

Building Business Value with Key Account Management



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Dates: 10th/11th Feb 2010*

Executive Summary	3 - 4
Solutions	5
Account Management Model	6
Training Modules	7
Key Account Management Delivering Results	8
Booking Form	9

Executive Summary

“Account Management is the process of maximising the return on your investment in a customer by defining and actioning appropriate plans that will enable you to build on the present, to manage the future” (Peter Cheverton)



Having identified an opportunity to grow your business financially and exponentially through developing and adding value to your key account customers. Specifically, you have discovered that if you can maintain your current customer retention levels and provide additional, value added services to this customer base, you will achieve some important objectives.

First, you will be able to increase revenue levels and subsequently bottom line profits by having existing customers introduce more product lines. Moreover, you will increase your competitiveness in the market place that they are the preferred supplier in their sector by gaining the competitive advantage.

Second, you will have the opportunity to gain a larger share of your key customers' wallet. This will also cement the relationship with the customer ensuring long-term retention of their business.

Third, assist and train the key account managers to measure the potential of the key accounts to yield growth in your organisation's profit.

To summarise, the development of a Key Account Management Programme will:

- ◆ Develop a relationship that provides stability and growth
- ◆ Add value to the customers business
- ◆ Capitalise on the opportunities a customer presents
- ◆ Optimise the profitability of the business in an account
- ◆ Create a competitive advantage

Blocks to achieving objectives:

- ◆ Low level of Face to Face meetings with Key Accounts
- ◆ Lack of “farming” of accounts to produce organic growth
- ◆ Failure to recognise and spot opportunities for adding value due to lack of commercial awareness
- ◆ Not identifying the evolving needs of the customers at an early stage
- ◆ Lack of questioning skills to uncover problem/pain areas within an account where you can provide a value added solution
- ◆ Poor negotiating skills
- ◆ Failing to identify key decision makers and decision-making process within a key account
- ◆ The inability to delegate tasks, leading to poor time management
- ◆ Failure to focus on growing the customers' business with **You**
- ◆ Skills gaps between account directors and account managers

Challenges

- ◆ **Account Managers**, encourage and train Account Managers in planning and managing. Develop their abilities as team players to adopt best practice Key Account Management disciplines.
- ◆ **Planning** Ensure that key account planning and management:
 - ◆ Definable Results
 - ◆ Researched strategically
 - ◆ Action oriented
 - ◆ A clear sales process
 - ◆ In line with the business strategy
- ◆ **Customer focus** keeping and exceeding promises to customers, to provide results which excite and delight the customer, to build a level of trust which will ensure that customers are willing place services with and outsource all their services to you
- ◆ **Strategic Customer Relationships** establishing the you as a trusted business advisor and partner to its key customers rather than a supplier
- ◆ **Relationship- Consultative Sales Role** training the Accounts Managers in adopting a customer focused consultative approach. Using question skills to uncover problem areas within an account where you can offer a solution where the customer experience is positive and value added

Account Managers Skills Major Account Maintenance

Goal Orientation
Focus on Results
Desire to Increase Business
Willing to Work the System for the Customer
Commitment to Explain and Clarify Customer Issues
Build Customer Relationships
Add Value to the Customer's Business

The Programme Objectives will be:

- ◆ Manage their accounts in a way that produces more profitable partnerships
- ◆ Develop the ability to build stronger business relationships
- ◆ Gain a clearer insight into the customers' decision-making process
- ◆ Identify and assess the key knowledge required and the sources of information and resource that will impact on effectiveness
- ◆ Protect their accounts from competitors
- ◆ Add value to the relationship by identifying opportunities that have a positive impact on their customers' business
- ◆ Optimise the full business potential from each account
- ◆ Build and develop account management strategies that produce real business growth

The prime responsibility of management in key account management is to provide the account directors and account managers with a systematic, effective process through which they can understand how to succeed. The essence of account directors and account managers effectiveness is to have an extremely clear understanding of what task needs to be accomplished in every account.

