



**STRATEGIC ACCOUNT  
MANAGEMENT:**  
HOW TO EXPONENTIALLY  
IMPROVE CUSTOMER LOYALTY  
AND DRIVE SALES REVENUE



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A WHITEPAPER BY THE BROOKS GROUP

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# When it comes to sales, it's not just about quantity. It's about quality.

**The best way to bring in revenue for your company is to develop long-lasting relationships with your clients—building a bond of trust over time and showing them that you really care about helping them meet their needs and achieve their goals.**

So how do you achieve that kind of bond with your customers? One of the most effective methods is with Strategic Account Management.

By giving your team the tools to manage their accounts strategically, you can reduce your sales cycle, improve customer loyalty, and increase overall sales and revenue.

Let's take a look at what Strategic Account Management is, how to use it, and how it can benefit your organization.

## What Is Strategic Account Management?

Often when it comes to sales, the main focus is on bringing in as many new customers as possible. However, while this is certainly important, it's not necessarily the most efficient method of increasing your revenue.

According to a [study by Gartner Group](#), on average, about 80% of your company's future revenue will come from 20% of your current customers or clients. If you can find and zero in on that 20%, you can focus your efforts there and increase your earning efficiency.

Strategic Account Management (we'll refer to it as SAM) is the process that allows you to tap into that revenue stream and nurture sales from the accounts with the most sales potential.

SAM focuses on identifying the accounts that are most likely not just to buy from your company, but to make larger, more lucrative purchases. Then, once you've pinpointed them, you work to build long-lasting, mutually beneficial relationships with those clients in the hope that the extra attention will translate to more of their business--both now and in the future.





For many companies, SAM is becoming an increasingly important part of their sales methodology. More and more organizations now employ a Strategic Account Manager to spearhead SAM initiatives. This is someone who not only knows their own company inside and out but also their clients' companies. They're skilled communicators and problem solvers, and they understand business and financial strategy. Their job is to forge those relationships that will become the bedrock of your sales strategy.

The "extra attention" they provide can mean a number of different things depending on your company. Examples might include special, exclusive discounts, or access to certain company resources and other perks.

It could also be as simple as sending a client a valuable article or piece of industry research that relates to their challenge.

## **The Importance of Strategic Account Management**

It's true that SAM requires more energy and resources than simply selling to a client and hoping they stick around. But when you get down to it, any sales technique is an investment of time, money, personnel, and other resources. SAM is about directing that investment more efficiently in order to see a better return.



When you identify and work these key accounts, they're up to [70% more likely to close](#) than a brand new one. They also spend around a third more and are more likely to refer new customers.

By showing that special extra attention, you also increase your clients' customer satisfaction. And most importantly, SAM leads to higher revenues. When you begin a SAM initiative, profits can increase by [around 15%](#). If you maintain the program for five years or more, that number can rise to 30%.

SAM can also help you gain an edge over your competitors. Particularly when you get towards the bottom of the sales funnel, the client will generally have narrowed their choice down to you and one or two other companies. A little extra effort at the right time can help tip the scales in your favor.

And when you focus your SAM efforts on existing accounts, it can help you to grow your relationship with them and expand their business with you, far more than if you just dropped them an occasional templated e-mail reminding them of your existence.

By helping your team manage their key accounts strategically, you can forge bonds of trust that will last for years to come and lead to a sustainable source of revenue.

## **How Is SAM Different from a Typical Sales Organization's Process?**

As we've mentioned, Strategic Account Management isn't like your typical sales process. There are several key differences.

Of course, SAM is narrower in focus: special, individual attention is given to a few high-priority clients, whereas in sales, a broad net is cast, and you try to reel in as many customers as you can using the same basic techniques.

With Strategic Account Management, there may be multiple team members focused on a particular client. Depending on the size of your organization, you may have a dedicated Account Management team, or you may need to train your salespeople with Account Management skills.



Your team will evaluate their client base to identify key accounts that show signs of being potentially lucrative. Then they work to develop a specific approach, designed to cater to that particular account: what their needs are, what's important to them, what they're likely to respond to, etc.

