

International Congress & Convention Association

Strategic Account Management: Concepts and Implementation for CEO's and Senior Executives

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The Global Meetings & Incentive Exhibition

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LEADERSHIP SYNERGIES

ICCA

Strategic Account Management
*Concepts and Implementation
for CEOs and Senior Executives*

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Science of Art and Sales



LEADERSHIP

SYNERGIES

Leadership defined:

Influencing the behavior of people toward common goals in a way that fully respects individual points of view.

Synergies defined:

Dynamic states in which collaborative actions are more productive than individual component actions.

Program Agenda

- ❖ Segment 1: SAM Defined
- ❖ Segment 2: The Business Case for Change
- ❖ Segment 3: Process Improvement
- ❖ Segment 4: Implementation
- ❖ Segment 5: Measurement

Session Research

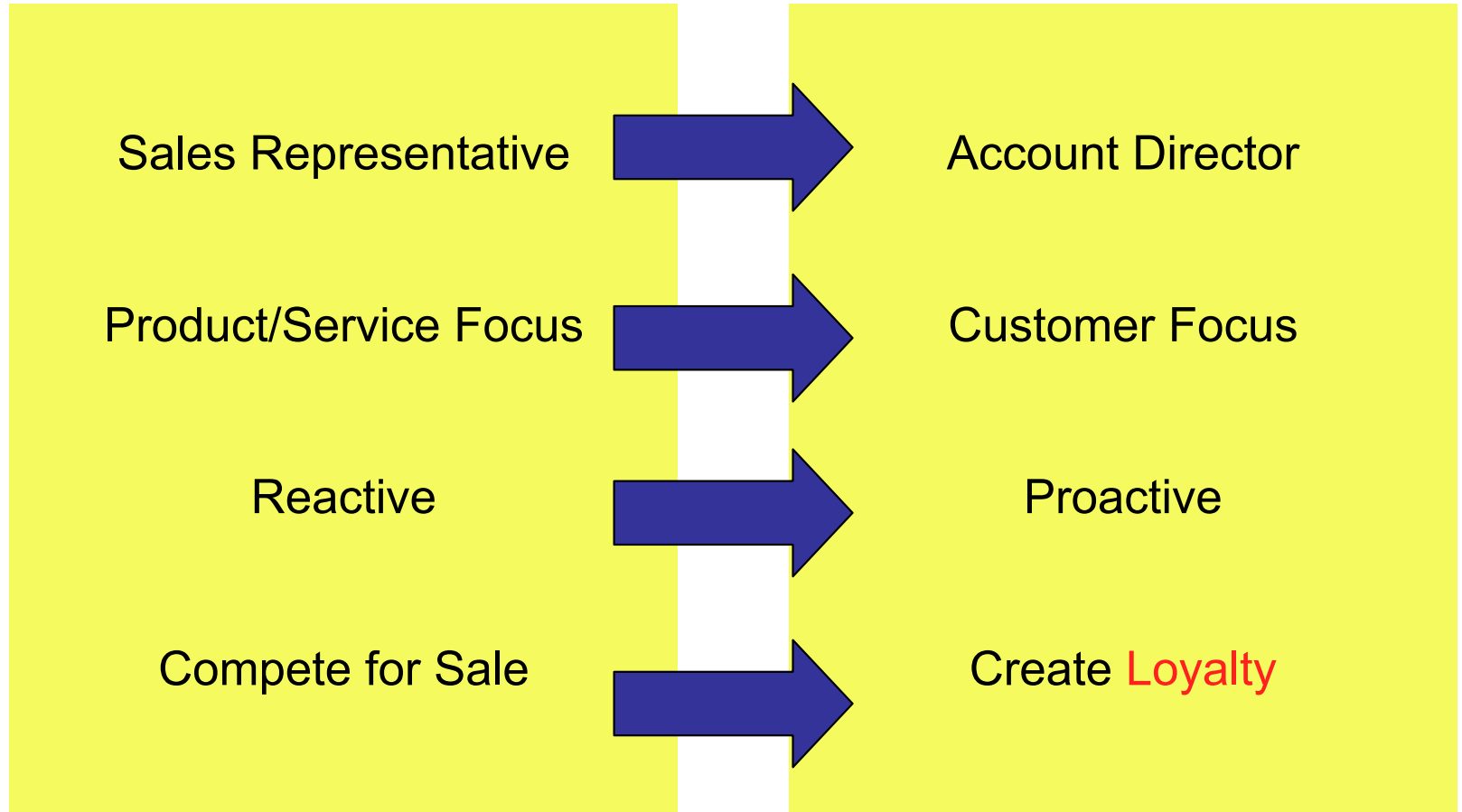
❖ How large is your sales force?

