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THE KEYS TO EFFECTIVE STRATEGIC ACCOUNT PLANNING

**Key 2: Discover what the customer
values most and validate it**



The keys to effective strategic account planning

Key 2: Discover what the customer values most and validate it

By Steve Andersen

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“The keys to effective strategic account planning” is a best-practice model Performance Methods Inc. has developed from our extensive client work in the strategic account management area as well as our affiliation with the Strategic Account Management Association. Chances are, if you’ve recently gone to a SAMA event, you even may have attended a session bearing the same name. This model, based on 10 critical best-practice areas, establishes a SAM execution framework. In this article series, we will “unpack” each key and provide insight into how global industry leaders achieve SAM excellence through effective implementation of best practices.

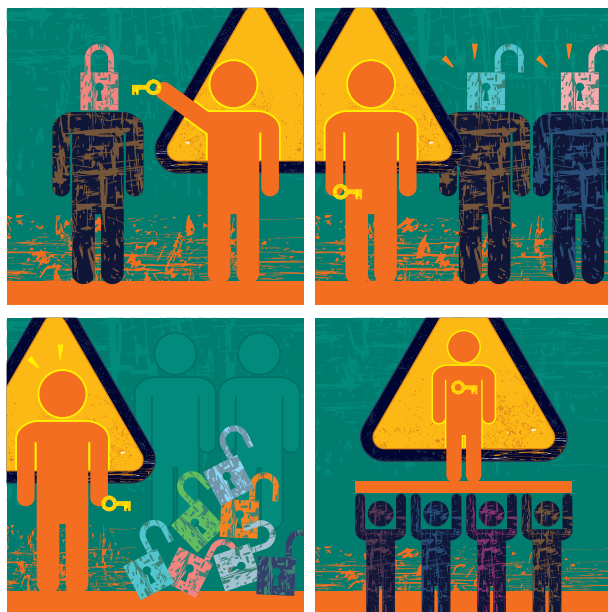
The most effective account managers and teams discover how their customers define value, then engage and execute accordingly.

Discover what the customer values most and validate it

The most effective account managers and teams discover how their customers define value, then engage and execute accordingly. They recognize that when account management efforts focus on the customer’s value expectations, the relationships that develop are deeper and longer and can be better leveraged. Today value and relationships seem to go hand in hand when suppliers and customers engage effectively. A strong relationship based upon past proven value provides a platform for new customer value levels, thus extending and expanding the parties’ relationship. How can something that sounds this obvious be elusive for so many suppliers in their quest for SAM excellence?

Value is more than a word

Someone once described it as the radio station all customers listen to: WIIFM, better known as “What’s in it for me?” This is precisely the way many customers feel when buying. But all too often salespeople burst into canned product or solution pitches without having enough insight into the customer’s challenges and priorities. We see a transformation taking place, a change in which buyers are becoming less interested in product features and solution benefits while becoming much more focused on unique, customer-specific value. Most salespeople have been through



extensive product training during their careers, yet we find when it comes to solving customer problems or creating customer-specific value the numbers of salespeople and even account managers who demonstrate the skills to do so are comparatively low.

Perhaps this explains why when under stress and pressure many account managers and salespeople revert to their comfort zone and talk about product features early in the sales process. If this occurs while the customer “spins the radio dial” looking for his favorite station, WIIFM, then the likelihood of a successful outcome is remote. To make matters worse, if the customer has evolved to a more sophisticated buying state while the supplier still sells the old-fashioned way (pushing products and solutions that don’t necessarily fit the business), then we have a problem waiting to happen. More than a thousand interviews of our clients’ customers have helped us realize that value means very different things to different customers, and the challenge for each of us is to find out what our strategic customers value most and connect our SAM efforts accordingly.

The importance of discovery

One of contemporary account management’s most important skills is discovery. If customer value is *what* we want to understand and align with, then discovery is *how* we intend to do so. We define discovery as the process through which account managers seek to better understand the customer’s business by asking value-focused questions that provide specific insight into the customer’s external drivers, business objectives and internal challenges. Every account manager’s objective should be effective discovery, a process that never ends in working with strategic customers. Yes, it takes a time investment to conduct ongoing discovery conversations with customers, but the collaborative nature of this type of engagement is well worth the effort

and can create significant space among competitors. Simply put, you just can’t sell to and align with that which you don’t understand.

Assurant Solutions (www.assurantsolutions.com) is a leading provider of specialty insurance, extended-service contracts and other risk management solutions. The company’s deployment of best practices focused on the discovery, development and creation of customer-specific value is impressive. Assurant Solutions’ SAM deployment (called global client management) includes a program specifically designed to align and connect with customer value.

