

10 TESTS OF SUCCESS

STEVE HOYLE describes the ‘Top 10 Tests’ that any account manager or account director should apply to their account development plan

THIS ARTICLE IS INSPIRED BY ‘HAVE YOU TESTED YOUR STRATEGY LATELY?’ BY CHRIS BRADLE, MARTIN HIRT AND SVEN SMIT, WHICH WAS THE ARTICLE MOST OFTEN DOWNLOADED FROM *McKINSEY QUARTERLY* IN 2011.

TEST 1 Will your strategy beat any incumbent and the market leader?

While it is not bad practice to focus on strong competitors that are appearing in current deals, in practice it is difficult to gain accurate up-to-date information and benchmark yourself against all possible rivals. Testing your plans against the market leader and any incumbent is often more realistic and effective. ➤





10

TESTS OF SUCCESS

◀ Particularly when you get to the end game of large deals, once technical recommendations have been made, the market leader and the incumbent will gain increased advantage with senior and more business-oriented decision-makers. The market leader is naturally attractive to senior decision-makers as they can provide a benchmark against any technical recommendations, whilst the current incumbent is likely to have relationships to exploit and will often be perceived as the 'low risk' option.

NOTE 'Wining and dining' works

It is a truism that most account managers believe that their attempts at relationship building with customers and prospects pay off. Seminars, invitations to attend sports events, golf days etc. can all help to build the trust and confidence that allows doors to be opened and business conversations to flow.

But your attempts over a sales campaign need to be put in the context of the incumbent supplier who has been doing these things with a wide variety of individuals from the account over many years, and often in an atmosphere of natural trust during times when there are no immediate buying decisions to be made. These activities by your incumbent competitor will also pay off, particularly when it allows them to gain access to key decision-makers during the later stage of a campaign – your plan should anticipate these relationships being used, and either put yourself in a position to match them, or have alternate strategies to counter such tactics.

TEST 2 Is your strategy granular about where to compete? Does it address everyone in the playing field with individual compelling differentiated value propositions, including financial/technical/business people and issues?

Organisations do not make decisions; groups of individuals make decisions. From analysis of thousands of account plans, both at initial draft form and during end of year reviews, it is evident that success comes to those who are clear about individual compelling value propositions rather than talking about generic 'business challenges'.

The term 'playing field' describes the various individuals who will affect decisions, from minor influencers and recommenders to chief decision-makers, ratifiers and approvers, including their personal

challenges and drivers, decision biases, political importance, allegiances and your ability to access them.

Too often, account managers underestimate the number of people involved and focus too heavily on their immediate (probably mid-level technical or procurement-based) contacts whereas in the majority of cases there will be financially-oriented and business-oriented individuals who will have a significant role in the decision-making process, particularly during end-games.

A great strategy will have an overall organisational 'compelling value proposition' or set of 'win themes', but will then drill down to the individual level, being clear about the proposition to each of the key players.

TEST 3 Does your strategy take account of the whole channel network of vendors, integrators, consultant and other influencers?

For some suppliers the 'channel strategy' is well understood, especially if working through resellers, integrators or prime contractors, and in these cases how to handle the various official 'partners' involved or potentially involved will be a key component of the account development plan.

But for the vast majority of suppliers, the full 'ecosystem' of partners as well as consultants, outsourcers, trade bodies and complementary suppliers is often completely ignored or undervalued.

The key discovery when reviewing account development plans is to look at life from the perspectives of different people in the account, and which external influencers affect them, and then to look at those external influencers and what life looks like for them. Only by working back and asking "What is my agenda and who are my influencers?" can you normally gain a full insight into what is happening during buying processes and hence your ability to control that process.

TEST 4 Does your strategy address real business and operational imperatives and include a demonstrable business case – including return on investment – for your solutions?

Individuals and organisations will only buy new complex solutions when there is a compelling business case that includes a return on investment (ROI) case that is superior to others, and which allows senior management to understand and manage the risks inherent in doing anything new.

Business cases appear to be becoming increasingly important, and while only the customer can produce a final plausible case, suppliers can help by suggesting areas of savings, phasing of cost/revenue flows, examples of what others have done, running pilots or proof of concept trials etc.

