# Step 11 Account Development

# Step 11: Account Development

**Objective of Step 11**
The objective of this step is to learn how to develop a lasting, profitable relationship with existing customers, to widen reach in an account and develop a specific, actionable account plan for the development of each customer.

As a result, your team will have a good understanding of not only how to retain customers, but also how to deepen their relationship with their customers, resulting in repeat business, referrals, extending their reach into other departments, and selling additional products and services.

**Determine if staff coaching is needed:**
Can your team answer this question?

Do I have the proper type of contacts in all my accounts?

Do I know how to keep an income flow from this customer, generate references and referrals and create a lasting, profitable relationship?

**Determine actions for yourself:**
Are there particular skills, resources, or processes you need to acquire or put in place for your team to use to develop their accounts? What are they?

**Step 11 Content:**
It is amazing how few salespeople realized the danger of reducing their involvement in an account immediately after a sale is made. So why is Account Development after the "sale" so important? Remember that the installation of your company's solution is just the beginning of the relationship! Our research at the JS Group shows that solid Account Relationship Development is the single best way to limit the opportunities for your competitors to "steal" your valued customers.

But a sales person might say - I've got a great product, a perfect solution to my customer's business problem, isn't that enough to generate business? Shouldn't I be focusing on finding new business with new customers? Why should I focus on developing relationships with my existing customers?

There are two main reasons:

1. There's untapped value in your existing customers.
2. If you don't take care of your existing customers, you may lose them.

The figures back this up – those existing customers have high value to your company. Not only do they spend 33% more than new customers, but it costs six times more to sell something to a new customer than to sell that same thing to a current customer.

However, building a relationship with that one primary contact the sales person had during the sales process does not give the sales person the depth they need to identify the account's long-term needs. Even if they are doing GREAT business within a particular company, if they only have one or even two business contacts there, your relationship is at risk. What would happen if one of these key people suddenly left the company? Again, the numbers tell the tale - The average $25,000 sale in the USA has 6-8 people engaged in the process – meaning the sales person needs to know everyone and everyone needs to know them in order to consistently win sales.

So what do you need to do to coach your team on how to build contact depth in an account? You need to work with your team to help them identify the three basic categories for account contacts:

1. **Purchasers** - these are the decision makers, they sign on the dotted line
2. **Users** – the end user, or manager of the end users, for your solution
3. **Influencers** - those who can influence the purchase, but are not the final decision makers – these can be external as well as internal influencers

# Step 11: Account Development (continued)

However, it is not enough for the sales person to have contacts in each of these three categories. They also need to make sure they have the right people in the right category in the right roles. It does not help them to have 3 people all in finance and none in technology in any one category. So you must also coach them to look at the role the contact has in their company - are they the IT Manager, a director, consultant, engineer or business unit manager?

All of these roles fit into 3 basic areas: Technical, Business or Finance. And of course, they are all either a Purchaser, User or Influencer. This means the sales person need a minimum of 9 contacts to have at least one contact in each category and role. This will give them the necessary depth to be able to go back into the account and uncover additional opportunities for your company.

And once they know who they need, they must be sure they know how to go about attracting the attention of these contacts. This means understanding them and knowing what to say to them about their business interests, buying process, why they would want to talk to you and what appeals to them. This is essentially the same type of information they needed to approach their original contacts in the first place.

**Account Development Plan**

Now let's examine the actual process of account development planning. To do that, think for a moment about those inactive customer files in the file cabinets or your team's customer folders…Why are they inactive? Where did they go? Did they leave? If so, why?

In general, customers leave for 4 reasons:

1. They perceive pricing as too high or unfair
2. They have an unresolved complaint
3. They accept a competitor's offer
4. They feel you don't care about their business

IBM's founder, Thomas J. Watson, built IBM's success for years upon such plans, customer by customer. Watson set targets for penetration, development and growth. He gathered detailed information about each customer, and involved the entire company—not just sales and service. Watson make sure that product development, manufacturing, administrative functions, and senior management were all aligned towards providing a complete solution for each customer.