- Under 5
- Under 6-10
- Under 11-25
- Under 26-50
- 50+

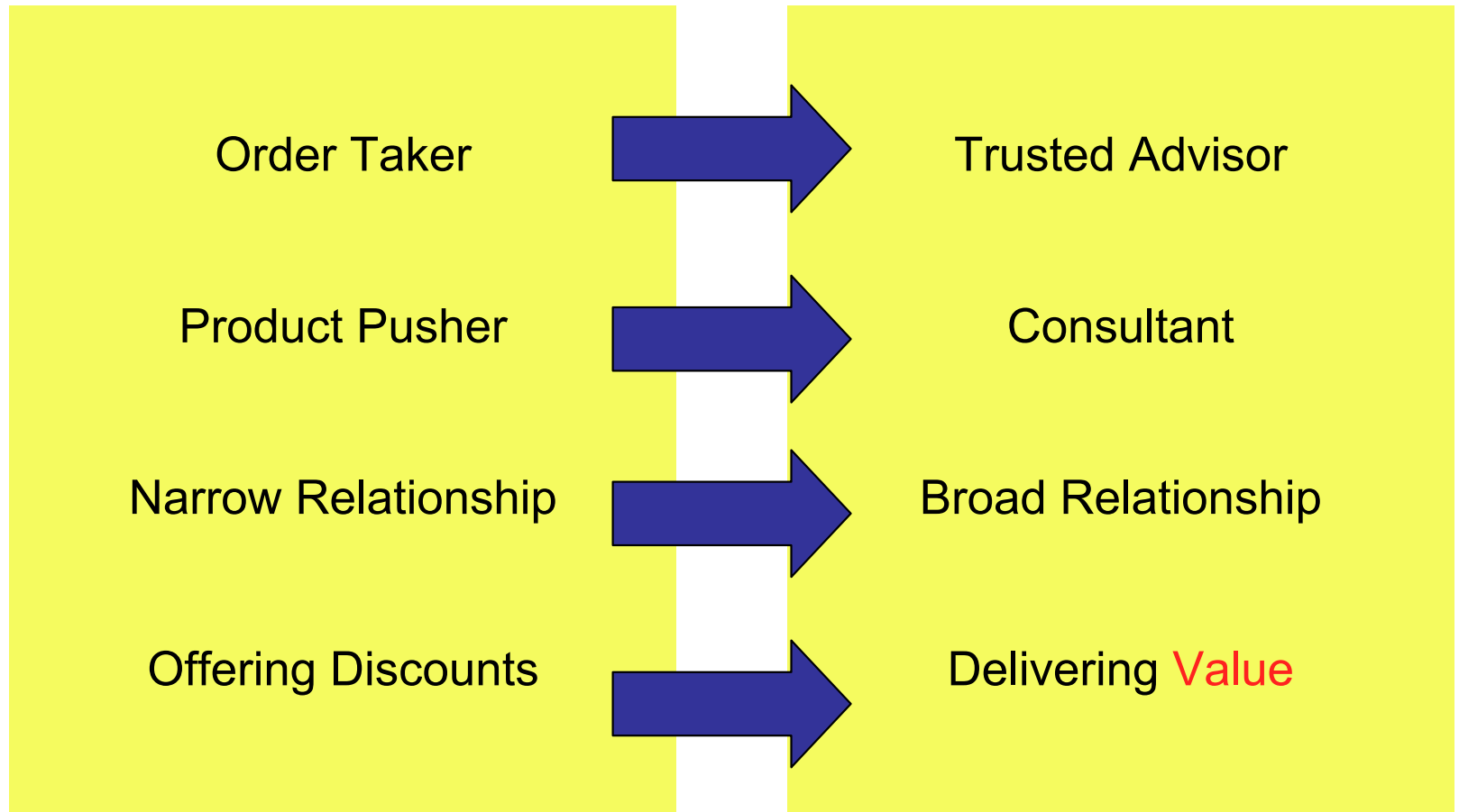
What best describes your organization?

- Event organizer
- Centre
- Association Management Company?
- Hotel company
- National Tourism Office
- CVB
- Other

The Sales Organization's Focus Is Evolving



Sales Rep to Account Director: The Relationship Role Is Evolving



What Is SAM?

- A business strategy focused on a small number of important clients, viewed as a corporate assets with significant long-term value
- Find ways to help both parties make and save money
- The voice of the customer within your company

Strategicaccounts.org Overview

- A strategic account manager (also called a major account manager, key account manager, national/global account manager) is the guardian of the strategic customer relationship, orchestrating the deployment of corporate-wide resources to provide comprehensive products, services, and solutions to the strategic account.

Strategicaccounts.org Overview

- SAM is practiced on the national, regional, multinational, and global levels according to seller and buyer organizational characteristics and operational behavior. The practice of SAM is now a profession, an ongoing focus of academic study, and a matter of keen practical interest to companies seeking to survive current economic conditions, achieve competitive advantage, and create future growth.
- Companies are striving to preserve those customer relationships that are of strategic importance to their firm's future financial health.
- The SAM approach within a company requires significant financial investment, long-term focus, and multi-functional capabilities along with substantial restructuring of the sales organization.

Start With a Great Destination

- Uniqueness
- