



# Creating and Launching a Strategic Account Management (SAM) Operating Plan

*A Best Practices eBook*



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# Insight

*"In today's competitive marketplaces it is important to have a well-thought-out and constructed approach to retaining and growing those accounts often referred to as **Strategic Accounts**. The enclosed document is intended to deliver insights and practices to Strategic Account Management (SAM) Program Leaders for constructing such a Strategic Account Management Operating Plan."*

- Dennis J Chapman Sr., President and CEO of The Chapman Group

# Why a SAM Operating Plan?

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A SAM Operating Plan helps you and your SAM organization determine the initiatives, practices and resources (people, materials and finances) needed to obtain desired SAM and organizational business objectives.

An effective SAM Operating Plan will enable your organization to:

1. Focus on the *Right Accounts*
2. Ensure that you deploy the *Right People*
3. Execute the *Right Activities* across the organization
4. Optimize Team Performance – *Right Development Programs, Tools and Technologies*
5. Utilize the *Right Dashboard Metrics* to measure and coach to in order to influence success and predict growth in relationships, revenues and profits
6. Establish the *Right Funding* needed to execute the plan
7. Communicate the plan – the *Right Messaging* and process for delivering the message

# Who Should Own the Operating Plan?

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The SAM Operating Plan should be prepared by the leader of the SAM program in collaboration with appropriate SAM and corporate leaders. As a best practice, inclusion of the following roles in this exercise would enhance the content and buy-in on the Operating Plan:

- Core owners of executing the SAM plan / program – Strategic Account Managers
- Leaders directly and indirectly involved in the SAM program, processes and revenue / profit attainment
- The keeper of budgets and financial requirements / capabilities
- Marketing leader who is in touch with market needs/demands and has an understanding of what the *Voice of the Customer (VoC)* is saying – account and market feedback
- HR leader who understands the guidelines and insights on hiring criteria, selection processes and development plans
- Key resource(s) who is responsible for selecting, developing and maintaining account management tools and systems for supporting processes – IT and / or Sales Operations
- Select ad-hoc leaders of functions who have a defined role on the SAM team; i.e. R&D, Engineering, Client Services

# Tips to Help You Prepare for the Effort of Building a SAM Operational Plan

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## Tip #1 - Collaboration

The efficient execution and development of the SAM operating plan requires ongoing communications and reviews among the roles involved in the plan development. Take a collaborative approach with all the key stakeholders you can.

## Tip #2 – Establish Language/Nomenclature

It is recommended that you implement nomenclature (language) for the SAM organization that helps ensure an understanding within your own organization of the differences in approaches for different types of accounts.

## Tip #3 – Utilize Internal/External Feedback

Collect and review feedback from internal resources and external relationships/accounts on the current and desired states of the SAM program. Learn what practices are perceived as successful and valuable, and vice versa, which practices and processes have gaps or are perceived as not so valuable.

## Tip #4 – Solicit SAM Thought Leadership

Solicit the input from recognized thought leaders in the world of strategic account management to gain an understanding of current trends, and best practices that similar organizations are utilizing to create successful SAM programs. Generally speaking SAM best practices have horizontal application across a wide range of industries – there may be no reason to recreate the wheel.

# Overview of the Practices in This Guide

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The tables you will see on the following pages are the generally accepted and recommended practices that need to be accounted for in a SAM Operational Plan. We understand that the operational plan for your SAM organization may need additional information specific to your organization. This guide has been created by consolidating the common best practices (across multiple companies in multiple industries). When detailed and communicated in a SAM Operational Plan, this plan will enable your organization to identify and develop your strategy for growing relationships, revenues and margins within those accounts that your organization has deemed as strategic and/or significant.