On an interesting thing occurred however as IBM's competitors tried to imitate IBM's success. These competitors didn't truly understand and buy into the process. They hired away IBM sales people, but this was not enough – once out of IBM, these sales people were not backed by an entire organization dedicated to delivering the customer's solutions.

What this comes down to is that your team needs to create a relationship with their customers so that these customers become emotionally connected to your company, to ensure the highest level of customer investment. If a customer is loyal only to a one-time deal, the relationship is at risk. Remember that customer relations and sales are never "steady" or "stable". They are either getting worse or getting better. Face the very uncomfortable fact that no matter how great the service was your team provided yesterday, IT WAS YESTERDAY.

Customers look to your company to continually provide evidence of the value of a relationship; if your team can build that value, they will build sales. The best way to ensure that each customer is developed into a valued long-term customer, is to build a formal account development plan for each and every customer. Use the templates in the workbook section to help your team build an account development plan for each of their customers.

# Step 11: Account Development (continued)

***Final Note:*** The importance of references and referrals.

C-level execs involved in making decisions say the #1 source for a new solution provider is a referral from a peer or colleague. So, what does this mean? It means that referrals and positive word-of-mouth are the most effective ways to build business. When a sales person does a good job for a customer, that customer will not only bring repeat business, but will send other business their way as well.

So why is it then that so many sales people forget this all-important step? You need to coach them to ask every successful customer if they would be a reference for your company. They should make it clear to their customers that the experience of working with them was one the sales person would like to repeat, and that the sales person would like more customers just like them! And, once the customer has agreed to serve as a reference, the sales person can then move the customer towards providing referrals.

The problem with most salespeople is that they ask a customer for a referral without first establishing that the customer would be willing to be a reference. When you consider this, it sounds illogical…but think, how do you know a customer thinks you are good enough to refer, if they are not a reference for you?

# Step 11: Account Development - Coaching Session

## Coaching Session Content

### Exercise 1

**Session Objective:** Learn to dig deeper in an existing account by expanding their contact base to find additional opportunity.

### Pre Work Exercise 1

Have each sales person pick one account (a strategic one is best) and bring a list of their current contacts within that company to the coaching session.

You need to ensure you have sufficient copies of the ***Account Contacts Chart*** on page 5 of Step 11 for each sales person attending the session.

### Coaching Session

**Action:** Start by having them sorting each of their contacts and placing them in the correct category and role in the ***Account Contacts Chart***. Tell them that their goal is to have 9 people in the account, one in each category and role. Have them write strategies for finding the contacts they are missing and leveraging the ones they do have.

**Discussion:**

Was there an area where all team members lacked contacts?

With which of these positions do they have the most/least success? Explain why.

Consider strategies for locating the needed contacts and leveraging the current contacts.

### Post Session Metrics and KPIs for Measurement As a result of this coaching session:

- All sales people will increase the number of contacts in their accounts, resulting in an increase in revenue from those accounts.

### Exercise 2

**Session Objective:** Understand how to develop a profitable relationship with an existing customer through determining fit and value of the customer to your company and developing objectives and strategies.

### Pre Work Exercise 2

**"The Lost Customer."**

Have your team go through their old files (or the old files of a former employee) for a customer that has shown no activity in quite a while, and bring information on that customer to the coaching session.

You also need to ensure that you bring sufficient copies of the ***Account Development Plan Template*** on pages 6 - 13 of Step 11 for each attendee. Or use one you create using your company's CRM system.

### Coaching Session

**Action:** Using the ***Account Development Plan Template*** (or the one you create using your company's CRM system), have the team determine where the customer got "lost" in the relationship process and what could have been done to keep/develop this customer. Then have them develop a plan to re-open the relationship with the customer.

**Discussion:** Discuss ways to resume the relationship with the customer without loosing the company's value position

### Post Session Metrics and KPIs for Measurement

As a result of this coaching session:

- All sales people will have an increase in repeat business as a result of their time spent on developing existing accounts.

# Step 11: Account Contacts Chart

***Instructions:*** List all your current contacts for an account in the appropriate category and role row. For each row, list either a strategy for finding the contacts you need or the best strategy for developing those contacts you already have. Use the blank rows to add information on other contacts that are in duplicate categories and roles.