Senior Vice President Allen Tuthill puts it this way: “We take pride in the partnerships that we have been able to develop with our strategic clients, and to do this requires that we invest the time and effort into understanding our clients’ businesses, what makes them successful and how they define and

measure value. We expect all of our account managers to conduct ongoing discovery with their strategic clients, and this requires that they have the discipline to aggressively listen before trying to rush to solve the problem and propose a solution.”

Customer-specific value

How do successful strategic account managers approach the discovery of customer-specific value? They do so in some very interesting ways through the deployment of innovative techniques and best practices.

In the words of a successful account manager: “I always make sure that I know what my customer values most, and then I ensure that we measure what they treasure on an ongoing basis. Even our conversations about value set me apart from my competition.”

For that account manager his innovation becomes his differentiator.

Figure 1.

The keys to effective strategic account planning

- 1: Define “What is a strategic account?” and assess the ongoing fit.
- 2: *Discover what the customer values most and validate it.*
- 3: Assess and strengthen the account’s most strategic relationships.
- 4: Position and differentiate the supplier’s unique value with the customer.
- 5: Integrate and balance the account and opportunity planning processes.
- 6: Align the supplier’s objectives with the customer’s.
- 7: Develop and implement a proactive growth strategy to grow the account.
- 8: Engage the customer in the account planning process.
- 9: Establish performance metrics to measure and track SAM execution.
- 10: Provide coaching and sponsorship to account teams as needed.

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Figure 2. How do today's strategic customers define value?

<ul style="list-style-type: none">✍ The supplier is easy for us to do business with✍ The supplier resolves problems and conflicts as they arise✍ The supplier knows our business and industry✍ The supplier's account team listens to our needs	<ul style="list-style-type: none">✍ The supplier solves our business problems✍ The supplier dedicates resources to our account✍ The supplier provides preferred pricing and contracting✍ The supplier helps us envision and plan our business	<ul style="list-style-type: none">✍ The supplier's approach to our account is strategic, not just transactional✍ The supplier builds team-to-team relationships with our team✍ The supplier develops executive-level relationships with our executives✍ The supplier helps us understand the specific value of its offerings	<ul style="list-style-type: none">✍ The supplier helps us assess our performance with mutually acceptable metrics✍ The supplier gives access to third parties and partners to help us meet our business needs✍ The supplier provides a single point of contact for strategy and decisions✍ The supplier provides an internal advocate for us
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To be exact we have observed 16 categories of customer-specific value. All customers value some of these, and no customer needs or wants them all. The account manager's goal should be to understand how a specific strategic customer defines value, then focus her account planning efforts on helping the customer achieve its specific value objectives. (See Figure 2.)

After a facilitated value discovery session with a key customer, an account manager heard her customer blurt, "No one has ever talked to me like this—and I like it!"

This type of reaction is certainly easy to understand. What's not to like when an entire meeting focuses on helping the customer succeed and achieve its WIIFM? But the secret sauce is in the details when it comes to customer-specific value. Some strategic customers value supplier knowledge of their business and industry, while others place high value on working with suppliers that focus on solving their business problems. Some strategic customers appreciate suppliers that involve them in the account planning process, while others may place value on the opportunity to develop team-to-team relationships with key suppliers. Whatever the case may be for your most important customer, one thing is clear: The

difference between winning and losing competitive opportunities can frequently be traced back to which competitor knew the most about customer-specific value and which supplier was most effective in helping the customer understand how to make its WIIFM a reality.

Collaboration and value creation

In a recent customer interview with a Fortune 1000 company's global procurement head, we heard the following: "We're in the process of putting together a strategic supplier program in which we will select a few of our suppliers and focus on driving greater levels of global collaboration with them."

He went on to say that his company would segment its suppliers and talked about its criteria for doing just that. The words collaboration and value were spoken multiple times in his description of the strategic supplier program. Our experience is that customers are becoming smarter and more deliberate in their approaches to supplier engagement, and some (as in this example) are deploying programs to try to proactively collaborate, discover and share best practices and even create mutual business value together. Imagine being in the position of Supplier No. 2 in

this sort of environment when Supplier No. 1 is in the collaborative driver's seat!

Honeywell International Inc. (www.honeywell.com), a diversified technology and manufacturing leader, excels at discovering and aligning with what its customers value most.