The purpose of the training will be to bring about sustainable change within the account management team. For sustainable change, **your** sales teams must know the direction and the strategy, believe in it, and become committed to doing things differently as a result. The simple model: **Know, Believe, and Do**

- ◆ **What do the account management team need to know?**
Why: The account management has to understand the business case for change. What are the competitive challenges that make this change necessary? **Know** "Why should we change?"
What: Communicate clearly and precisely our key account strategy. What is it? What are our goals? How will it affect individual roles?
What are the resources that the team will have available? What knowledge of our capabilities does each team member need to succeed?
- ◆ **What do our account management team need to believe? Belief,** more than anything else, drives behaviour. Build a belief structure of success. Clearly define what we mean by success.
- ◆ **What do our account management team need to do?**
Help account directors and account managers change and adapt their behaviours to align with **your** key account strategy.

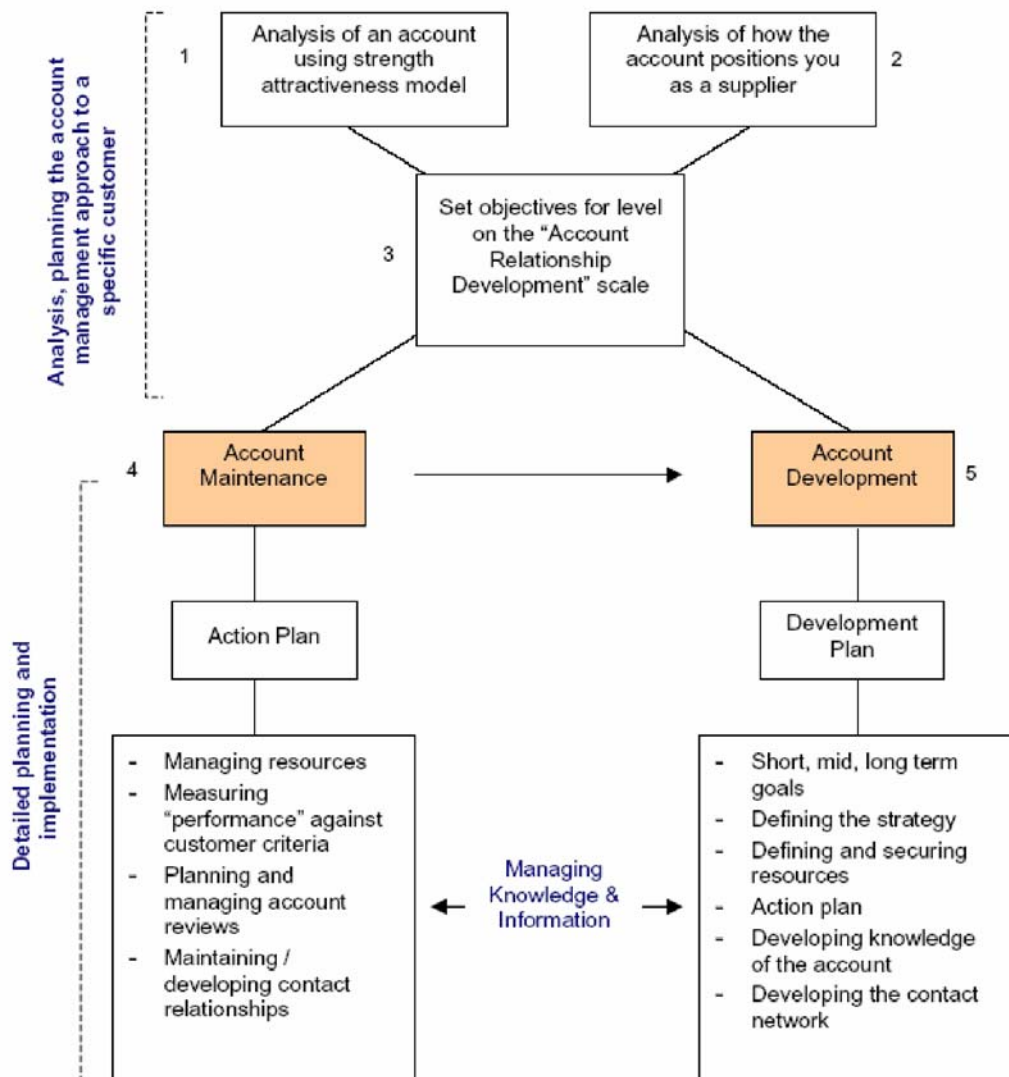
Training will involve the following areas:

1. Build a personal business plan to develop key accounts
2. Developing a belief system that they cannot fail
3. Focusing on success
4. Key account strategy
5. Develop a systematic sales process
6. Planning, forecasting and pipeline management
7. Set benchmark levels which will determine progress on each step of the sales process
8. Clear identification of tasks to be accomplished
9. Time management
10. Customer Relationship Skills
11. Learning to identify opportunities
12. Questioning Skills
13. Presentation Skills
14. High Level Negotiation Skills