# Core Practices to Document in the Operating Plan

Practice	What to Plan For	TCG Prescription for Success
<b>Account Segmentation</b> <i>Selecting the Right Accounts</i>	Creating and utilizing a defined methodology and process model to identify the accounts that will be labeled Strategic Accounts. Also good for identifying the next tier of accounts that could become strategic in the future.	<ul style="list-style-type: none"> <li>• Select criteria for the model that looks at future performance as well as past performances</li> <li>• Weight criteria at least 50/50, or slightly heavier on the future performance criteria</li> <li>• Sample criteria to consider:               <ul style="list-style-type: none"> <li>• Financial Performance (Revenue)</li> <li>• Future Revenue Opportunity</li> <li>• Wallet Share</li> <li>• Account feedback rating (Loyalty/Customer Satisfaction metric)</li> </ul> </li> </ul>
<b>Talent Management</b> <i>The Right People</i>	Establishing the profile (traits, behaviors, skills) and job description of your Strategic Account Managers (SAMs) who will need to successfully lead SAM teams and engage with accounts to achieve the expected outcomes for both the account and supplier.	<ul style="list-style-type: none"> <li>• Clearly define a profile pattern based on previously successful Strategic Account Managers within your industry.</li> <li>• Utilize talent evaluation tools and assessments to better match candidates to the role - align to the competencies, aptitude and skills needed.</li> <li>• Look beyond top salespeople for the SAM role – the best salespeople do not always make the best SAM</li> <li>• Correctly identify and define a separate compensation structure for SAMs and SAM Teams</li> </ul>
<b>High Value Activities</b> <i>The Right Activities</i>	Identifying the processes, methods and tactics that will drive the strategic account plan and create a higher degree of engagement with customers to attain goals. Formalize these processes and activities in a Standard Operating Procedure (SOP) manual/playbook.	<ul style="list-style-type: none"> <li>• Use account feedback/VoC data to help determine activities that drive account success.</li> <li>• Incorporate these activities into the organization's CRM system and account plan.</li> <li>• Remember that typical sales high value activities do not translate to being SAM hi-value activities</li> <li>• Align compensation to these activities to drive the correct behavior</li> </ul>

# Core Practices to Document in the Operating Plan

Practice	What to Plan For	TCG Prescription for Success
<p><b>Optimize SAM Team Performance</b></p> <p><i>The Right Development Programs, Tools and Technologies</i></p>	<p>SAM Leader and Team skill development (training) curriculum and programs. Also will need to have supporting technology (CRM, Portals, etc.) and SAM specific tools that enable the SAM team to measure account performance, and enable them to do their job effectively, without disrupting their daily routine. Utilize technology tools to develop a strategic account plan. May also want to plan on becoming a member/participating in SAM focused thought leadership association.</p>	<ul style="list-style-type: none"> <li>• Training needs to reinforce and educate on the skills necessary to effectively execute the activities defined in the SOP - i.e. engaging senior level leaders within accounts.</li> <li>• Utilize the results of talent assessments to assist in developing the skills and competencies of individuals w/in the SAM organization</li> <li>• Leverage current sales technologies and platforms (CRM) to create/develop a concise strategic account plans – out of the box functionality will not meet the needs of your SAM organization</li> <li>• Leverage the SAM thought leadership organizations/associations to assist in SAM and SAM team development</li> <li>• Have a tool/technology and process for creating, presenting, and validating the economic value your organization provides to your strategic accounts</li> </ul>
<p><b>Measurements and Inspection / Coaching</b></p> <p><i>The Right Dashboard Metrics</i></p>	<p>Developing the methodologies, measurements and metrics for periodic account performance and impact analysis. These metrics are to be incorporated into the account team and business review. Also, plan on having a dashboard that can provide these metrics, on demand, in a snapshot of performance.</p>	<ul style="list-style-type: none"> <li>• Metrics successfully utilized for periodic analysis of Strategic Account performance:             <ul style="list-style-type: none"> <li>• Account Performance Rating (scored by internal team)</li> <li>• Relationship Index(es) – determines depth and strength of account relationships</li> <li>• Opportunity Qualifier – objective scoring of the status and gaps in the management of opportunities</li> <li>• Management impact</li> <li>• Loyalty/Satisfaction Rating (scored by multiple contacts w/in the account)</li> <li>• Risk assessment.</li> </ul> </li> <li>• Highly recommend implementing a dashboarding software tool like Business Objects, Qlik View, or SharePoint, that can roll up these metrics and provide user defined views of the metrics/data</li> </ul>



