

## Introduction

Assemble a group of sales executives and start a discussion on the importance of strategic accounts and you will quickly achieve consensus that these clients are critical to their company's success, often learning that these customers are generating 40%, 50%, 60%, or more of all revenues. If you then shift the conversation to having these executives honestly assess the ability of their sales teams to effectively execute all the components of key account management (KAM), the room will get very quiet.

Studies have shown that effective KAM is, in fact, harder today than ever before. External contributing factors include increased customer expectations, more stakeholders involved in the decision process, increased global competition, and more. There are also internal factors impacting KAM success such as a poorly defined planning process, inadequate KAM technology, poor plan implementation and tracking, etc. All of these are valid challenges executives need to overcome if they are going to excel at KAM. But what is standing in the way of doing so?

The answer to this question started to emerge for me when I was invited to deliver a keynote on Artificial Intelligence (AI) for Sales at KAMCon. This was the inaugural conference focused on key account management. The attendees were not only keenly interested in the topic, they were also dedicating time and effort to get great at this aspect of selling. In listening to, and interacting with these practitioners a series of insights and best practices for successful KAM emerged.

The common thread across solid KAM initiatives was that these subject matter experts (SMEs) were bringing more science to the art of KAM, and that in turn helped them demonstrate the value they were generating for these key accounts. This resulted in maximizing the value realized from those clients in terms of increased revenues, higher margins, and lower customer churn.

So, let's explore the six cornerstones that these SMEs were building their KAM efforts around, and the contributions each of these made to their KAM success.

## Talking the Same Language

The first step toward optimizing KAM starts with creating a common vocabulary. On the surface this appears to be an easy task to accomplish, but it is not if you don't invest the time to formalize it. When using terms like "key account," what does that mean? Are key accounts your biggest accounts, the most profitable, or the ones that represent the biggest potential?

What about terms like “key stakeholders?” Who are they, what are their titles, what are their roles and responsibilities, what is it about them that make them keys to your success? And, in terms of planning elements; what is a goal versus a strategy, versus an objective, versus a tactic? And what are the KPIs you are monitoring and why are they important? Companies that excel at KAM ensure all those involved in working with key accounts are singing from the same hymnal. In doing so, they are setting the stage for optimal results before they even start down the KAM path.

## Leveraging a Formal Technology-Enabled Process

With the right definitions in place, next you need to build the plan. To do this effectively you need two foundational cornerstones. The first of these is a formal process: a comprehensive, standardized approach to create a key account plan. While the output of the process will produce plans that are unique to each key account, the elements the sales team utilizes to create the plan should be consistent across all accounts.

Best-in-class KAM initiatives not only invest the time to create a formal planning process, they also build the process from their customer’s perspective. What you know about the customer’s journey will help to effectively define the value you bring to the table with regards to helping your customer achieve gain or remove pain going forward. An example of this was shared at KAMCon by Jermaine Edwards on *How to Create an Account Plan in 90 Minutes or Less*. (A link to Jermaine’s full presentation is as follows: <https://vimeo.com/315923525> )



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Another foundational cornerstone is to technology-enable the process. Companies need to move beyond Excel spreadsheets and PowerPoint decks and give sales teams access to technology that integrates the completed plans into their daily workflows to ensure all key elements of the plan are turned into action.

As you start to fully understand the comprehensiveness of KAM, you will see that core CRM alone is not enough to support the development and implementation of plans. While useful in tracking contacts and past account history, a CRM's ability to easily and effectively track all the long-term strategic elements of key account plans is limited.

Best-in-class KAM initiatives are turning to technology solutions to effectively support such tasks as consolidating all important information related to key accounts, creating insight-driven forecasts based on analysis of relevant data, assessing how successfully the plan is being implemented in real-time, supporting collaboration of all relevant internal and customer stakeholders, and alerting sales management when plans are going off track or progress is slowing down.

## Stakeholder Relationship Mapping

One of the major objectives of KAM is to determine ways to move your position in the relationship hierarchy from simply one of many vendors they can do business with, to a key resource collaborating on and co-creating solutions with your key accounts. To set the foundation for making this happen, you need to start with relationship mapping. This goes far beyond creating an organization chart of who reports to whom.

Relationship mapping starts with identifying all the major roles within key accounts that your sales teams should be cultivating relationships with. For each of these individuals you need to define their roles and responsibilities, how their performance is measured, who do they influence and who influences them. Additionally, you need to know what promises or

commitments have been made to them in the past. Often you may see the relationship map initially has several "TBDs" on it. That's fine, as long as it does not stay that way. If the key account plan is technology-enabled, the system will become a virtual coach ensuring that information is collected for each of these stakeholders.

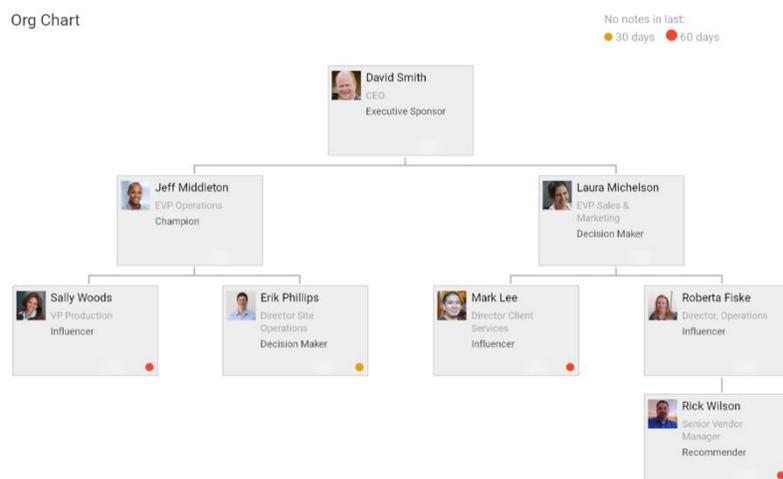


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## Strategy Mapping

Relationship mapping clarifies who you want to talk with in your key accounts. The next step is to determine the valid reasons why those people would want to talk with you. The way that you earn access to stakeholder's time is by doing your homework. First, fully understand what they and their company are focused on achieving. Next, clearly position how your company can directly contribute to their success. And finally, clearly demonstrate the value-add that your firm brings to the table