Account Company Name: ______________________________________________

| Category | Role | Contact Name | Strategy to Grow Existing or Locate New |
|---|---|---|---|
| **P** | **T** | | |
| **U** | **T** | | |
| **I** | **T** | | |
| **P** | **B** | | |
| **U** | **B** | | |
| **I** | **B** | | |
| **P** | **F** | | |
| **U** | **F** | | |
| **I** | **F** | | |
| | | | |
| | | | |
| | | | |
| | | | |

| Key | | | |
|---|---|---|---|
| **Category** | P=Purchaser | U=User | I=Influencer |
| **Role** | T=Technical | B=Business | F=Financial |

# Step 11: Account Development Plan Template

Customer Name: ______________________________

Account Manager: ______________________________

## Situation Analysis

Describe your customer, including their industry, size, location, and any other pertinent facts.

Outline the current status of your company's business dealings with this customer.

List your key contacts within the customer company, and indicate the "level of investment" this contact has with your company. **(1=deal loyal; 2=brand loyal; 3=emotionally connected)**

| Contact Name and Title | Level of Loyalty | Category and Role |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Estimate the potential value of this customer for the short term (6 months) and the long term. Describe your estimates.

# Step 11: Account Development Plan Template (continued)

Describe why you think your company is uniquely suited to build a relationship with this customer.

Indicate any additional insights you have that may be relevant to your relationship with this customer.

# Step 11: Account Development Plan Template (continued)

## Short Term Objectives

List your overall short-term objectives for this account (next six months). List the strategies you will use to accomplish this goal. After each strategy write the tactics you will use to accomplish the objective.

**Overall Short-Term Account Objective:**

Strategy # 1: ______

Strategy # 2: ______

Strategy # 3: ______

# Step 11: Account Development Plan Template (continued)

## Short Term Tactics

***Instructions:*** Outline in detail the tactics and activities you plan to implement over the next six months in order to achieve your short-term objectives. State any dependancies and resources needed to execute the tactic/activity. Include a target timeframe for each action taken.

**Strategy 1:**

| Tactic/Activity | Dependencies and Resources Needed | Timeframe |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**Strategy 2:**

| Tactic/Activity | Dependencies and Resources Needed | Timeframe |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**Strategy 1:**

| Tactic/Activity | Dependencies and Resources Needed | Timeframe |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

# Step 11: Account Development Plan Template (continued)

## Short Term Measurements

Indicate the KPIs you will use to measure the success of each strategy.

| Strategy 1 | KPI - Input | KPI – Output |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| Strategy 2 | KPI - Input | KPI – Output |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| Strategy 3 | KPI - Input | KPI – Output |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

# Step 11: Account Development Plan Template (continued)

## Long Term Objectives and Strategies

List your overall long-term objectives for this account over the next year. List the strategies you will use to accomplish this goal. After each strategy write the tactics you will use to accomplish the objective.

**Overall Long-Term Account Objective:**

______________________________

______________________________

______________________________

______________________________

______________________________

______________________________

______________________________

______________________________

______________________________

______________________________

Strategy # 1: ______________________________

Strategy # 2: ______________________________

Strategy # 3: ______________________________

# Step 11: Account Development Plan Template (continued)

## Long Term Tactics

***Instructions:*** Outline in detail the tactics and activities you plan to implement in order to achieve your long-term objectives. State any dependencies and resources needed to execute the tactic/activity. Include a target timeframe for each action taken.

**Strategy 1:**

| Tactic/Activity | Dependencies and Resources Needed | Timeframe |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**Strategy 2:**

| Tactic/Activity | Dependencies and Resources Needed | Timeframe |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

# Step 11: Account Development Plan Template (continued)

## Long Term Measurements

Indicate the KPIs you will use to measure the success of each strategy.

| Strategy 1 | KPI - Input | KPI – Output |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| Strategy 2 | KPI - Input | KPI – Output |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| Strategy 3 | KPI - Input | KPI – Output |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |