Key Account Management

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Contents

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Outcomes and objectives

By the end of this course, you will be able to…

- Identify and understand the criteria for key accounts, relative to your company.
- Begin to construct a strategic account plan.
- Manage your business relationships to increase your business.
- Manage yourself and your time more effectively.
- Revisit the business-critical communication skills necessary for Key Account Management.
- Understand how behaviours affect both you and your clients.
- Complete key documentation that supports account development.
- Be aware of your own motivational drivers and behavioural techniques so that you create powerful perceptions.
- Present yourself and your offering powerfully and succinctly to senior key account influencers.
- Build your personal action plan of things you will do differently.

Personal learning objectives

What are the biggest challenges you face in managing your larger or VIP accounts that you hope today's training can help with?

Learning summary

To be completed during the training and reviewed at the end.

Knowing your offering – what is this all about?

Who buys your product?

What are they buying?

Why do they buy it?

When do they buy it?

How do they buy it?

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What is account or key account management?

In understanding your role as a Key Account Manager, it is important to distinguish between Customers and Key Accounts.

Where the distinction is clearly understood, Key Account Managers are usually more successful in developing these high potential businesses, if for no other reason than that they recognise a different approach needs to be adopted.

So what is a Key Account?

List below the main characteristics:

What is a Key Account?

A Definition

'An account that can significantly help you to reach the longer-term objectives of your business.'

- **Value**
- **Intention**
- **Potential**

Characteristics

- Typically, the larger/more complex account
- Usually several points of contact
- Larger volume business
- Often a longer sales cycle
- You will probably deal with more senior people
- Key Accounts often desire 'total solutions'
- Key Accounts will be tough negotiators
- There may well be other group or subsidiary businesses
- You may well be significantly reliant (in profit/income terms) on these Key Accounts, that will form an important part of your total turnover
- Key Accounts will want more from your organisation (e.g. flexibility, proactivity, development and technical support) – not just product!
- May require 'tailor made' solutions
- Require a partnership relationship, not just a relationship with transactional efficiency
- Desire a longer-term relationship (e.g. fewer suppliers over time)
- Want more regular contact

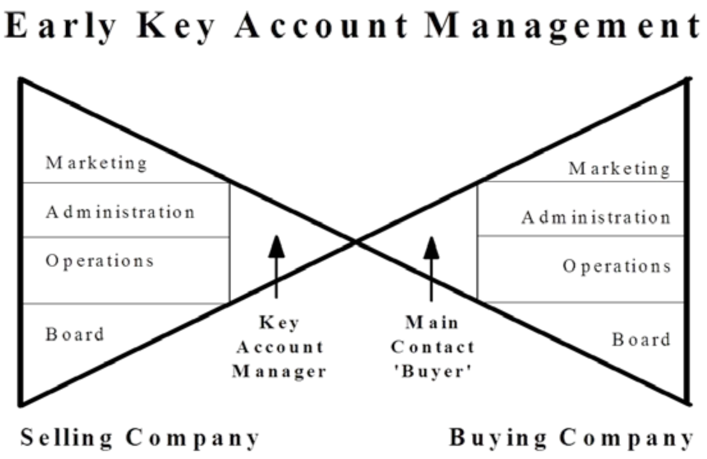
Selling Vs Key Account Management

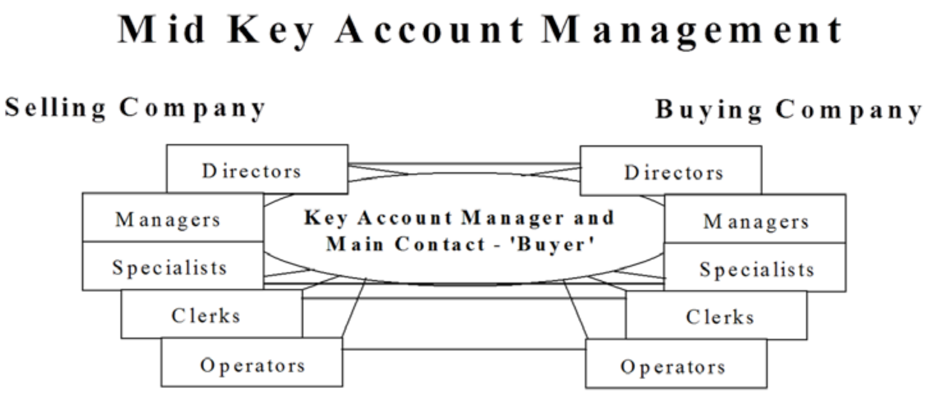
What are the main differences between Selling and Key Account Management?

