

Key Account Planning System

1. Why is one needed?

- In most businesses, the top 20% of accounts generate 80% of turnover. Since most of the business is generated by a relatively small number of customers, these customers require a significantly higher level of focus, both to retain that business and to generate new opportunities within the accounts.
- Some accounts which are not necessarily 1st division in terms of current revenue often have the potential to become 1st division if a more focused key account development strategy is employed.
- Development of existing customer accounts ('farming') requires a different sales approach (and different sales talent set) from winning completely new customers ('hunting'). Since most key customers generating the larger revenues tend to be larger businesses, they also generally require longer term relationship development strategies (involving multiple contact points both within our own and their businesses), and have more complex decision making processes than smaller businesses.

2. What is the objective?

- Generate more business from customers who already love us – easiest 'sell'
- Make sure we are the first (and ideally only) point of call for all of our key customers' new projects – no missed opportunities
- Ensure, *without exception*, that we don't lose *any* of these key accounts because we weren't close enough to them to notice a change in their business and/or our competition closing in

3. What key elements should be part of a Key Account Development System?

- There should be one, designated 'owner' of the customer's relationship with us. This role involves maintaining a Relationship Development Plan (RDP), overall responsibility for ensuring the above objectives are achieved (these could include specific targets), accountability for ensuring that all customer information, key account tools and action plans are kept up-to-date and visible to all, and execution and/or co-ordination of the specific activities agreed within the plan.

- Key account information and tools:
 - ▶ Customer information - overview of their business (their plans, markets, services, type of projects, number of projects per year, group companies, which services they have used (so far) from us, revenue generated, competitors they use (and estimates of our % of wallet versus theirs)
 - ▶ People – organisational structure, decision mapping tool (each key person's influence level vs. their feelings about us)
 - ▶ Relationship assessment tool – matrix scoring the strength of the relationship using hard, logical criteria (as opposed to simple revenue or intuitive 'rapport') and triggering the necessary actions to improve the 'score'.
 - ▶ SWOT analysis – an overall version for the account as a whole and, when appropriate specific project driven versions (including competitors used)
- Plans/Actions:
 - ▶ Ongoing contact policy (agreed with the customer) – contact frequency and means (email/phone/f2f)
 - ▶ Specific planned actions – generated through specific projects, decision mapping tool or relationship assessment tool. With and by whom, when, our measurable objectives, positioning, funnels to explore, likely concerns and best possible solutions etc.

These RDPs should be kept as simple and as short as possible (no superfluous or repeated information) – no more than two/three pages each – and stored on the computer system or in a place accessible to all of those people who interact with the customer.

4. How would it work?

It is acknowledged that often businesses do not initially know or have most of the above in place for most of their key accounts – a significant risk and missed opportunity. It is further acknowledged that some of the items above will not be necessary or available for every key account.

A systemised approach to this does not only require an agreed template, but will also need to be 'sold-in' effectively to the people who are designated as key account managers to ensure the RDPs are owned and actively used. These should be reviewed in monthly 1-2-1s with the key account owner's manager. A monthly key account planning meeting should be held, including all key account managers to review team progress on each of the top accounts – achievements, what's working well, what could be improved etc. Certain large project opportunities may necessitate additional specific project team meetings to work through the tools and agree individual contributions/actions. Both this and individual 1-2-1s should include input and coaching where necessary in relation to planned actions.