

# Practicalities of strategic account planning



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The Association for  
**Key Account Management**

Professionalising Key Account Management | [a4kam.org](http://a4kam.org)

# What's on the agenda today?

- What is strategic account planning?
- Who expects what from strategic account plans?
- The essential components of strategic account plans
- Strategic account plan review
- Why are strategic account plans so often poor or non-existent?

# Poll

According to a recent global CSO Insights Sales Enablement Optimization Study what %age said that .....

..... strategic account planning wasn't relevant to them?

- 10%
- 20%
- 30%
- 40%

# A few thoughts .....

According to a recent global CSO Insights Sales Enablement Optimization Study:

Of those studied .....

- ***10.4% said that strategic account planning wasn't relevant to them and therefore they wouldn't do it***

\*Frank Dale CEO & Co-Founder Open View Partners, 5 Important Elements For Strategic Account Planning Sessions, OV blog, March 26, 2018

<https://openviewpartners.com/blog/strategic-account-planning/#.XuyxETd8DIW>

# Three little words



- Strategic.... “relating to the identification of long-term or overall aims and interests and the means of achieving them”
- Account.... “an identified entity of interest”
- Plan.... “an intention or decision about what one is going to do”
- Account Plan....
  - “a single document that contains important details, including information about the accounts decision-making process, the competition and the overall strategy to win them over (and retain them)”\*

“Organisations which invest resources in detailed analysis of the needs and processes of their key accounts fare much better in building long-term profitable relationships”\*\*

\*Shabnam Kakar, Cooper Chronicles blog June 18, 2019

\*\*Ryals, L. and McDonald, M., 2008. Key account plans: The practitioners' guide to profitable planning. Routledge.

# Poll

According to a recent global CSO Insights Sales Enablement Optimization Study what %age said that .....

..... account planning is 'left to' the sales professional

- 15%
- 25%
- 35%
- 45%

# A few thoughts .....

According to a recent global CSO Insights Sales Enablement Optimization Study:

Of those studied .....

- 10.4% said that strategic account planning wasn't relevant to them and therefore they wouldn't do it
- ***24.8% said that account planning is 'left to' the sales professional***

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# Expectations

- Single, central source of truth
- Updated & accessible
- Internally & externally focused
- Responsible / Accountable / Consulted / Informed
- Creating / Engaging / Delivering
- An insurance policy
- Interesting
- Detailed



<b>R</b>	<b>Responsible</b> Who is / will be doing this task? Who is assigned to work on this task?
<b>A</b>	<b>Accountable</b> Who's head will roll if this goes wrong? Who has the authority to take decision?
<b>C</b>	<b>Consulted</b> Anyone who can tell me more about this task? Any stakeholders already identified?
<b>I</b>	<b>Informed</b> Anyone whose work depends on this task? Who has to be kept updated about the progress?



# Poll

According to a recent global CSO Insights Sales Enablement Optimization Study what %age said that .....

..... sales professionals are required to develop strategic account plans?