The key to a strong business case is often in defining/discovering the full extent of the operational imperatives and linking them to business imperatives. In the account development planning process, account managers use the same approach as in any good consultative selling technique, concentrating on finding and emphasising customer issues (pains) before addressing any particular solution (we only buy pain-killers when we have a pain – the more acute we perceive the pain to be, the more likely we are to want to buy a pain-killer).

Experience in salesforce development shows that

proper account development planning is closely aligned with instilling a good consultative selling approach.

NOTE Business and operational imperatives

We differentiate between business imperatives (which keep chief executives awake at night) such as the need to gain market share, improve profitability, move into new markets etc. with operational imperatives, which are often the drivers behind funding a new project. Operational imperatives will clearly stem from business imperatives and might include reducing headcount, moving to 24/7 operations or reducing time to market.

All good account plans will clearly identify the business imperatives but then drill down to identify or discover operational imperatives that could be addressed and form the basis of new opportunity generation and real account development.

TEST 5 Does your strategy use 'full frontal' strategy ONLY where you have overwhelming superiority?

From Sun Tzu, through Clausewitz to the vast majority of successful modern marketers, it is an accepted truth that to win a head-to-head battle you need overwhelming superiority. Sun Tzu quoted a 3:1 advantage as minimum, whereas others talk about 5:1 or even 10:1.

Yet when reviewing account and opportunity plans, the question "Why will they end up buying from you?" is most often answered along the lines of "because our widget is better than that of competitors".

By 'full frontal' we mean head-to-head battles based on feature/functionality of the particular offering. Even in very straightforward transactional sales of proven products that are well understood by the customer and in a stable market, this approach is fraught with danger and requires very demonstrable superiority. In a fast-moving market involving sophisticated offerings purchased in a complex, multi-faceted manner, full frontal should be the last resort sales strategy. A flanking/segmenting type of approach, where the point of attack is moved depending on the competitive situation, will normally be significantly more effective.

In reality, full frontal (where overwhelming superiority does not exist) is the strategy most often employed. There are multiple reasons for this, including: product push from marketing; arriving in complex deals too late and being forced into this approach; lazy salespeople; or salespeople who lack deal understanding and proper training or coaching by sales management.

TEST 6 Is your strategy supported by and built upon significant internal support?

It is evident that to be successful in any complex account, inside support (inside salespeople, allies, agents etc.) is vital. They give you the real picture of what is happening, point you in the right direction, open doors for you and advocate on your behalf when you are not present (the vast majority of the time).

Identifying and understanding the inside support is critical for success in individual sales opportunities and

for longer-term account development. Identifying the individuals is normally fairly straightforward, although many account managers make the mistake of believing that just because someone is 'nice' to them, they are automatically a strong supporter.

Understanding why they support you may be more difficult, but gives the real clues as to how to maintain and develop the relationship. Again, reasons for supporting a particular account manager or supplier are often complex and subtle and can include: 'better the devil that you know'; reduced risks; inherent knowledge of product sets; being different; being one of the herd; not wanting to let down someone with whom you have a long relationship; personal liking and family ties.

Understanding the motivations behind support is critical, so that you can develop ways of enhancing and nurturing the support that you will need.

TEST 7 Does your strategy embrace uncertainty, balancing commitment and adaptability?

In the military there is a saying – that the plan will change as soon as contact is made with the enemy. Similarly, your account plan will change over time, depending on the changing situation of the customer,

technical advances, competitive shifts and changes in the 'playing field'.

At the same time, a plan that is in constant turmoil is hardly a plan at all. The best account plans embrace uncertainty and change, allowing for multiple approaches depending on how situations play out. At the same time, they understand what needs to be committed to for the longer term and executed in a consistent manner.

Great account managers understand the need for fallback positions,

alternate strategies (often putting in 'gates' to the plan) and the attractiveness of strategies that can be successful under many different conditions. They will schedule account review sessions in advance and constantly challenge themselves to adapt and refine the plan to ensure it always has the best chance of success.