Sales meetings often have the theme of, *"What can we do to land more clients?"* Whereas SAM meetings ask, *"What can we do to land (and maintain) this particular client?"*

On the other hand, while it may be narrower in focus than general sales, SAM is also broader in scope. Sales is about specific opportunities: your client is in the market for a new product or service, and your job is to convince them that you have the solution they need before they decide to buy from someone else.

But Strategic Account Management is more of a courtship. You're forming a partnership with the client that ultimately benefits both of you. Your team will collaborate with them on certain projects and work together to ensure that their needs are met, both now and in the future.

Sales is focused on right now: close and immediately move on to the next potential customer on the list. SAM has more of a focus on the future.





Managing your accounts strategically is all about the long game. Not every touch point will have the goal of making a sale, but instead, every touch point should have the goal of providing value to the customer.

When executed correctly, SAM efforts will result in a stronger relationship and additional revenue for your organization.

## Increasing Sales Using SAM

Certain aspects of Strategic Account Management may seem counterintuitive at first glance. Your team will narrow their scope, focusing on just a few specific clients in order to expand your company and increase your revenue.

But it can be incredibly effective when done correctly. So how do you do it? There are a few important steps.

- **Identify Key Accounts** – The first step of effective Account Management should be to categorize your accounts into segments. Segmenting allows your team to evaluate the time they're currently spending with each of their accounts, and create account plans with specific activities based on relationship strength and revenue potential.
- **Set Goals** – Once you've identified key accounts, it's important to outline what you're looking to achieve with them. How much is this specific account worth? What kind of return on investment are you expecting, and in what timeframe? This can help you determine just how much energy and resources should be allotted to the account.
- **Devise a Strategy** – Each key account requires its own specifically tailored strategy for how to do business with them. Do your research. For each account identified, find out everything you can about that company: what they do, what their goals are, their history, and anything else that may be relevant. Just as important is to research the people in the company: who will you be dealing with? Who are the key decision makers in their organization? What are their [buying behavior styles](#)?

Once you have this information, you can devise a strategy for how to handle each account. How can you form a partnership that's beneficial to you both and ultimately increase your revenue?



- **Constantly Be Reevaluating** – Identifying key accounts isn't just a one-time event. You should continually be looking at your entire list of clients and leads to see if any who previously didn't seem to meet your "key account" criteria now do. Similarly, you should regularly evaluate your list of SAM accounts to determine if they still meet your criteria, or if continuing to invest energy and resources on them isn't productive.

Finally, you should regularly reevaluate your list of criteria itself, to see if it's still reflective of your company's needs and goals--and update it accordingly.

## Reducing Sales Cycles Using SAM

This is another aspect of Strategic Account Management that may seem counterintuitive. We've already said that SAM is about the long game: focusing on the future rather than trying to land sales immediately. However, this approach can actually help you reduce your sales cycle and get key accounts to buy faster, rather than slower.

Perhaps it's best to think of it like the tortoise and the hare. If your team tries to rush clients into a decision, they risk putting them off, making them stall, or even giving up on your company entirely. But slow and steady wins the race.

Taking the time to focus on your clients' needs in the long term will not only lead to more (and more profitable) sales, but you'll also find that they'll often make up their minds more quickly than if you tried to push them. People buy when they feel a sense of trust with an organization.

One of the most effective ways of reducing your sales cycle is by ensuring that your goals and your client's goals are in alignment. The sooner you can agree, the sooner you can make a sale. And with Strategic Account Management, you've already taken the time to outline a strategy for aligning your goals with those of your client.

If you've done your homework, you know going in exactly what they're looking for and have a clear plan for how to provide it for them. This can eliminate a lot of back and forth between you and help you settle on a deal sooner—one that benefits everyone.



## Improving Customer Loyalty Using SAM

The key to Strategic Account Management is forging long-term relationships. Traditional sales focuses on closing the deal at hand. SAM is all about the next five, ten, even twenty years' worth of deals.

If your team focuses on meeting the client's needs, treating them well, and getting them what they want, they'll build trust and credibility in the client's eyes-- ultimately resulting in increased sales over time.