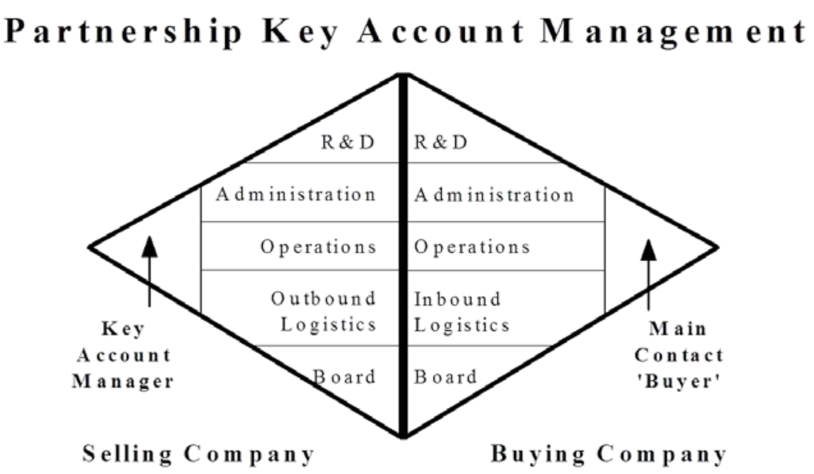
Selling	Key Account Management

Characteristics of Key Accounts

Adapted from McDonald, Millman and Rogers (1996)







Account Management: The PROFIT Model

PROFIT model

- Performance
- Relationships
- Opportunities
- Feedback
- Integration
- Teamwork

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Overview of the six PROFIT principles

Performance

Good account management goes way beyond the management of opportunities. How you measure your accounts and what you measure will largely determine the direction and focus of your development of both new and existing revenue streams. This module defines best practice account management measures and metrics, both activity- and results-based. It examines very practical ways in which performance of both existing and prospective accounts can be easily monitored and progress highlighted. This includes the use of a one-page customised account 'dashboard'.

Relationships

Using a relationship matrix approach, it is vital that relationships are created, developed and co-ordinated at all levels in accounts, where appropriate. You should work on developing both a coach and senior level contacts. Relationship management should be approached in a structured and planned way, using online and offline sources of information.

Opportunities

A good account manager will view an account as a revenue stream, with a series of linked or consecutive opportunities. These should cover short-, medium and long-term business development cycles. Accurate qualification, regular review and organised persistence are the three essentials for developing opportunities proactively.

Feedback and retention

This section looks in-detail at customer and account retention in a positive and proactive way. First ensuring a high-level of customer satisfaction, but then building on this with a series of steps and initiatives. Identifying 'at risk' clients is also covered, and how to respond to customer dissatisfaction.

Influence

Good account managers or great influencers? Advanced persuasion, communication and people skills are a pre-requisite to developing accounts and opportunities effectively. This is particularly true in promoting new or solution-based propositions. This session discusses some ideas from participants and introduces some advanced techniques around a consultative or solution-focused approach.

Time management and teamwork

This is an essential skill of effective account management. Prioritisation of accounts, managing daily activities, effective horizontal delegation and co-ordination of others within an account structure are all covered. We also include aspects of virtual team management and effective communication.

Notes

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Performance 1: SWOT analysis

Strengths	Opportunities
Weaknesses	Threats

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Performance – Monthly review Date: __________

Measures, KPI's or Metrics for measuring VIP customers

Projects and problems at a glance. These are examples only, create and select your own performance or things to monitor

Projects delivered t	YTD sales gain	New quotes
Service issues	Active projects	Pipeline – future projects
Notable appointments and meetings	New contacts made	First time work

Notes

Relationships

Map type and frequency of relationships. Aim for 3 x 3 matrix.

	Customer contact 1	Customer contact 2	Customer contact 3
Your contact 1			
Contact 2			
Contact 3			

More detailed notes need to be kept on individual contacts.

New contacts

Opportunities

Enter ticks or comments for matches

Enter 0 or X for gaps to target

	Customer area or need 1	Customer area or need 2	Customer area or need 3
Product 1			
Product 2			
Product 3			

‘Opportunity meetings’ – the four C’s

Connecting

For this first activity, and all subsequent ones, please work in pairs on one or more of the real-life target accounts you bought with you to the training.

Your preparation for this part of the process should include:

1 Being Ready

- **a** What is your preparation checklist before a visit or meeting? Make a list of everything you should have ready.

2 Welcoming

- **a** Write down your suggestion for an ideal greeting
- **b** How you would give your name and role
- **c** The tone of voice you would use (Passive, positive, friendly etc)

3 Making the call or meeting count

- **a** Write down one or more examples of you how you would qualify the purpose of a visit or meeting – for example: just a service visit, price enquiry or to place an order.
- **b** What is the best way to find out if they are an account holder, or know of you?

Consulting

For the second activity, and all subsequent ones, please work in pairs on one or more of the real-life target accounts you bought with you to the training.

4 Asking

- **a** What is the best way to prompt the customer for more information on their requirements, needs, project, etc.
- **b** What questions can you use to ask about other items they need?
- **c** How do you ask buying questions – timescales, other quotes, alternative options etc

5 Listening

- **a** Use echoing, active listening and summarising

6 Restating

- **a** What is the benefit of restating or repeating back?
- **b** When and how should you do it?
- **c** What is the best way to make small talk at this stage of the call or meeting?

Convincing

For this third activity, and all subsequent ones, please work in pairs on one or more of the real-life target accounts you bought with you to the training.

7 Offering information and options

- **a** Always offer 2-3 options or alternatives: Similar products, pack sizes, delivery / collection options, etc.
- **b** Using a price-handling technique (Supported/ comparison/ sandwiched)

8 Setting expectation and getting agreement

- **a** Always under promise, so you and others can over deliver
- **b** Use the can't do – can do principle.

9 Exploring further needs and getting agreement

- **a** Think about what is 'missing' – things they are likely to need.
- **b** Repeat back and summarise before moving to ask for the order

Commitment and Confirming

For this activity please work in pairs on one or more of the real-life target accounts you bought with you to the training.

10 Asking for a decision

- **a** Know different ways to ask if the customer wants to place the order now

11 Summarising and checking

- **a** How should you be summarising key points and checking all key details?
- **b** Capture information for later follow-up and price quote.
- **c** Know how to encourage a customer to open a SLS account or go ahead.

12 Thanking

- **a** What is the best way to end a visit or meeting?

13 Following up

- **a** Ensuring that what was promised to my customer is what they received; if passing my customer to other person in the SLS, making sure the transaction is handled smoothly.

Notes

Feedback

Customer satisfaction level – pulsed monthly or quarterly

Design a series of questions to use in a conversation, not a formal survey.
Summarise the results in an easy to read format.

Service factors/rating	**Green**	**Yellow**	**Red**
Quality			
Service			
Customisation			
Etc.			

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Customer service review meeting

Questions to gain feedback on satisfaction and service this period.

Agenda

1. **Service level review for last quarter**
2. **Update on issues from last quarter**
3. **Update and changes**
    a. **Customer**
    b. **Supplier**
4. **AOB**

Integration

Customisation and bespoke options

Create products, services, prices and options based on and around customer requests and requirements.

Product or service	Bespoke, tailoring, integration ideas and plans

Notes

Teamwork and time management

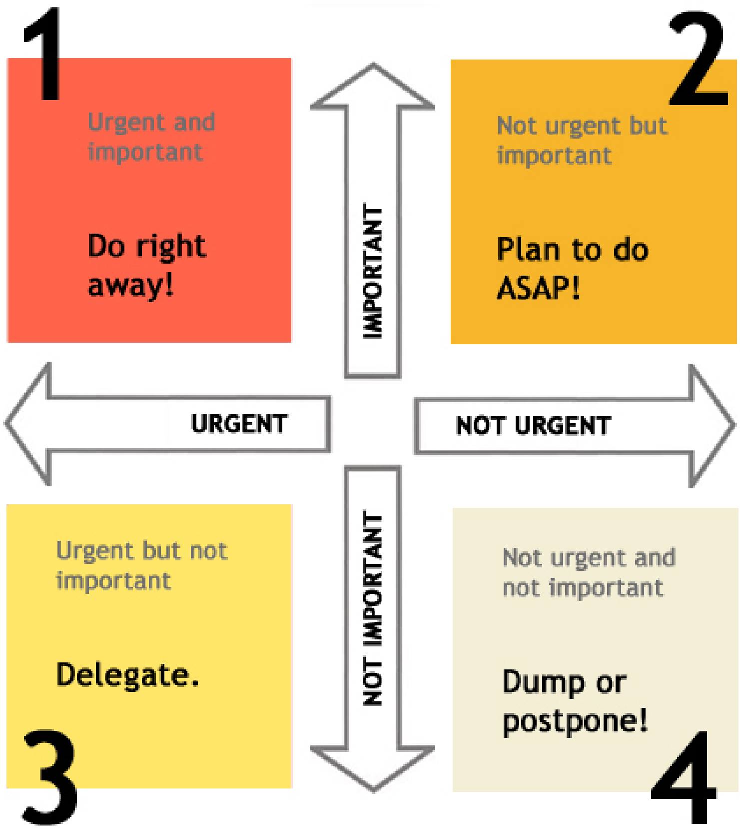
Internal customer service team and communication frequency

Name	Role	Communication

Action plans

Time Management – Urgency and Importance

Managing priorities and meeting deadlines - Priority Matrix



The Time Management or Priority Matrix shows how you can divide up all your workplace tasks according to two criteria: how important they are (the vertical axis in the diagram) and how urgent they are (the horizontal axis). As a result of these two criteria, the model creates four squares which we call "quadrants" and which are the keys to your time management performance.

Quadrant 4: Not Urgent and Not Important Tasks

In Quadrant 4 of the Time Management Matrix, (bottom right), are the not important and not urgent tasks. These are the things that we don't need to do but that so often we end up doing to fill in time or because we like doing them. These include aimless web browsing, socialising around the drinks machine, and attending unnecessary meetings. You can call these "time-wasters".

Quadrant 3: Urgent but Not Important Tasks

In Quadrant 3 of the Time Management Matrix, (bottom left), are the urgent but not important tasks. These are the things that we allow to interrupt our working lives because we believe they take precedence over other tasks. The worst examples of such tasks are personal "drop-in" callers, answering every phone call and wading through junk mail. You can consider these "distractions".

Quadrant 1: Urgent and Important Tasks

In Quadrant 1 of the Time Management Matrix, (top left), are the urgent and important tasks. These are the things that we have to do because they are our responsibility and need immediate attention. These are usually emergencies, crises, and pressing deadline-driven problems. They may be the result of our procrastination or inability to face up to doing them at the right time. You can think of these as "firefighting" tasks.

Quadrant 2: Not Urgent but Important Tasks

In Quadrant 2 of the Time Management Matrix, (top right), are the important but not urgent tasks. These are the tasks that aren't pressing but, if we do them, will ensure fewer, if any, problems down the line. They include time on personal health and development, unhurried "quality time" with others, prevention work, thinking time such as planning and preparation, and clarifying our values. These are you most critical and "productive" tasks.

