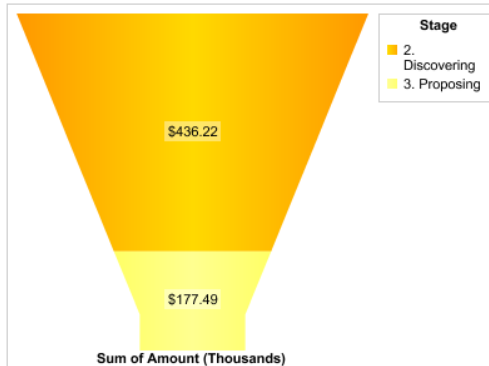
Identify Areas for Growth and Potential Issues

Key Accounts



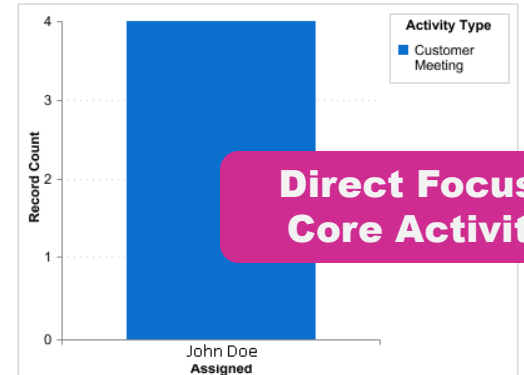
Who are my Key Accounts?

Key Account Pipeline



What is my current year pipeline for my Key Accounts?

Key Account Core Selling Activity



What activity have I accomplished over the last 30 days to drive my Key deals forward?

Direct Focus To Core Activities

Exercise 1: Knowing accounts

Time	25 minutes
Materials	A2 – Strategic Account Management Dashboard (DB)
Activity (15 minutes)	1. Review the Account Classification criteria. What does your account landscape look like? Do you have the right mix of accounts? 2. Look at your pipeline in each of your Key, Target and Prospect accounts. Is there enough pipeline in each category to accomplish your goals? 3. Look at your core selling activity for your Key, Target and Prospect accounts. Is there enough historical information there to understand the history of the accounts? How much did they spend last year? Is the AE connected to the right people? What is the “plan to win” on open opportunities?
Debrief	Instructor asks 3-5 volunteers to share ideas on how to know accounts better
Call to Action	Conduct this exercise with the remaining accounts in your branch. Build this best practice into your ongoing account reviews.

Exercise 2: Accounts coverage

Time	20 minutes
Materials	A2 – Account Management Dashboard (DB)
Activity (15 minutes)	1. Look at your A2 DB from your top AEs perspective. Do they have the right mix of accounts? What anomalies should be addressed? 2. Do you have confidence the AE will be able to accomplish their goals based on the overall pipeline for these accounts? 3. Select one Key, Target and Prospect account for this AE. Are they doing enough of the core selling activities to drive business? 4. Drill into one of your top AE / AS accounts. Does this paint a picture of the account history? Are they connected to the right people? Do open opportunities have a plan to win?
Debrief	One person from each group to share?
Call to Action	Develop a plan for improving your account distribution.

Account nurturing

“On average 80% of your sales comes from just 20% of your customers, so keeping them happy can have a major impact on your bottom line.”

- Anonymous

Ongoing Account Management activities



Allocate

Build

Challenge

Delight

Allocate

1 rule

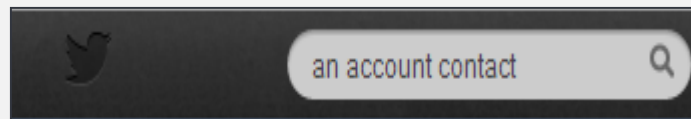
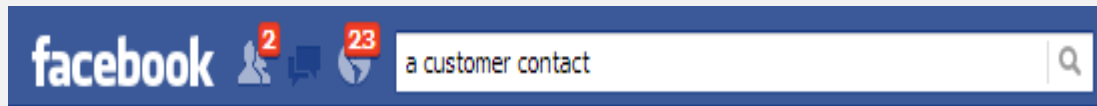
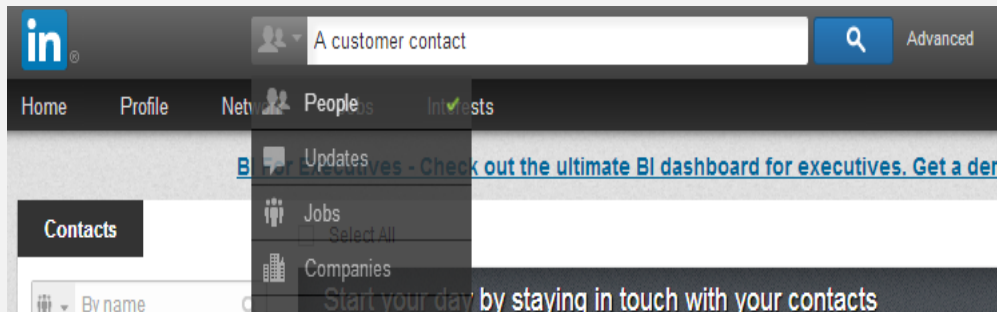
- Account Executives and Account Specialists allocate appropriate time to their list of accounts depending on Account Classifications
- The Account Classifications help segment account lists
- SMs spend time in periodic Account Classifications and Coverage activities using SFDC dashboards

