Strategic Account Management: Concepts and Implementation for CEO’s and Senior Executives
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ICCA

Strategic Account Management
Concepts and Implementation
for CEOs and Senior Executives

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Science of Art and Sales
**Leadership** defined:
Influencing the behavior of people toward common goals in a way that fully respects individual points of view.

**Synergies** defined:
Dynamic states in which collaborative actions are more productive than individual component actions.
Program Agenda

- Segment 1: SAM Defined
- Segment 2: The Business Case for Change
- Segment 3: Process Improvement
- Segment 4: Implementation
- Segment 5: Measurement
Session Research

- How large is your sales force?
  - Under 5
  - Under 6-10
  - Under 11-25
  - Under 26-50
  - 50+

- What best describes your organization?
  - Event organizer
  - Centre
  - Association Management Company?
  - Hotel company
  - National Tourism Office
  - CVB
  - Other
The Sales Organization’s Focus Is Evolving

Sales Representative - Reactive - Compete for Sale

Product/Service Focus

Account Director - Customer Focus - Proactive - Create Loyalty
Sales Rep to Account Director: The Relationship Role Is Evolving

Order Taker → Trusted Advisor
Product Pusher → Consultant
Narrow Relationship → Broad Relationship
Offering Discounts → Delivering Value
What Is SAM?

• A business strategy focused on a small number of important clients, viewed as a corporate assets with significant long-term value

• Find ways to help both parties make and save money

• The voice of the customer within your company
Strategicaccounts.org Overview

• A strategic account manager (also called a major account manager, key account manager, national/global account manager) is the guardian of the strategic customer relationship, orchestrating the deployment of corporate-wide resources to provide comprehensive products, services, and solutions to the strategic account.
Strategicaccounts.org Overview

• SAM is practiced on the national, regional, multinational, and global levels according to seller and buyer organizational characteristics and operational behavior. The practice of SAM is now a profession, an ongoing focus of academic study, and a matter of keen practical interest to companies seeking to survive current economic conditions, achieve competitive advantage, and create future growth.

• Companies are striving to preserve those customer relationships that are of strategic importance to their firm's future financial health.

• The SAM approach within a company requires significant financial investment, long-term focus, and multi-functional capabilities along with substantial restructuring of the sales organization.
Start With a Great Destination

- Uniqueness
- Meeting infrastructure
- Affordability
- Accessibility/transportation
- Activities & offsite venues
- Safety

- Services/one-stop shop
- People/culture/metropolitan
- Cleanliness
- Awareness/branding
- Hotel/convention offering
- Value for services provided
- Friendly staff
Offer a Great Centre

- Size
- Flexibility
- Cost/affordable
- Service/staff
- Technology
- Food & beverage
- Awareness/reputation

- Security
- Location/proximity to hotels & attractions
- Upkeep/maintenance
- Suppliers/contractors
- Community support (local hosts)
A Focused Sales Effort

- Right people
- Alliances
- Solicitation
- CRM/clean data
- Convention development funds
- Goal-setting
- Website as sales tool
- Segmentation/deployment
- Third parties
- Process
Your relationship with your customers doesn’t just help you **SELL** your competitive advantage — it **IS** your competitive advantage.
Thought Starters

• How should you treat your largest customers differently from your medium and small customers?
• What does it mean to be consultative with your clients?
• How does the sales organization translate your customer’s needs into your organization’s strategy?
Why Implement SAM With Big Customers?

• Develop win-win relationships that create value
• Reduce day-to-day business complexity
• Increase profitability by driving costs out of the total system
• Change the game to create big breakthroughs
• Capture mutual learnings for reapplication
Revenue Improvement

Improvement in sales revenue since initiating a strategic account management program (out of 560 companies surveyed)

- Somewhat improved: 71%
- Greatly improved: 9%
- Significantly improved: 6%
- Improved: 14%
SAM Success Factors

- The right strategy
- The right accounts
- The right people
- Alignment
- Results: competitive advantage
- Loyalty
The Basics of SAM

- Select the right accounts
- Define the value proposition
- Conduct needs assessments
- Create account action plans
- Present findings to the client (verify the plan)
- Deploy cross-functional teams
- Implement the plans
- Summarize results for senior leadership to make long-term strategic decisions
- Help both parties find ways to make and save money
Strategic Account Executives

The role of a Strategic Account Manager is **NOT** to make sales, but to **BUILD** customers.
Nine-Step Centre Sales Process

1) Research
2) Initial contact: Needs assessment
3) Qualify/RFP
4) Hold space
5) Proposal: Innovation and business solutions
6) Site visit
7) Negotiations
8) Close
9) Service: Implementation and results
Assets Require Investment

How much do you invest in Strategic Accounts?

1. Less than 1% of revenue
2. Between 1% and 3%
3. Between 3% and 5%
4. Between 5% and 10%
5. More than 10%

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How much should you invest in your Strategic Accounts?