Effective strategy mapping starts with uncovering the specific goals key accounts are trying to achieve and then drilling down to the objectives. Once these are fully understood, planning can go deeper to define the strategies and tactics that stakeholders need to accomplish to meet those objectives and goals. By taking an enterprise-wide view of mapping strategies, you will often find that you bring information to stakeholders about things going on within their own company that even they were not aware of.

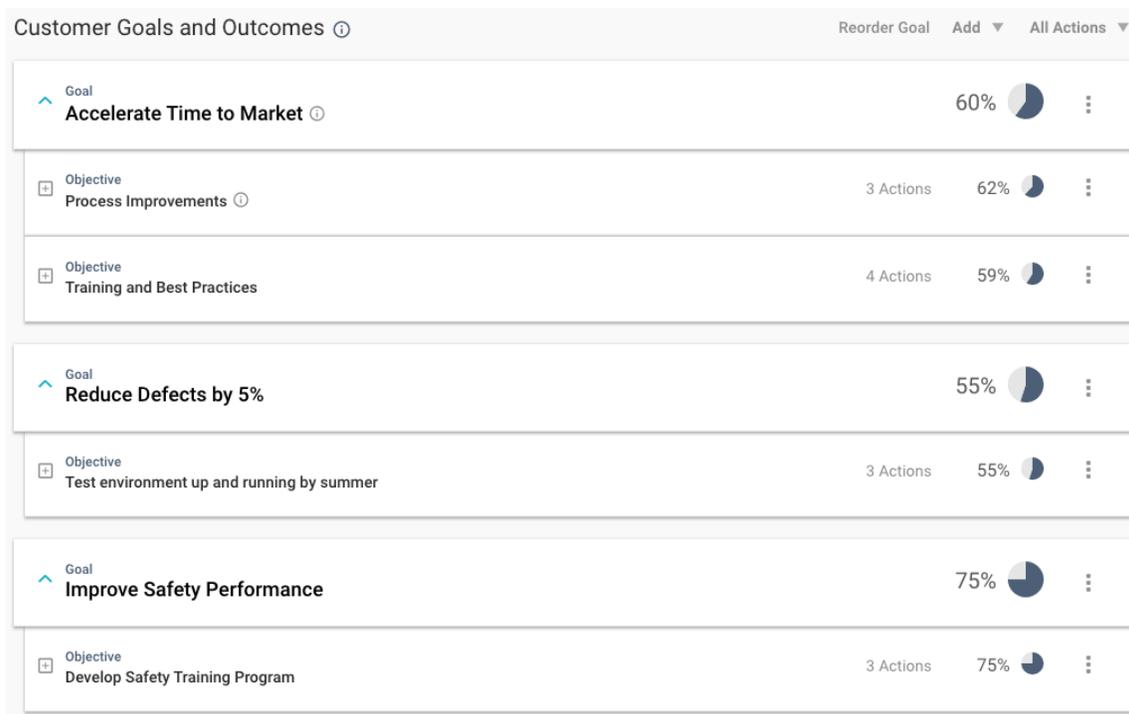


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## Move from Planning the Work to Working the Plan

Finalizing a key account plan, and then sharing it with and getting validation from your stakeholders is an effective way to set the stage for optimal KAM, but the plan is nothing unless it is put into action. The planning process will uncover a whole series of activities that need to be accomplished by your firm and your customer's. The status of all those

activities needs to be tracked to ensure the plan is being fully implemented. To support this, KPIs need to be agreed upon and measured on a regular basis.

This again builds the case for having the right technology in place to handle a lot of the data collection, activity analysis, progress measurement, and information sharing tasks for both the sales team and the key account stakeholders. This ensures that steps are not skipped in the plan implementation process, and if issues start to surface that could impact the success of the initiative, team members and sales management receive notifications of those issues so they can take steps to get things back on track.,

## Analyze and Enhance

The final element of optimal KAM is successful adaptation. The world of business is a frail ecosystem. The economy goes through cycles of getting stronger and weaker. The competitive landscape shifts regularly. The political climate is always in transition. The expectations of investor requirements can alter your company's goals. All of this contributes to the fundamental need to proactivity identify new opportunities to pursue, and surface new challenges to be dealt with.

Best-in-class programs regularly utilize analytics to assess the outcomes of previous KAM initiatives to surface the insights that can drive changes going forward. By continuing to evolve the KAM process based on the realities of the current climate your company is selling into, you ensure you are maximizing the value you bring to those accounts, as well as realizing the full potential that you generate from each of those customers over time.

## Going Forward

Continuing to accept sub-optimal KAM performance is putting the future success of a company at risk. Looking at best-in-class companies, poor KAM is a solvable problem. The building blocks for success are first to define and mandate the use of a formalized KAM process. Go beyond basic PowerPoint, Excel, or CRM technology and support your key account planning process with KAM-specific technology. Finally, put in place the analysis and coaching needed to ensure the processes are implemented. Do that and the value of key accounts can be fully realized.

Advisory Services clients should feel free to set up a briefing with their Sales Mastery analyst to discuss any questions they may have regarding this research note, or to get an overview of KAM technology options.

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