- 25%
- 33%
- 50%
- 66%
- 75%

# A few thoughts .....

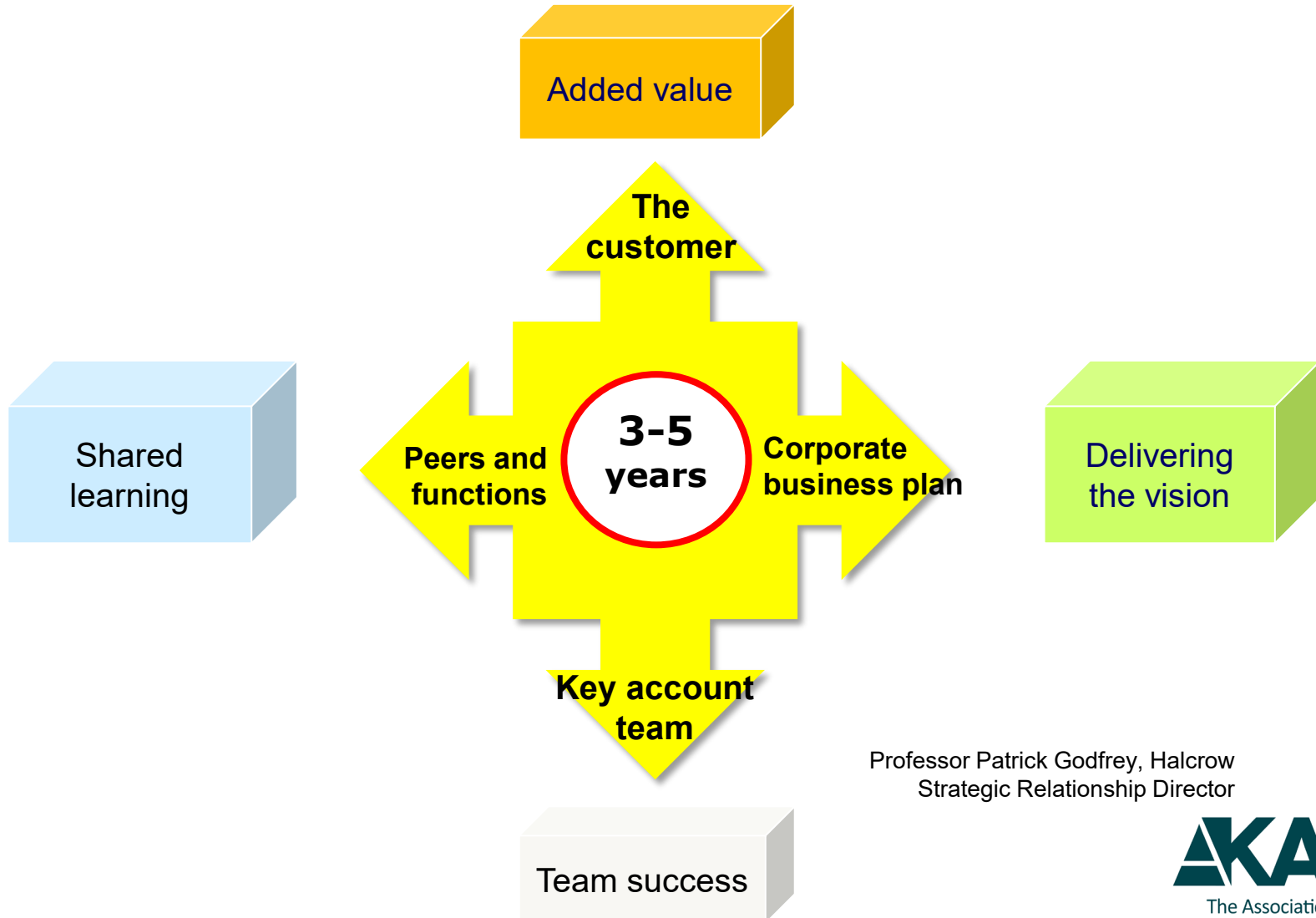
According to a recent global CSO Insights Sales Enablement Optimization Study:

Of those studied .....

- 10.4% said that strategic account planning wasn't relevant to them and therefore they wouldn't do it
- 24.8% said that account planning is left up to each sales professional
- ***33.1% said that sales professionals are required to develop strategic account plans***

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# Critical importance of the plan