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Keys to Effective Account Selection

- Adopt a transparent, supported, auditable selection process
- Ensure use of reliable customer and competitor intelligence
- Keep strategic accounts to a manageable number
- Use an appropriate measure of payoff
- Ensure the portfolio of accounts is balanced
- Refine the selection to identify pilot accounts
- Regularly review the selection process to promote and relegate accounts
- Make sure potential relationship fit is considered
- Fit strategic accounts to strategic account managers
Sample SAM Account Selection Criteria

- Size (revenue), usually over 3–8 years
- Produces significant revenue in high-profit areas of the Centre (or has proven potential to)
- Timely—pays bills on time
- Easy to work with—not chronic complainers
- Easy to contract with
- Open to partnerships and alliances (will share data and best practices easily)
- Willing to have a high-level/senior-level relationships versus procurement mindset
- Have existing partnerships with other companies (brands) that could complement and/or enhance the Centre’s brand image (and share information/best practices)
## Critical Competencies for KAM/SAMs

<table>
<thead>
<tr>
<th>Managing Account Relationships</th>
<th>Understanding Account's Business</th>
<th>Ensuring Action &amp; Responsiveness to the Customer</th>
<th>Involving Others with the Account</th>
<th>Ensuring Commitment to SAM Program</th>
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<tbody>
<tr>
<td>• Developing relationships with key individuals</td>
<td>• Being an expert on trends in customer’s industry</td>
<td>• Taking responsibility for the experience the customer has with your company</td>
<td>• Encouraging others to interact with customers</td>
<td>• Ensuring support from your own executives</td>
</tr>
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<td>• “Corner-office” skills (managing executive-level relationships)</td>
<td>• Collaborating with customer to gather strategic information about their business</td>
<td>• Mobilizing your company to respond to customer problems and opportunities</td>
<td>• Providing status information to technical and other functions in SAM organization</td>
<td>• Making the business case for investment in the strategic account</td>
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<td>• Creativity in establishing reasons for customer interactions</td>
<td>• Meeting with contacts at all levels; visits to understand the issues</td>
<td>• Orchestrating customer experiences to register on key decision-makers’ “radar screen”</td>
<td>• Facilitating rather than controlling others’ involvement with customer</td>
<td>• Ensuring that customer appreciates benefits of strategic account status</td>
</tr>
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<td>• Monitoring health of all relationships between organizations</td>
<td>• Building a strong, account-focused internal team</td>
<td>• Ensuring internal support on transactional tasks—freeing SAM to focus on strategic initiatives</td>
<td>• Involving field sales with customer executives</td>
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Core Challenges

• Effectively communicating **voice of customer** to stakeholders and value proposition of Strategic Account Management internally

• Removing organizational obstacles to customer focus

• Leveraging Centre resources to bring value to customers
Obstacles to Alignment

• Company culture/silo mentality
• Company reporting structure
• Lack of senior management commitment and support
• Flaws in compensation design
• Lack of buy-in from all departments for the SAM strategy
• Insufficient SAM training
• Poor internal communications
• Inadequate or incorrect allocation of resources
• Insufficient account team training

Source: 2004 SAMA Annual Conference survey of attendees
Execution: What Breaks Down?

- Translating senior management intentions into action
- Internal vs. external focus
- Unwillingness to change
- Transaction cost of internal change
- Expectations are high
- Short-term focus
- Decision rights
- Staffing/training/continuity
- Reluctance to allocate resources
- Wrong composition in teams
- How handle/react to setbacks
- Inadequate recognition and reward systems
- Inadequate information and understanding of customers
- Lack of real understanding of opportunity
Measurement

• Demonstrating current and future ROI of your SAM program
• Determining appropriate allocation of funds within accounts and across accounts
• Measuring customer satisfaction and loyalty vis-à-vis the SAM program specifically
• Assessing SAM program effectiveness for continuous improvement
Imagine This Was Your Centre

Top 45 customers interviewed:
- Food quality: 51% rated fair/poor
- Meeting delegate needs during peak times: 58% fair/poor
- Drayage cost value: 81% fair/poor
- Cost value for technology provided: 79% fair/poor
and Deeper…..

- Contracting process with the Centre: 78% fair/poor
- Pass-off from CVB to Centre: 81% fair/poor
- Assistance with attendance-building: 66% fair/poor
- Commitment to you as a customer: 62% fair/poor
- Convention sales: 66% very good/excellent
Define “Value-Added Selling”

• Provide more customer care—“higher customer-service level; getting to know the client as well as possible.”
• Help clients with marketing and PR
• Understand the client’s business and help find solutions
• More ROI—“Apart from space, what do you get?”
• Meet and satisfy the customer’s direct and indirect objectives by developing a sales proposition that is planned and executed through clear internal and external communication.
Needs Assessment

How many organizations use a client needs assessment?

"Do you use a formal needs assessment process?"

- Yes: 22%
- No: 78%
Cross-Functional Team Approach

Centre
SAM Director

Mary Price, CEO
Mark Smith, VP Sales
Joe Wills, Convention Services Manager
Jane Smart, Marketing

Your Customer
Name, Role

Jack Brown, CEO
Tim Kann, Show Director
Synergistic Stage (SAM)

- Joint R&D
- Transparent cost and margins
- Focus on innovation
- Joint business plans
- Collaborative approach to customers’ new markets and end users
- Shared communications
- Shared training
- **Both parties find ways to make and save money**

Portions adapted from International Business and Economics Programme, Lulea University of Technology, David Mattgard & John Astrom
Why Implement SAM With Big Customers?

- Develop win-win relationships that create value
- Reduce day-to-day business complexity
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How to Win: Basics, Strategic Selling, KAM, SAM

- Planner: Insist on innovation
- Association Management Company: Vendor Score Card
- CVB/NTO: Formalize your approach
- Centre: Collaborate with the CVB
- Hotel: Collaborate with NSO
Next Steps

• Consider if SAM is right for you
• Attend the SAM session tomorrow for more in-depth input
Thank you!
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