NOTE SPOF: single points of failure

One very common issue with account development plans is that they rely on a single point of failure, with no back-up plan if this SPOF actually fails. Examples of SPOFs are:

- Single points of contact (SPOC) where the whole business relationship relies on the personal relationship with one individual, and will collapse if that individual were to leave

- Strategies that are reliant on one unique product feature, again leaving you very exposed if competition could surpass that feature, or a workaround is found by the customer

- Strategies that hinge around a certain event. Events are notoriously difficult to predict as people fail to attend for many reasons, arrangements go wrong etc.

TEST 8 Is your plan contaminated by bias?

Salespeople are mostly optimists by nature – seeing the opportunities and positives in most situations. They ➤

*In the military
there is a saying –
that the plan will
change as soon as
contact is made
with the enemy'*



◀ are generally urged on by sales managers who are constantly pushing for better results, and encouraged by marketers, business managers and partners who will put a positive spin on their particular areas of business.

So it is little surprise that there is a tendency to look at the world through your own prism and, as a result, for bias to contaminate your plan and particularly your strategies. This is enormously dangerous as it leads to false understanding during the 'situation analysis' phase of planning, unrealistic goals and objectives, and strategies that are only wish lists.

Really good account managers understand this and the technique that they most often employ to rid themselves of this unhealthy bias is to put themselves 'in the shoes of the customer'. They constantly approach the situation from the perspective of "Why will this account continue wanting to buy increasing amounts from us?" rather than "What can we sell them?" Normally this is a technique for ensuring that the plan is based in reality, but in many cases where the customer themselves is involved in the analysis, creation and refining of the plan can also be a very powerful technique for building a self-fulfilling prophecy.

'Great account managers understand the need for fallback positions'

NOTE Different perspectives

As consultants we are often privileged to gain unique perspectives on what is happening in particular accounts. In particular, when reviewing account development plans, we are sometimes in the position of reviewing the same account but from the perspective of different suppliers (never direct competitors as that would be too difficult, but often complementary suppliers).

For example, we recently reviewed an account plan for a major financial institution, where one supplier was approaching it from the viewpoint of an infrastructure supplier and another was looking to develop their application software business. In both cases they successfully identified the same high-level technical recommenders but their views were totally different on the business and financial decision-makers, and the influencing parties involved. In this particular case, the role that a major management consulting group was taking was a key factor – but each of the suppliers saw this differently and both failed to see the wider picture.

TEST 9 Is there conviction from the whole account team/company to act on your strategy with sufficient quality and quantity of resources? Does this include full bid costs, implementation risks and short and longer-term risk/reward?

Especially in the 'new norm' of selling since 2008, the days of the lone-wolf salesperson are firmly over. Buying decisions have become more complex and more scrutinised and while individual relationships with the account manager continue to be important, organisational relationships are even more critical.

The account plan is both a tool for the account manager to develop a complete team approach, and also the embodiment of what the organisation will do in terms of this particular client.

The account plan also serves as a process to formulate and agree the internal business case, balancing resources required against potential rewards.

TEST 10 Have you translated your strategy into a clear, committed action plan?

There are many examples of account plans that are really well crafted, but fail miserably. They analyse the customer situation and history in great detail, are very clear about what is desired as objectives, and describe in rich terms the strategies to be adopted. But they fall down, both as plans and in their execution, because there is no direct action that is committed.

A plan needs a very clear set of tactics – actions that can go straight onto someone's 'to-do' list. Tactics should be clear about what is expected to happen, by when, with whom responsible, resources (cash) to be used and any outcomes defined.

As is often said, the 'tactical action plan' is 'where the rubber hits the road'. It provides absolute clarity as to what the next and future steps will be, and

without it the account manager cannot hope to manage execution of the plan successfully to meet goals.

CONCLUSION Account plan v opportunity plan

Account development plans come in a wide variety of shapes and sizes and typically are not given the importance that they deserve.

They should not be confused with single sales opportunity (SSO) plans, which are more often well implemented and managed, and these days normally embedded in a salesforce automation and CRM system.

In today's new norm of selling it is becoming increasingly important to look at how to develop business within an account, rather than seeing life as a series of individual projects. Rigorous management of SSOs will remain crucially important to sales management, but should be put in the context of an overall proactive account development plan.

Contributor **Steve Hoyle** is a sales trainer, consultant and coach, specialising in helping clients grow the capability of their sales teams in complex B2B environments. Email steve.hoyle@linksdev.net or call 07785 381563.