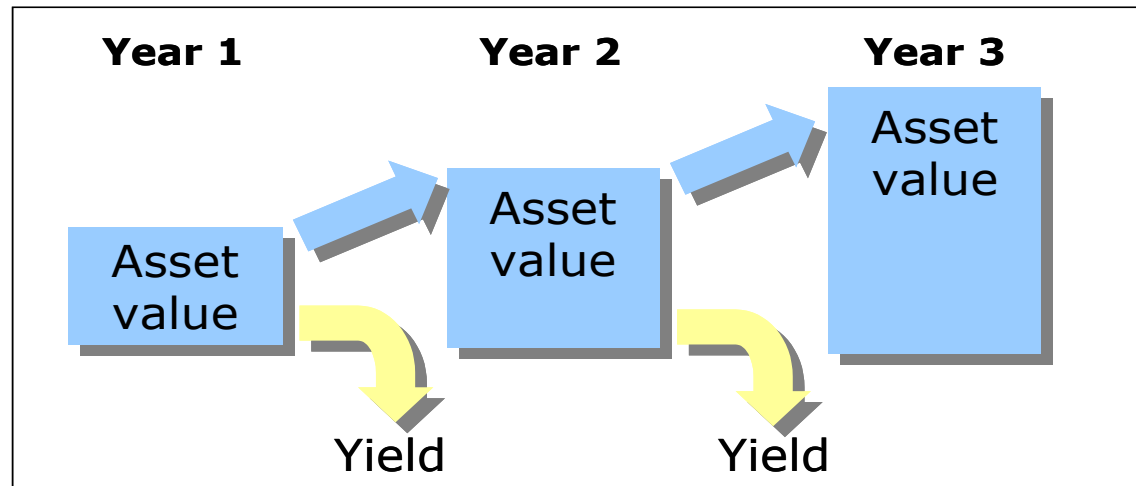


Professor Patrick Godfrey, Halcrow  
Strategic Relationship Director

# Securing resources

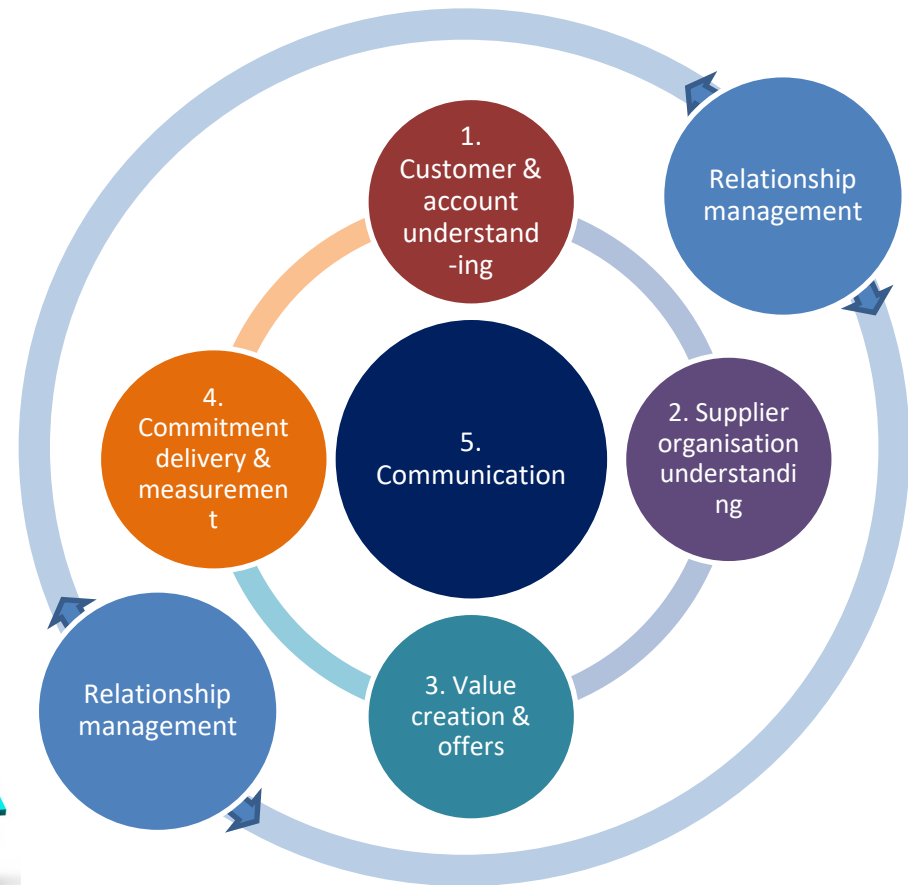
**Investment** → **Business case**

- development or maintenance of an **asset**
- increase in **value**
- short-term **yield**
- longer-term **return**



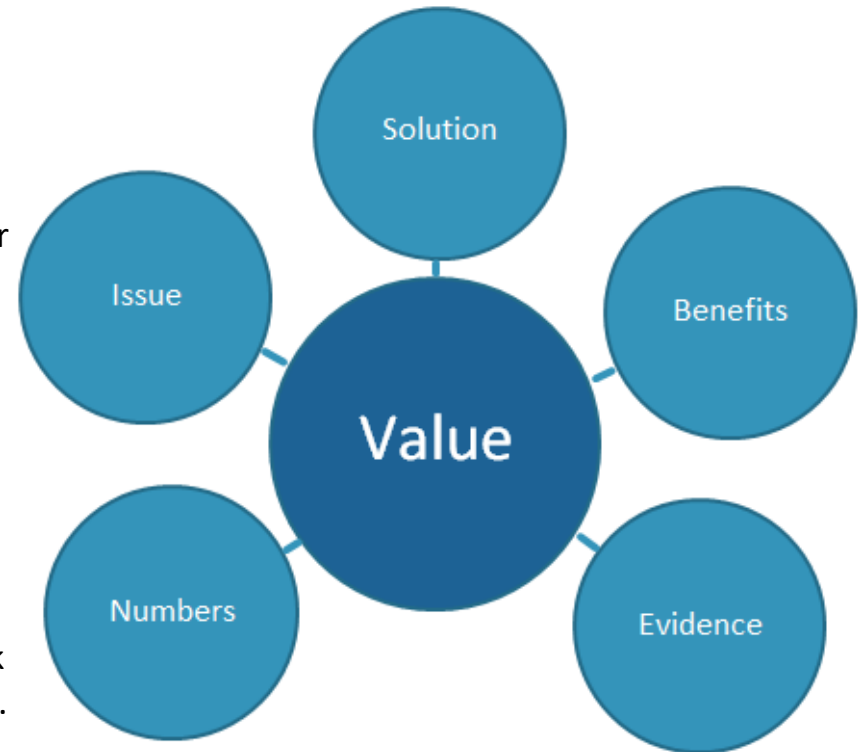
# The elements of the plan

- Seek to understand
  - Vision
  - SWOT, PESTLE etc.
- Value identification
  - Competitive analysis
  - Offer detail
- Delivery
  - Contracting
  - Milestones and exit
- Engagement
  - Who, how and when

