

BEST - IN - CLASS STRATEGIC ACCOUNT PLAN

An Overview of Core Components of a Metric-based Account Plan

What is a Strategic Account Plan?

There is a direct relationship between proper planning and execution of the Strategic Account Plan and Account Management success; therefore, a well orchestrated Strategic Account Plan is a critical and necessary element of any Account Management Program, even those in their infancy. The Strategic Account Plan is a document / tool designed to help account teams effectively align to the customer's business goals and objectives, identifying how we, as a supplier, can best meet the needs of the customer and provide value. Because the plan serves as the foundational element for documenting how to maintain and grow the account, it is critical to make it a collaborative effort and engage core Account Team Members in the development and execution of the plan. Keep in mind, that the Strategic Account Plan is a dynamic document that should be updated quarterly and/or as additional information is obtained about the account that will influence strategies and tactics. The Strategic Account Plan is truly a comprehensive base of account knowledge / intelligence and for that reason, it is not only a necessary document for the account team, but also for the organization and senior leadership in understanding the dynamics of an account relationship / situation (i.e. how can the organization help the Account Team further develop the account).

What are the Components of a Best-in-Class Strategic Account Plan?

The Account Plan is essentially a “playbook” for the Account Team and should be a “living” document outlining the current state of the account as well as where the Account Team plans to take it moving forward (i.e. future state). In some cases, the Strategic Account Plan contains 10, 20, even 30 pages of customer information – this is too long! It is a recommendation of The Chapman Group to keep the plan to 5-6 pages, of which include the following elements:

- Account Overview – customer vision/ mission, revenue, relevant industry information
- Financial Profile – revenues YTD, percent target, total pipeline
- Key Team Knowledge Points – situational assessment (account's strategies, priorities, competitive landscape)
- SWOT Analysis
- Opportunity Pipeline
- Relationships
- Goals, Strategies and Tactics
- Hi-value activities
- Account Team Members

Why Include Metrics in the Strategic Account Plan?

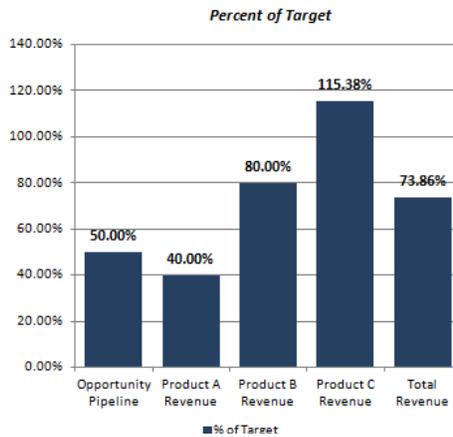
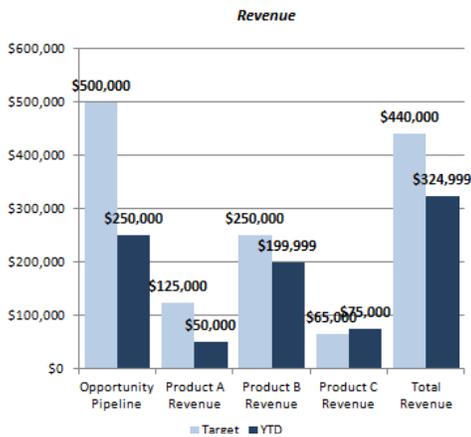
It has now been recognized that Strategic Account Management is a team process. Therefore, the first answer to “Why Metrics?” is that it is necessary to institutionalize excellence through the sharing of best practices across an entire cross-functional account team. The second is that we live in a business world that understands, has experience with, and has bought into the value and use of process measurements. In a global business world of escalating costs, reduced loyalty, competitive disadvantage, and similar selling skills (art of selling), businesses need indicators to further assess the account situation. A best-in-class Strategic Account Plan possesses both lagging (revenue / sales) and leading/predictive (loyalty, opportunity qualification) indicators to provide a more holistic view of the account.

METRICS ENABLE AN ORGANIZATION TO INSTITUTIONALIZE EXCELLENCE, IMPLEMENT AND UTILIZE BEST PRACTICES ACROSS THE ORGANIZATION, AND DELIVER RESULTS! THEY ARE A BY-PRODUCT OF THE NORMAL EXECUTION OF ACCOUNT MANAGEMENT BEST PRACTICES.