What Your Quadrants Tell You

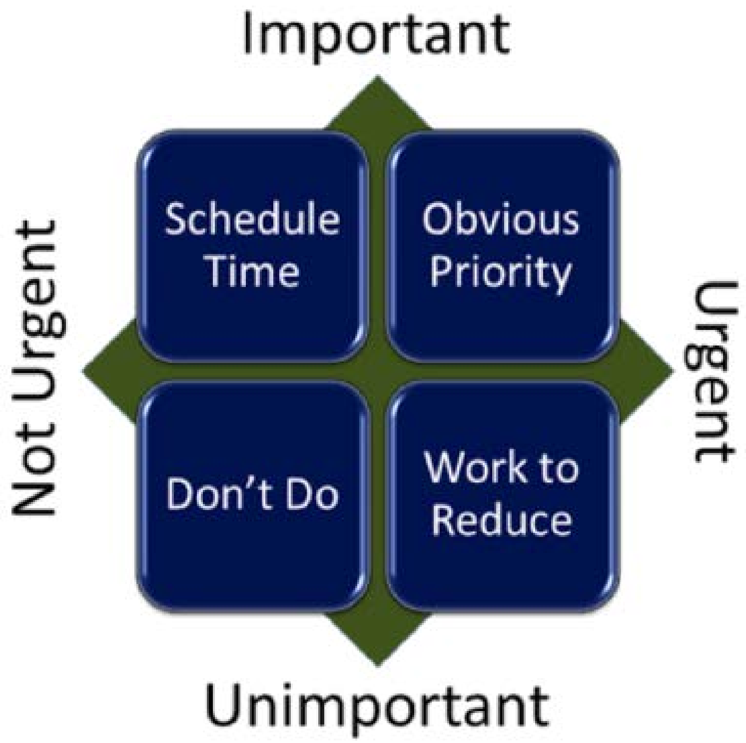
When you've added up the time you spend in a typical week on each of the four quadrants, this is the action you should take to improve your time management.

i. if you spend any significant time on quadrant 4 tasks, (not urgent and not important), stop doing them. If you can't, take a long hard look at why you are spending time on them.
ii. if you are spending any significant time on quadrant 3 tasks, (urgent but not important), realise that, as they are not important to you, you shouldn't be doing them whether they are urgent or not. Delegate them if you can. Dump them if you can't.
iii. if you are spending any significant time on quadrant 1 tasks, (urgent and important), work out why you didn't do them earlier. Get to the root of what stops you doing them before they become urgent.
iv. if you are spending any significant time on quadrant 2 tasks, (important and not urgent), congratulate yourself. This is where you should be spending most of your time. If you are, you already know that life is balanced, productive, and good.

Urgent and important - priority matrix - some key points:

1. The judgment as to whether activities are urgent, important, neither or both, is crucial for good time management.

2. Most people who are not good at time management, or in managing their environment, tend to spend most of their time in boxes 1 and 3.
3. Poor time managers tend to prioritise tasks (and thereby their time), according to who shouted last and loudest (interestingly, loudness normally correlates to seniority, which discourages most people from questioning and probing the real importance and urgency of tasks received from bosses and senior managers).
4. Any spare time (or procrastination time) is typically spent in box 4, which comprises only aimless and non-productive activities. Most people spend the least time of all in box 2, which is the most critical area for success, development and proactive self-determination.



Notes

Here are more tips on how to manage time and activities:

	Urgent	Not urgent
Important	1 - DO NOW ● emergencies, complaints and crisis issues ● demands from managers or customers ● planned tasks or project work now due ● meetings and appointments ● reports and other submissions ● staff issues or needs ● problem resolution, fire-fighting, fixes Subject to confirming the importance and the urgency of these tasks, do these tasks now. Prioritise according to their relative urgency.	2 - PLAN TO DO ● planning, preparation, scheduling ● research, investigation, designing, testing ● networking relationship building ● thinking, creating, modelling, designing ● systems and process development ● anticipation and prevention ● developing change, direction, strategy Critical to success: planning, strategic thinking, deciding direction, aims, etc. Plan time-slots and personal space for these tasks.
Not important	3 - REJECT AND EXPLAIN ● trivial requests from others ● apparent emergencies ● ad-hoc interruptions and distractions ● misunderstandings appearing as complaints ● pointless routines or activities ● accumulated unresolved trivia ● boss's whims or tantrums Scrutinise and probe demands. Help originators to re-assess. Wherever possible reject and avoid these tasks sensitively and immediately.	4 - RESIST AND CEASE ● 'comfort' activities, computer games, net surfing, excessive breaks ● chat, gossip, social communications ● daydreaming, doodling, over-long breaks, excessive internet trivia ● reading nonsense or irrelevant material ● unnecessary adjusting equipment etc. ● embellishment and over-production Habitual 'comforters' are not true tasks. They are non-productive and de-motivational. Minimise or cease altogether. Plan to avoid them.