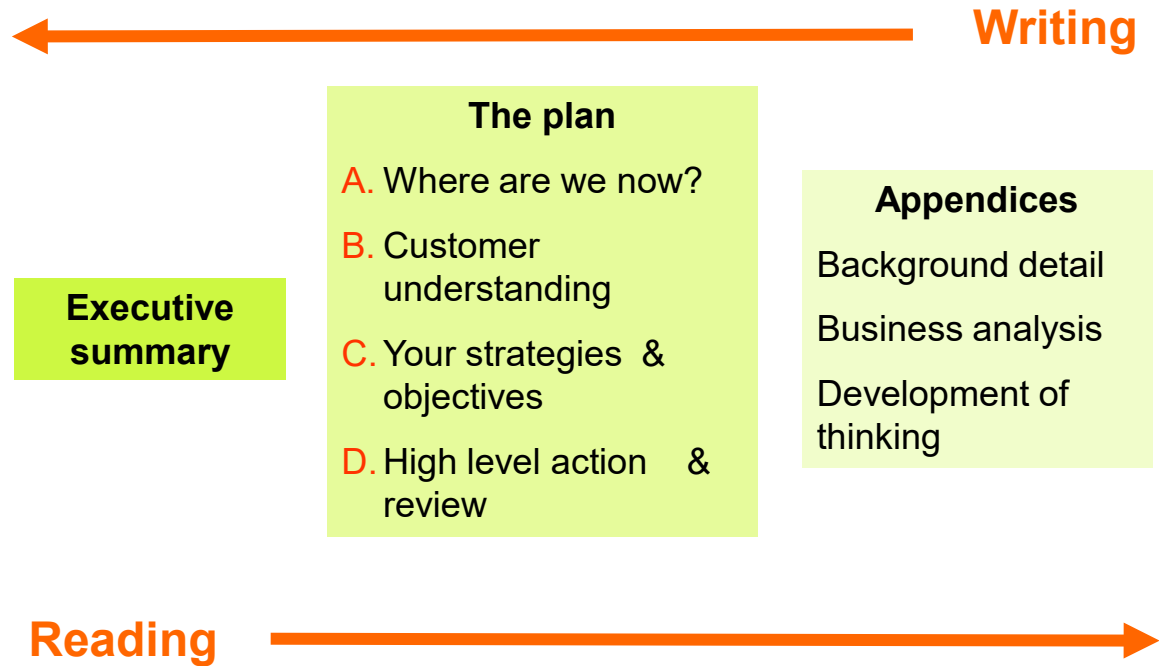


# Five key features of a value proposition

- Issues faced in relation to current and future practice
  - What problem that is being addressed
  - What is the cost to the account of doing nothing?"
- How will the proposal provide a solution
  - Does the proposed solution offer an advantage over currently approved or existing solutions?
- Detail the benefits for the account and their customers over and above, or instead of, current practice.
- Look at the financial case and cost effectiveness.
  - Detail the resource use and cost savings delivered over and above, or instead of, current practice; look at all costs versus savings and return on investment.
- Substantiate all claims with real evidence demonstrated from validated evaluations
  - Consider whether you have the resources to carry out a small-scale test.



# The objective: strategic account plans



# Creating and using a strategy scorecard

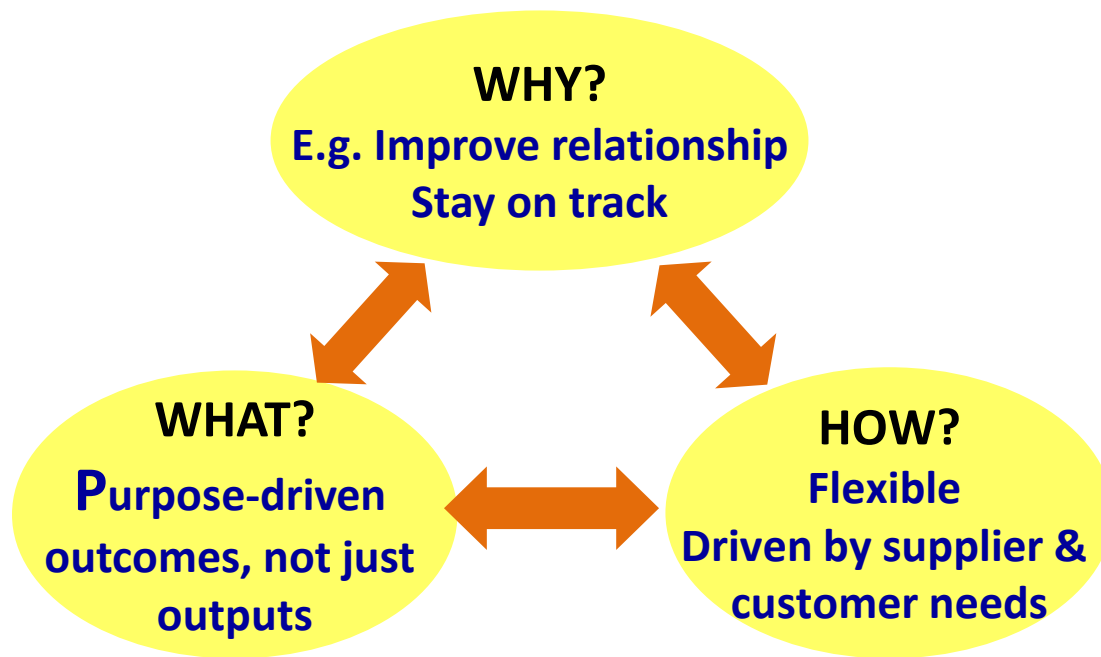
Strategy prioritisation criteria: examples	Weight	Strategy A		Strategy B		Strategy C etc ...	
		Rating 0-10	Score W x R	Rating 0-10	Score W x R	Rating 0-10	Score W x R
Contributes to our corporate strategy	35						
Well aligned with customer corporate strategy	30						
Replaces low margin products with high margin services	15						
Opportunities to build wider relationship with customer	10						
Builds our position as leaders in the marketplace	10						
Total	100						