Account Management Model

On day two as an integral part of their business plan the account directors and account managers will build a business plan for each account based on this model:



Based on the above model the account directors will build a key account plan for each key account, the planning document will contain the following information:

Contents of the Key Account Plan

- 1 Overview of Account
- 2 Introduction and Definitions
- 3 Customers' issues and strategies
- 4 Account sales history
- 5 Customer analysis and strategies
- 6 Account attractiveness
- 7 Customer satisfaction factors
- 8 Company strategies: corporate & customer
- 9 SWOT analysis - Opportunities and threats
- 10 Objectives, financial and positioning
- 11 Our Strategies with customer
- 12 Risks and dependencies
- 13 Action programmes
- 14 Control and Monitoring

Training Modules

Module 1 The Role of the Key Account Manager

What do you wish to achieve?

Sales Myths and functional fantasies

Setting Workshop objectives - from a list of objectives

Your Sales Role Defined as a Farmer- what it means to be a

Farmer Defining the role and responsibilities of a key account

manager Differentiating account management from selling

Understanding common key account management pitfalls

Assessing your strengths, weaknesses and unique advantages as a supplier

Determining the criteria for major account status

Module 2 Knowing your Account

Researching your customer's profile for accurate positioning

Assessing an account's volume of business and profit

potential Examining the organisation's structure and politics

Analysing the customer's short-term and long-term buying cycles

Using gap analysis to see where your customer wants to be / could be SWOT

Module 3 Formulating Account Strategy

Creating an account plan, setting objectives and strategies for each account

- focusing on the real needs

Developing competitive pricing strategies

Measuring account profitability

Using CRM strategies to add customer value and build stronger and more loyal relationships

Focusing on customer-driven measures

Module 4 Managing the Account

Identifying key decision makers

Influencing and negotiating with multiple decision

makers Utilising ROI selling

Producing effective proposals

Setting specific goals and objectives for each meeting

Giving effective and skilful presentations and ensuring all meeting are productive

Module 5 Adding Value to the Account

Networking and maintaining alliances across an organisation to maintain

preferred supplier status

Creating value-added marketing programmes for major accounts

Looking for opportunity - identifying wider sales across the whole account

Module 6 Developing Your Key Account Strategy

Setting Goals for your Key Accounts

Developing a plan for your Key Accounts

Business Plan Template

Key Account Management Delivering Results

Research shows that structured and resourced account strategies and plans deliver consistently higher revenues and margins, lead to higher customer satisfaction levels and hence to lower customer attrition rates.

Key account management helps companies gain the status of strategic rather than commodity supplier to their major customers, guarding margins and improving security of retention.

Retaining 5% more customers boosts profits between 25% and 85%.

20% of customers generally produce 80% of revenues, so losing such key accounts is expensive and damaging to the bottom line. Proper key account management maximises the chance of keeping these key accounts.

The top 10% of customers by revenue will be regularly running at a loss due to the increasing level of support they require and because 4 out of 10 firms cannot track profitability accurately. Key account management concentrates on how to develop profitable customers.

A focused approach to key account management dramatically increases both opportunity costs and direct costs of sale and leads to a major fall in the win ratio. A fundamental part of good key account management is a structured and prioritised qualification and bid process.



Key Account Workshop

To ensure places in this workshop or to request further information please complete the appropriate sections below or email us at booking@salesexcellence.com

For further information call us on Free Phone 0800 328 0702

Course: Key Account Workshop

Fee £795 (*Fee does not include accommodation*)

Venue: Thistle Hotel Heathrow

Dates: 10th/11th Feb 2010

Delegate Name

Delegate Name

Delegate Name

(Send a third delegate and enjoy 20% Discount for this delegate)

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Position

Tele No.

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Invoicing Details

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Address

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TownPost Code.....

Purchase Order No.

Please note that on all public workshops payment is required by the morning of the course. We will fax you joining instructions and your invoice seven days prior to the workshop. Cancellations received within seven days of course commencement cannot be accepted, we will however allow a substitute delegate to attend. Cancellations outside of seven days may transfer to the next course.

Signature

Please Contact me regarding the following:

In-house Training

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