Kevin Madden, vice president of global sales at Honeywell Building Solutions, puts it this way: "We have always been a company focused on growing strong relationships with our customers, and the consistent creation of value for our customers sets us apart in our market. Suppliers must listen to their customers before pitching their products, and this means investing the time and effort upfront to understand the customer's business and how they define success."

Our experience is that customer-specific value and trust-based relationships establish the foundation upon which suppliers and customers can build and grow authentic strategic partnerships. Without customer value creation and co-creation, today's SAM programs may fail to offer a solid WIIFM to their most important customers. And this is certainly not where we want to be when the threat of commoditization is perhaps greater than ever.



The case for co-creation

When suppliers and customers co-create value, they work collaboratively to define and prioritize customer value goals. From the supplier's perspective the resulting dynamic is less about "selling to" and more about "working with." The initial focus is not on products or solutions but rather the co-creation of customer-specific value. When customers and suppliers share the objective to co-create, both parties must be willing to discover value gaps together, then work collaboratively to find the missing pieces. What is required of the supplier interested in embracing the co-creation concept and engaging customers accordingly? The supplier committed to creating value with selected customers must be able to:

- Equip account team members with modern skills and tools to enable co-creation
- Align account team members with the customer's appropriate buying team members, including executive-level sponsorship when appropriate

- Execute mutual opportunities with an initial focus on customer value creation rather than product features or problem-seeking solutions
- Prove the value of the supplier's offerings (including products, resources, expertise and services) by connecting them with what is most important to the customer


Is this type of engagement practical in all customer-supplier relationships? Certainly not. But in those considered strategic to both parties, value co-creation will enable the growth of

'The consistent creation of value for our customers sets us apart in our market.'

higher-level partnerships that can help reduce business costs and risks through increased levels of collaboration and trust between organizations.

Conclusions and recommendations

Today's most effective account managers and teams discover how their customers define value, then engage and execute accordingly. They realize that by focusing SAM efforts on the customer's value expectations, they create opportunities to grow customer relationships that are more strategic in nature, thus reducing the threat of competition while increasing customer loyalty. Our experience is that it is practically impossible to do this in the absence of collaboration between the parties because without this proactive connection, there simply won't be an environment conducive to a value

engagement dialogue. When modern account management programs drive the strategic account planning process by equipping and enabling account teams to be more effective at discovery, alignment, collaboration and value creation, the results can be dramatic and game-changing. 

Steve Andersen will conduct a session about the keys to effective strategic account planning at SAMAs 47th Annual Conference in May in Orlando, Fla., where attendees will also receive an account planning template supporting the keys. He is president and founder of the Atlanta-based consultancy Performance Methods Inc. (www.performancemethods.com) and can be reached at (770) 777-6611 or sandersen@performancemethods.com.

Additional resources

For more information on this subject by this writer in SAMAs library, the editor recommends: Steve Andersen, "Turning the keys: how global industry leaders deploy the keys to effective strategic account planning," *Velocity*®, Vol. 12, No. 2, Spring 2010, www.strategicaccounts.org, and Steve Andersen, "On-demand webinar: accelerated account planning—driving customer value through high-velocity collaboration," Sept. 8, 2008, www.strategicaccounts.org.



About Performance Methods, Inc. Based in Atlanta, PMI provides consulting and training services to assist clients in the design, development and deployment of customer engagement best practices. PMI's unique approach provides clients with customized and integrated solutions consisting of sales processes, best practices and consultative selling skills. PMI has been selected by many of the world's leading corporations as their sales best practices partner and has been widely recognized for the innovation, effectiveness and the strength of its contemporary suite of customized sales performance solutions. PMI is an active participant and sponsor in the Strategic Account Management Association (SAMA), the world's largest non-profit community of strategic account management and sales best practices, and will be featured in the ten-part article series **The Keys to Effective Strategic Account Planning**. PMI has been cited by Effectiveness Solutions Research (ESR) for leadership in the areas of depth and breadth of the PMI sales best practices solution suite, strength of methodology, value-selling orientation, advanced selling skills, solutions effectiveness, ability to customize, change management, global implementation, sales performance and sales training measurement, return-on-training and innovation. PMI has been acknowledged by TrainingIndustry.com as one of the top sales training and methodology providers for 2008, 2009, 2010, 2011 and 2012 and was featured in **The Best Practices of High Performing Sales Teams** article series. PMI creates worldwide client value and coverage through its global partnership with Mercuri International, the world's largest sales training and development consultancy.

For additional information on Performance Methods, please visit www.performancemethods.com.