**Score = weight x rating (0 – 10)**



# Measurement basics

Focus on **purpose** and **response**



Now you know, what are you going to  
do about it?

# Why measure? Purpose

Making the right strategic decisions

- Evidence-based decisions
- Objective assessment of KAM strategies
- Maximises ROI

Aligning implementation with strategy

- Converts strategy into implementation
- Tracks progress against plan
- Internal and external alignment with customer
- Internal alignment: achieving motivation
- Pinpoints underlying problems

Improving efficiency and productivity

- Opportunities for performance improvement
- Objective monitoring

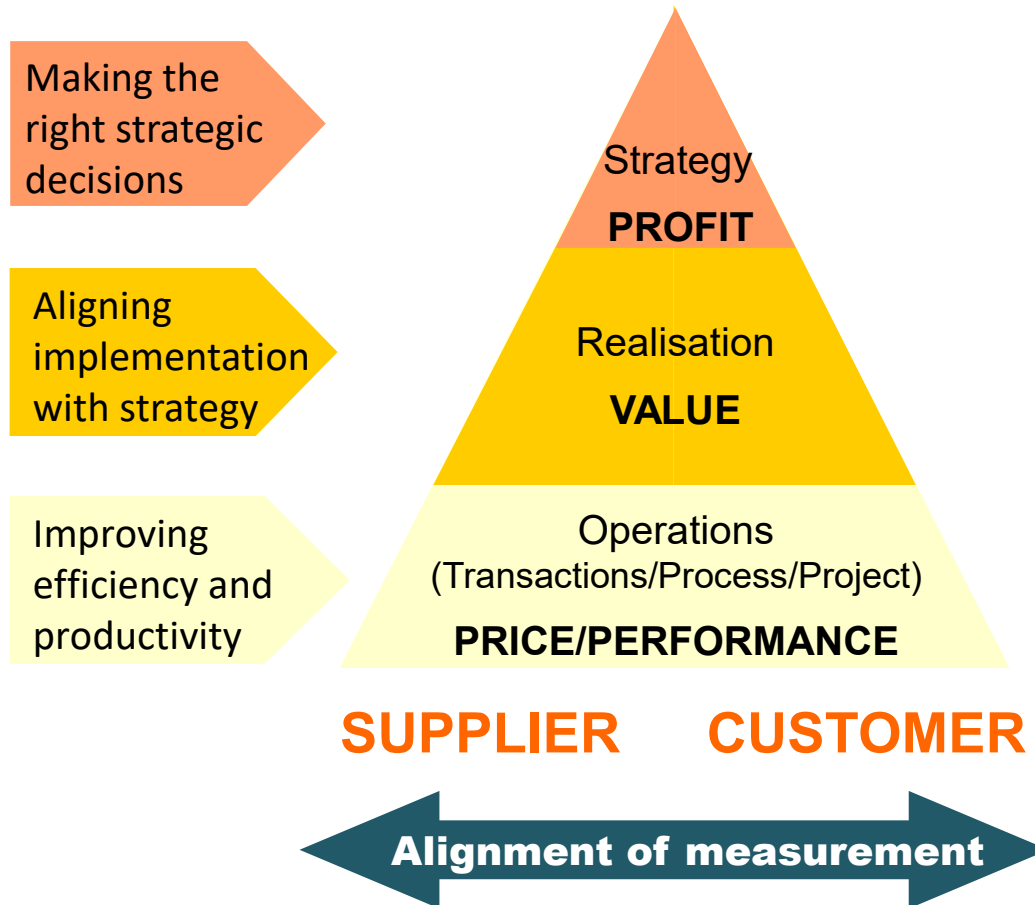
Gaining visibility

- Shows value of KAM internally
- Creates the language and understanding for powerful communication
- Improves multi-function co-operation