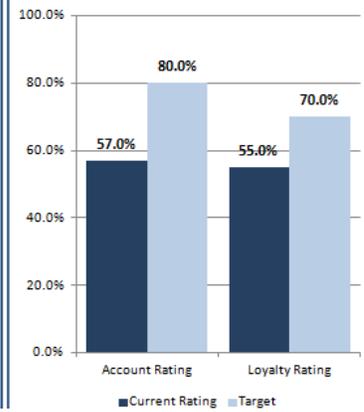
Recommended “Predictive” Strategic Account Plan Metrics

1. **Account Rating** - an internal assessment of the Account's alignment to the supplier organization at any given point in time on areas such as financial status, relationships, activities, strengths / weaknesses, competition, among other key account performance indicators.
2. **Account Relationship Penetration Index** - Assessing account relationships and overall penetration involves measuring primary indicators including management level, alignment, and power
3. **Opportunity Qualifier** - quantitatively measure opportunities to assess the probability of close/winning the business.
4. **Loyalty / Voice of the Customer Rating** – obtain feedback directly from the customer around their needs and values and your ability as an organization to satisfy those needs and provide value.

FINANCIAL PROFILE

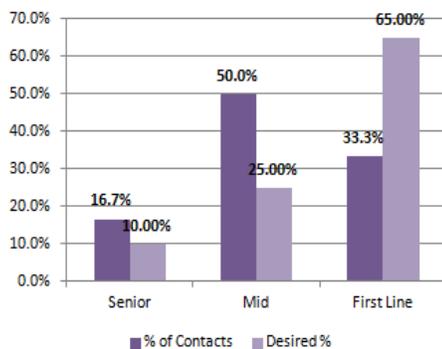


RATINGS

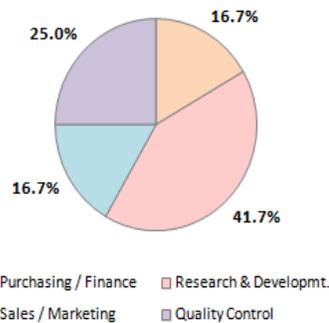


RELATIONSHIP DEMOGRAPHICS

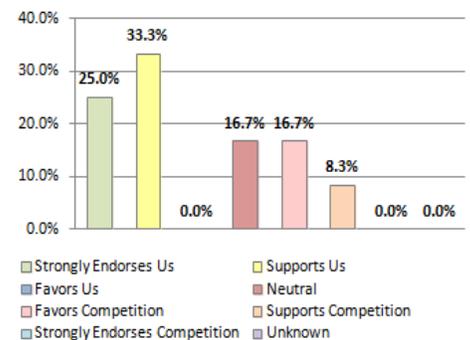
Percent of Contacts by Management Level



Percent of Contacts by Business Unit



Alignment Distribution of Contacts



Strategic Account Plan Best Practices

- KIS – *Keep It Simple!* Over-complicating the account plan will lead to low adoption and usage rates
- Make sure the account plan has both inputs and outputs, ensuring the plan has value across all levels of the organization (the account manager, account team, and management)
- Incorporate metrics into the account plan – a combination of both lagging (i.e., revenue) and leading (i.e., loyalty, opportunity qualification) will help the account team to better focus their efforts and leaders to more effectively coach the team by identifying gaps in the relationship
- Engage the core account team members in the development and execution of the plan to ensure a “total” view of the customer
- Utilize customer interactions (i.e. external business reviews) to validate the information/strategies in the account plan – are account needs understood and do strategies and solutions effectively address these needs.

7 Tips for Implementing Metrics

1. Conduct process workshops to analyze your needs
2. Identify three key metrics for your business besides sales results
3. Meet with an account and ask what they would want you to measure and improve
4. If in doubt solicit the help of an outside resource (experience in metrics is a must)
5. Ensure that you have top-down support in your organization for this initiative
6. Select a short list of immediate wins
7. Have patience as significant return on investment takes time

Metrics serve as an invisible Strategic Account Management coach. In the absence of a weekly review process, or an interactive sales leader, metrics continue to assess and suggest critical strategies and tactics to employ to ensure critical account revenue retention, acquisition and development.