As we've said before, SAM is all about partnerships that are mutually beneficial. The benefit to you is obvious. You get their business, and hopefully their loyalty for future business. In exchange, you need to be able to provide some benefit to them, above and beyond just selling them the product or service they need.

Fostering customer loyalty is about identifying the problem or issue your customer is having and helping them find a solution with your products or services.





Sometimes, the best solution might not be a product or service your company provides. That transparency and willingness to look past a “personal gain” will let your client know the representative has their best interest in mind. That trust and relationship strength is something that can truly set your organization apart from the competition, and bring you increased revenue in the long run.

What you offer your key accounts depends on what kind of business you do and what your resources are. Be creative and come up with extras you can provide that will fit your clients’ needs and show them that you care. This is one of the most effective ways of improving customer loyalty and making sure they stay with you for years to come.

## Changing the Way Your Clients See Your Salespeople

Sales and marketing tend to have a bad reputation in the eyes of the public. Nobody likes to be sold to, and knowing that’s your endgame can make clients wary of everything you say. Their automatic reaction is to see you as manipulative and only interested in getting their money by any means necessary. Even if you’re selling them something that they need—even if they’re the ones that approached you—the fact that you’re selling something can make clients reluctant to trust you.

But Strategic Account Management is about changing that. By working with key accounts to meet their needs and encouraging your team to go the extra mile to provide them with something special and individual to them, you can give them a more positive view of your company and its representatives. Your SAM team will be viewed as strategic partners and advisors.

If your team can effectively manage their key accounts, they’ll not only gain trust the trust of clients, but clients will actually look forward to working and interacting with your organization. They’ll also be more likely to recommend you to friends and colleagues, helping you to grow your business even further.

It can be challenging work gaining the trust of a client, but once your team achieves that trust, the benefits it provides are exponential.



## Companies that use SAM Effectively

In today's competitive marketplace, best-in-class companies understand the need to prioritize customer satisfaction and relationship building in order to differentiate and stay on top. Focusing on Account Management is one way they're achieving that goal.

One of The Brooks Group's clients, Swagelok, realized the importance of emphasizing customer focus, and took action with the [Strategic Account Management training program](#).

The training helped the Swagelok team create plans they could successfully implement in order to build strategic relationships with key clients.

The program received excellent reviews from the participants and company stakeholders, including Director of Sales and Service, John Holmes:

"As we strive to improve as a sales organization The Brooks Group's Strategic Account Management program has helped our sales team build account plans that put the focus where it belongs, on the customer. The Brooks Group spends the time to understand our organization, our customers, and the business environment we operate in, then customizes programs to help our sales team achieve greater success with our customers."

—**John Holmes**, Director of Sales and Service, Swagelok



## Conclusion

Strategic Account Management can be an extremely beneficial practice to implement in your company. However, it can be challenging to develop procedures and processes from scratch. It requires dedicated tools, resources, personnel, and a comprehensive knowledge of SAM principles and how to best apply them to individual accounts.

Fortunately, The Brooks Group can help. We understand Strategic Account Management and can provide you with the tools and the knowledge you need to identify the key accounts in your organization and how to effectively manage them.

Our Strategic Account Management training program will help your team build strong customer relationships and maximize the revenue potential of their most profitable accounts. The program teaches participants a highly-practical system for developing each of their key accounts in ways that will strengthen the client relationship—and drive additional sales revenue for your company.

**Request Strategic Account  
Management Training Info  
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## About The Brooks Group

Founded in 1977, The Brooks Group is an award-winning B2B sales training company focused on bringing practical, straightforward solutions to your sales force selection and training challenges.

The Brooks Group provides a suite of proven sales and sales management development programs, industry-leading reinforcement tools, and best-in-class assessments.

### **For more information**

The Brooks Group can be reached by phone at (800) 633-7762, by email at [Contact@TheBrooksGroup.com](mailto:Contact@TheBrooksGroup.com) or online at [TheBrooksGroup.com](http://TheBrooksGroup.com).



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