Learning and improvement



# Who cares?

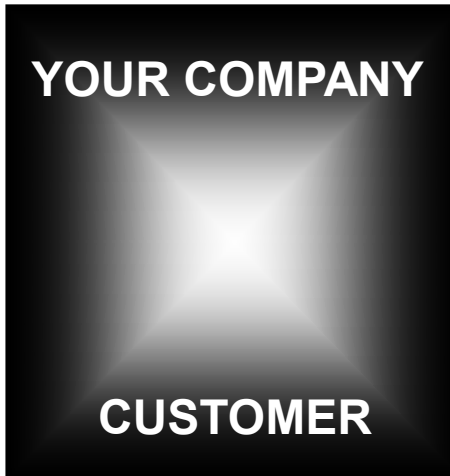


# Balance metrics between inputs and outcomes

'Lead' indicators



Measurements of  
inputs/actions



'Lag' indicators

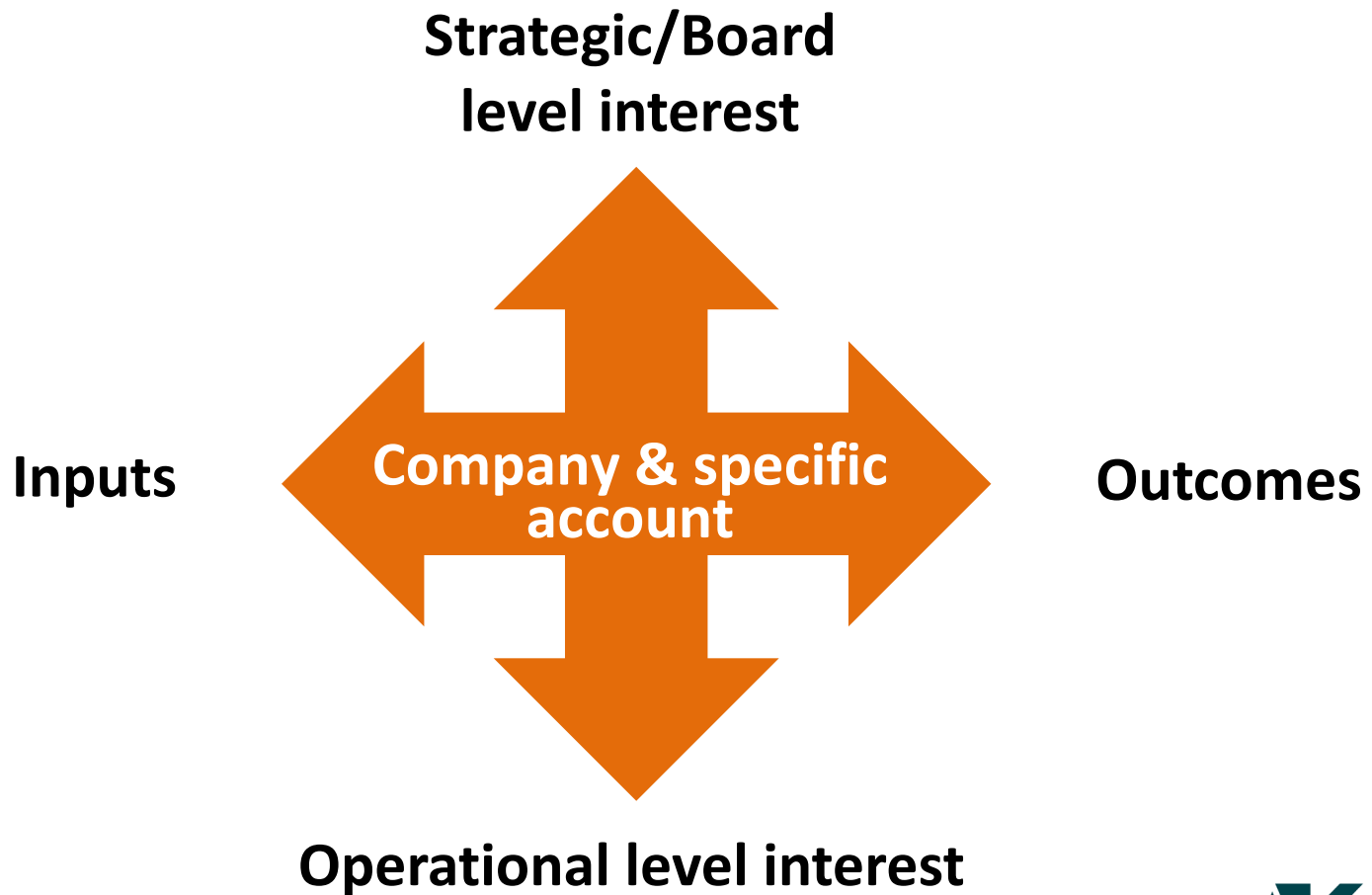


Measurements of  
outputs/outcomes

- KAM input
- Completion of actions
- Customer attractiveness
- Customer risk
- Customer satisfaction
- Contacts, meetings
- Relationship

- Sales?
- Business extension
- Customer retention
- Customer profitability

# 3-way balanced plan metrics



# Strategic account plan review (with or without the customer?)

- Establish a rhythm
  - Quarterly – operational, near term, issues, progress & plan
  - Twice yearly – leading, co-creation review, best practice, ideation
  - Yearly – board to board, performance, strategic view, critical need
- What should you review?
  - Value co-creation and delivery
  - Clarify the desired outcomes -> operational improvement
  - Relationships

# Poll

According to a recent global CSO Insights Sales Enablement Optimization Study what %age said that .....

..... salespeople are “encouraged” to develop strategic account plans

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- 75%

# A few thoughts .....

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Of those studied .....

- 10.4% said that strategic account planning wasn't relevant to them and therefore they wouldn't do it