# Core Practices to Document in the Operating Plan

Practice	What to Plan For	TCG Prescription for Success
<b>Financial Analysis and Modeling</b>  <i>The Right Funding</i>	<p>Financial assessment of current targeted account revenues / profits often by demographics and solution mix. Additional financial modeling of anticipated SAM program financial needs and projections; manpower, as well as all sales / marketing expenses. Not only a budget for the SAM organization to succeed, but also what the financial impact and ROI will be for the investment in the SAM organization.</p>	<ul style="list-style-type: none"> <li>Financial analysis should consider:               <ul style="list-style-type: none"> <li>Projected revenues and profits from SAM</li> <li>Variable and fixed SAM program costs                   <ul style="list-style-type: none"> <li>Present costs as a percent of revenues</li> </ul> </li> </ul> </li> <li>May want to do a multi-year projection as it has been proven that a more mature SAM program will normally have lower expenses as a percent of revenue versus newer / start-up programs</li> </ul>
<b>Communicate the Plan</b>  <i>The Right Messaging and Messaging Process</i>	<p>The cadence of communications that you will use to present the SAM program to multiple levels and functions across the organization. Proper and effective communication of the goals, objectives and initiatives of the SAM program will create buy-in from the organization.</p>	<ul style="list-style-type: none"> <li>Coordinate with internal resources to publish through both paper and electronic mediums, the core elements of the operating plan</li> <li>Ensure that there is an ongoing follow-on plan to sustain understanding, expectations and ongoing "wins" within the program</li> <li>May want to consider branding the SAM program with its own name</li> <li>Be inclusive and not exclusive in your communications of the SAM program and plan – successful SAM organizations require input and buy in from all functions of your company</li> </ul>

# Summary of the SAM Operating Plan

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*“If you do not know where you are going, you will end up someplace else.”*

- Yogi Berra (New York Yankee catcher, and member of the Baseball Hall of Fame)

To ensure your SAM program ends up where you and your company want it to be, you should incorporate these practices into your SAM Operating plan:

1. **Account Segmentation** – to ensure focus stays on the right accounts
2. **Talent Assessments** – to ensure that you deploy the right people to drive SAM success
3. **Standard Operating Procedures** – to ensure execution of the right activities across the organization
4. **Optimize Team Performance** – by utilizing the right development programs, tools, and technologies
5. **Measurement & Coaching** - by implementing the right dashboard metrics that influence success and predict growth in relationships, revenues and profits
6. **Financial Analysis & Modeling** – to ensure the right funding is established in order to execute the plan
7. **Communication** – to ensure the right messaging and process for delivering the message is received throughout the organization creating greater buy-in



# Thank You & Good Luck

## ABOUT THE CHAPMAN GROUP

*For 25 years The Chapman Group has been helping organizations from a myriad industries grow relationships, revenues and profits by building and optimizing strategic account management programs.*

*Our metric-based Strategic Account Management (SAM) process and best practices integrates the art of sales/account management with the science of measurements and metrics, enabling our clients to grow accounts by becoming more knowledgeable, efficient, effective and collaborative. We offer unique methods and software platforms to document and collaborate with customers on account planning and the economic value being delivered by the supplier and appreciated by the customer.*

*Learn more on how we can help your organization champion improved customer relationships, increased revenue and margins in today's highly competitive, global and economically focused business community by checking out our website [www.ChapmanHQ.com](http://www.ChapmanHQ.com).*