Applying the Priority Matrix

14 The judgment as to whether activities are urgent, important, neither or both, is crucial for good time management.

15 Most people who are not good at time management, or in managing their environment, tend to spend most of their time in boxes 1 and 3.

16 Poor time managers tend to prioritise tasks (and thereby their time), according to who shouted last and loudest (interestingly, loudness normally correlates to seniority, which discourages most people from questioning and probing the real importance and urgency of tasks received from bosses and senior managers).

17 Any spare time (or procrastination time) is typically spent in box 4, which comprises only aimless and non-productive activities. Most people spend the least time of all in box 2, which is the most critical area for success, development and proactive self-determination.

Key factors that make something important – list these here

How you negotiate or manage 'urgency' – that is say 'not now'

Three boxes; two activities to make time for (important but not urgent)

E.g. Exercise, getting a good night's sleep, tidying and organising.

1.

2.

3.

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Strategic Planning for Key Accounts

ISSUE	ACTION
Which sector(s) first?	• Prioritise any sector that is expanding • Prioritise the sectors that are the most relevant to your products and services • Prioritise sectors in which potential Key Account customers have money to spend
Which companies and people to contact first?	• Existing Key Accounts with needs and that want to see you • Potential new Key Accounts ('hot' referrals with needs and wanting to do something now) • Existing Key Accounts with identified needs • Existing Key Accounts with unidentified needs • Potential Key Accounts with unidentified needs

Strategic Planning for Individual Key Accounts

ISSUE	ACTION
Who to have as contacts in the company?	Create a target list of contacts to be developed.
Are other 'group' companies targeted for contact?	Create a target list of other companies within the 'group' that have real potential for increased business. Develop Key Account contacts who can introduce you to target group companies.
Corporate event and/or entertainment plan in place?	Ensure a detailed plan of professional and 'fun' entertainment is in place to cover the coming year. This should cement personal relationships.
What products/packages to prioritise?	Create a strategy to widen the sale of your product range by identifying where a broader package of products and services would be relevant. Try to think wider than merely the product(s) currently being sold and create a total solution for the Key Account if possible. This may mean considering the development of new products.
Plans for team/individual presentations?	Consider whether the next presentation to your Key Account would benefit from being a team one. It could strengthen overall contact with the Account.

Strategic Planning for Individual Key Accounts

ISSUE	ACTION
Key account short/medium/long term plans known?	If not already known, arrange a meeting with the Key Account to establish the future strategy – short and long plans. Link this into partnering with them to ensure that as they develop, you are in a good position to provide on-going support.
Do product development plans fit key account needs?	Ensure that new or amended products and services are being identified (or are in development) to meet the future requirements of your Key Account. Failure to anticipate future needs adequately could allow the competition to gain a foothold.
Personal network introductions identified?	Create a plan to introduce relevant contacts from your personal network, where these could potentially add value to your relationship with the Key Account. Some of these introductions should be with your own 'group' companies, if they exist.
Plans for development of support team involvement?	Ensure that your support team have developed appropriate contact points within the Key Account. These should be used for information gathering and development of the relationship in more general terms.

Creating a Key Account Strategy

Please find below a checklist that should assist you in determining your future strategy for each Key Account.

1. How would you currently classify the relationship? Assess against stages one to five
2. To what stage could you potentially develop this relationship?
3. What needs to be achieved to move this relationship forward? i.e. what's currently missing?
4. How well are they aware of all our products, services and options within each one?
5. What is my contact plan or strategy – how can I make communication or a process?
6. What Key Account information would you ideally like to have?
7. Are there product/process/service improvement issues that need addressing?
8. Which new contacts would you like to make and connect with regularly?
9. Do you have all the relevant contact points in place? If not, what is your plan to do so?
10. Have you examined the whole value chain/supply chain? What needs to be addressed?
11. What are your Company's weaknesses with this Key Account and are they being addressed?
12. Do you have the right support team in place doing the right things?