- 24.8% said that account planning is left up to each sales professional
- 33.1% said the sales professionals are required to develop strategic account plans
- ***31.7% said that salespeople are “encouraged” to develop strategic account plans***

**Conclusion - Over 50% of sales professionals don't take advantage of account planning to map out how they pursue their strategic accounts**



# Why are they so often poor?

- Skill - the ability to do something well; expertise
- Knowledge - the theoretical or practical understanding of a subject
- Attitude - a settled way of thinking or feeling about someone or something
  
- Lack vision of a 'future state'
- Internally focused
- Lack collaboration
- Creativity limited
- Revenue AND margin
- Too complicated
- A 'one-off'
- Too operational
- Focused on self
- No Value Proposition!!

# Final thoughts

- Surely the amount of business delivered by a key account demands a plan?
- How do you know where you are going if you don't have a plan?
- How does anyone know where you are going if you don't have a plan?  
Customer? Senior management? Delivery functions?
- Do you believe in your plan?
- Does everyone involved know what's in your plan?

# Next webinar

Summer break until September



**Friday 4<sup>th</sup> September**

- Leading in a virtual workspace
- Dr Colin Hughes, Technological University Dublin

**To follow:**

- Sharing customer knowledge - a total organisational approach
- Jeremey Campbell & Steve Dolan, Emcor