



In these difficult times we're all passionate about defending our key accounts. Steve Newman gives his ten top tips for safeguarding your valued customers.

Keeping the business

By Steve Newman

1. Have an open account management process that works. If it's not visible and people are not accountable, mistakes will be made.

2. Alongside your deal making mindset, develop an implementation mind set because an account strategy must look beyond the next deal. All too often we find ourselves focusing on the price to charge to keep a key customer happy. Nowadays the customer thinks that means extra discount. It's no bad thing to remind them that what they are buying is not just a product for a price but a relationship. That's the difference between a big customer who gets a discount based on volume and a key account. The latter is buying your partnership and collaboration in helping them improve their business.

3. Impose on everyone, not just the sales team, that if you have contact with people in the account – whether they're in finance, technical support, customer service, contracts, manufacturing or operations - what you do impacts on the account relationship.

4. As well as selling your features, benefits and competitive advantages to your customer it is vital, for effective relationship management, to have a good

understanding of your customer's business, your customer's industry, the major trends impacting their business, the opportunities for their business (not yours) which are generated by the trends, the strengths you have as a supplier to help them address their business challenges and your vulnerabilities because you can't be all things to all people.

5. Here's a provocative thought. For years, sales people have chosen their key accounts. Or do they? If you think about it, it takes two to tango. They might be a key account to you but do they recognise you as a key supplier or - better still - as a business partner? It's worth asking yourself the question – Is it you, the customer or both of you who actually determine the key account status of the relationship?

6. It's vital to keep track of the cost of the relationship. A low level commodity relationship is not much more than, "we'll give you more business if you give us more discount". Is that a key account relationship or a negotiation? In IT and professional services, customers are getting very good at saying, "we see you as a key supplier. If you want to join our Tier 1 supplier group, demonstrate you are worth it by giving us X days of free consulting every year." Ask yourself what your investment in the relationship is really costing.

7. When it comes to forecasting, traditionally, the board promises its investors and shareholders X% growth. The increased sales and

profit expectations are given to the sales teams. The leaders of these teams carve up the required targets among the team and assumptions are made about targeting for the next year. So why have an account strategy? What happens if you are depending on one of your biggest accounts to give you a major project this year and it gets shelved? A good account relationship should shed new light earlier on future business growth (or contraction). That means account intelligence should make for better sales forecasting.

8. More than any other type of client key accounts expect a certain standard of service. They do not want approaches from unknown people in the account and they expect departments inside the selling organisation to know what's going on. So ensure rules are in place to ensure this happens.

9. The ultimate validation of an account development strategy is if you can show it to your account. What would you rather show your customer? A strong account strategy is one you are happy to share with them because it shows a vision and a path to get there.

10. We don't want to waste time in this climate on platitudes and strategising that does not work. Nevertheless in a critical account relationship it is important to have a vision that everyone buys into - you, your departmental colleagues and all the key players in the customer organisation.