Appendix

Rapport Strategies 2: Behaviour and Personality

People flexibility

Instructions

1. Consider how you actually behave
2. Work across the page
3. Number the words in each row
4. Give a 4 to the word that is MOST like you or relate to you most
5. Give a 3 to the next most, 2, and then 1 to the word LEAST like you
6. Make sure each row has a 4, 3, 2, 1 – only – no duplicates
7. Your first response is probably the best
8. Enjoy!

Remember: 4 = most, 1 = least. For example

Decisive **2**	Orderly **3**	Considerate **1**	Spontaneous **4**

Now your turn…

Decisive	Orderly	Considerate	Spontaneous
Results	Systems	Support	Inspiration
Destination	Schedule	Journey	Dream
Blunt	Critical	Hesitant	Easily distracted
Bold	Accurate	Patient	Enthusiastic
Facts	Logic	Feelings	Possibilities
Aggressive	Thorough	Caring	Sociable
Goals	Quality	Agreement	Ideas
Competitive	Analytical	Loyal	Optimistic
Use it	Check it	Share it	Play with it

Totals

My Nature

Totals (from previous page)

Now graph / plot your results

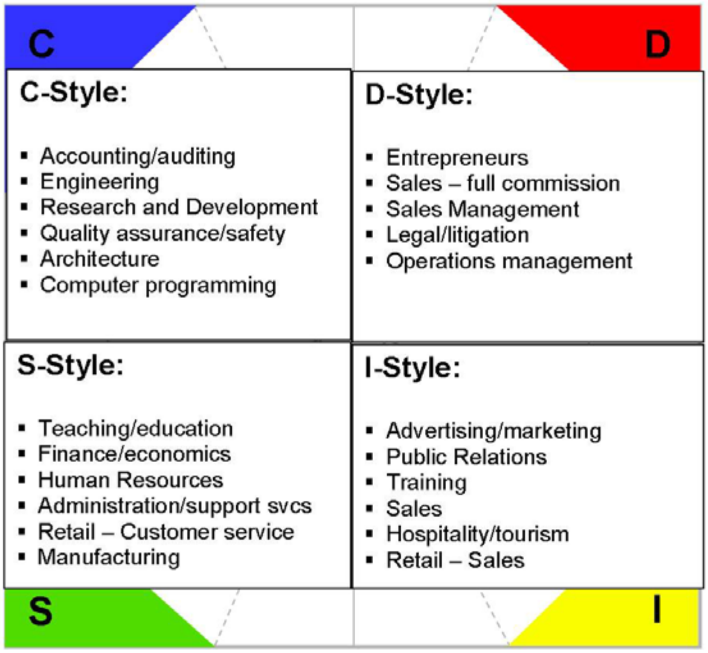
40				
34				
30				
28				
26				
25				
24				
22				
20				
18				
16				
14				
12				
10				

Notes

- Fire are also known as Socializers - aka “Speakers” – I
- Water are also known as Relaters - aka “Listeners” – S
- Air are also known as Analytics - aka “Thinkers” - C
- Earth are also known as Directors - aka “Doers” - D

Summary

C/Air behaviour is about getting things right. A person with this preferred style of behaviour focuses on: • Detail and accuracy • Analysing information • Time to make decisions • The task rather than personal communication • Efficiency and productivity • Meeting targets and deadlines	D/Earth behaviour is about getting things done. A person with this preferred style of behaviour focuses on: • Taking action and being in control • Being assertive and forthright • Keeping communication short and brief • Strongly influencing decisions • The 'bigger picture' • Achieving goals
S/Water behaviour is about getting on with others. A person with this preferred style of behaviour focuses on: • Approval and trusting relationships • An atmosphere that is friendly and warm • Seeing another person's point of view • Discussing issues fully • Listening and being attentive • Being supportive and sensitive	I/Fire behaviour is about feeling appreciated. A person with this preferred style of behaviour focuses on: • Getting attention from others • Being relaxed and sociable • Getting others to listen to their ideas • Persuading others to see their point of view • Self-expression



Personal introduction

In a few minutes, you will be asked to introduce yourself and your company to the VITO of a company you wish to make a Key Account. You will have 2 minutes to impress the VITO with your product/service and more importantly, yourself.

This is a chance meeting that has happened with what you see as a key client in your company's future. You have met at a trade fair/business conference in a lift. You are keen to get an appointment within the next two weeks as you haven't been as successful in doing this in the past.

The object of this introduction is to convince the VITO that you should be given an appointment.

Your preparation notes:

Effective 'Open' Questions and Statements

So, tell me about the…

What are your thoughts about …?

So, help me understand the issues around…

Why are these issues so important to you?

So, explain to me the nature of…

In what ways are…?

So, give me some examples of…

Describe the effects this is having…

To what extent would…?

How would you feel about…?

How do you see…developing?

What sorts of…?

How important is it to you to…?

Some Powerful Words to Use

Discover	Superb	Unique	Good	Carefree
Convenient	Money	Fast	Efficient	Easy
Enjoyable	Amazing	Guaranteed	Experience	Practical
Most	Proven	Best	Save	Love
Fantastic	Time	Most	New	Great
Bargain	Unsurpassed	Value	Delightful	Results
Exciting	Pleasure	Safe	Acclaimed	Nice
Comfortable	Own	Pleasant	Surprisingly	Free
Shockingly	Best	Foremost	Finest	Of a lifetime
Achievement	Exceptional	Breakthrough	Brilliant	Outstanding
Lots of	Happy	You	Us	Together
Combined	Every	Interested	Classic	Maximum
Health	Delicious	Unbelievable	Massive	Huge
Help	Considerate	Evolving	Revolutionary	Brand new
Value	Tantamount	Dedicated	Jointly	Powerful
Thanks	Dramatic	Unrivalled	Ultimate	Stupendous
Breath-taking	Tempting	Glorious	Innovative	Excellent
Empowering	Grandest	Charming	Extravagant	Sumptuous
Stunning	Exquisite	Classic	Magical	Intimate
Gigantic	Idyllic	Inspirational	Decadent	Flexible
Spontaneous	Attractive	Awesome	Sensational	Passionate
Amazingly	Hilarious	Peaceful	Alluring	Tantalising
Exotic	Unbeatable	Invigorating	Grandest	Elegant
Epitome	Tremendous	Wonderful	Marvellous	

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Key Account Management – Action plan

Key Account Manager (KAM)	Yes/No	Actions Required
Dedicated to Key Accounts only		
Job description relates to Key Account activity		
K.P.I.'s are measured and appraised on a regular basis		
Accountable for profit from Key Accounts		
Role includes improving Key Accounts profits		
Accountable for Key Account service and performance		
Concentrates on value adding activities		
Management help to remove road blocks		
All relevant Key Accounts have a clear view of KAM role and responsibilities		
Support tools for planning, technology and analysis are available		
The most effective sales tools are available for presentations		
Customer knowledge		
Key decision makers and influencers are known.		
There is a formal process for researching customers' needs		
There is a clear view of Key Account Strategies and Plans		
A database of Key Account details is available.		
The database includes, customer's buying process, decision process, business strategies, financial priorities and development projects		
Aware of Key Account's target customers and market		
Aware of Key Account's initiatives to increase sales, reduce costs or increase productivity		
Account Planning		
There are formal account plans which are regularly updated		
Sales and marketing strategies are clearly aligned with account plans		
Key Accounts are involved with the planning process		
Performance is frequently reviewed against targets		
Relationships		

Key Account Manager (KAM)	Yes/No	Actions Required
There is an understanding of the Key Account's business		
There is an understanding of common interests and areas of conflicting interests		
There is a development process of joint planning		
New products and/or services are constantly reviewed with the Key Account		
There is a constant search for improvements with Key Accounts		
Service		
The Key Account definition of service has been identified		
Importance of customer service is qualified		
Information of Key Account needs is feedback to relevant departments		
Service Level Agreements are in force		
Customer service satisfaction is regularly monitored		
All Key Account complaints are dealt with and recorded		
There is a formal service review process with Key accounts		
Service differentials with competitors are actively used		
Performance		
The company marketing strategy is understood and there are clear guidelines for use with Key Accounts		
Key Account results are qualified		
The impact of the Key Accounts to the company results is known		
Productivity of the Key Account is accurately measured		