Build

- Sellers continuously build and expand their contact base within an account
- Sellers leverage social networks to build their network
- Sellers leverage networks of all kinds to help the accounts build their own networks – via beneficial introductions
- Sellers build a wealth of information on the account, the personas and the contacts

Account mapping

- Broadening the footprint of contacts within an account
- Deepening the personal knowledge of contacts



MacKay66	Name	Tom Ops	Annie Kreativ
	Role	COO	Creative Director
Personal	Hometown	1	Tennis pro
College Info	Name	1	1
	Year Grad	1	1
	Degree	1	1
	Sports	1	1
	Activities	1	1
Post-Grad	Name	1	1
	Year Grad	1	1
Military	Service	1	1
	Officer/Enlisted	1	1
Spouse	Name	1	1
	Education	1	1
	Interests	1	1
Children	#	1	1
	Names (birth year)	1	1
	Interests, issues, Problems	1	1
Current Role	Dates	1	1
Previous Employer	Name	1	1
	Position	1	1
	Dates	1	1
Various	Trade or Professional	1	
	Clubs	1	
	Political Affiliation	1	
	Religion	1	

Challenge

- Sellers use observation and research activities to learn of account issues and potentials
- Sellers use questioning techniques:
 - In challenging accounts to grow, innovate and capitalize
 - In challenging the account's decision-making processes
- Sellers help accounts understand their own internal challenges

Delight

- Sellers always bring value to interactions with the account by:
 - Advising on trends, regulations, competitors, etc.
 - Sharing best practices and expert advice
- Sellers over deliver by:
 - Being visible and available in every part of the account's lifecycle
 - Including Delighters where possible

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Bring consultative ideas



What did you learn?

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Account Management Quiz

1

Name 3 benefits from existing Account Management.

Increased revenue, decreased costs, shorter sales cycle, higher customer satisfaction, higher return on Rep efforts, better upsell/cross-sell success.

2

How many times easier is it to sell to an existing account than a new logo?

7

3

Key Accounts are typically billing in the top _____ of accounts.

20%

4

Contract Expansion is an account management activity performed in which classification of accounts?

All except Other.

Account Management Quiz

5

What is the most useful SFDC dashboard for SMs to monitor their AEs' account lists?

Strategic Account Management dashboard

6

Name 2 ideas for being consultative in an account.

Celebrate success/express concern; competitive intel; emerging practices; business advice; broker relationships; bring them business.

7

How can you use the SFDC SAM dashboard for coaching your AEs?

It helps identify areas for growth or areas that may cause potential issues.

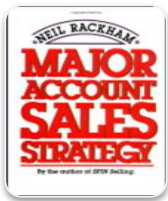
8

True or False: AEs don't need to worry about how much time they spend with accounts.

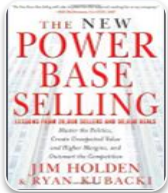
False. Time should be allocated based on the account classification.

Additional resources

Reading material



Major Account Sales
Strategy
By Rackham



The New Power Base
Selling
By Holden and Kubacki



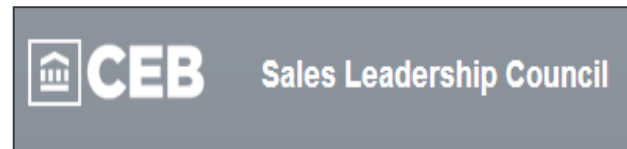
The Art of Client Service
By Solomon

Online resources



All Free Info

Acct Mgmt
Specific



Next steps

30 - 60 Day Plan

- Re-evaluate your Branch's Key Account revenue target is still valid
- Ensure all accounts in your branch are properly classified
- Train Account Executives and Account Specialists on appropriate time allocations
- Plan how to graduate Targets to Key and address Key accounts
- Have Account Executives (and Specialists) use SFDC to set up tasks for visiting Key / Target accounts
- Review the dashboard on a regular basis to assess the Accounts and opportunities to determine where focus should be for the team

90 Day Plan

- Quarterly review of Account Classifications and Coverage
- Start annual planning with Key accounts
- Institute Quarterly Business Reviews with Key and Target accounts

Questions



Thank you!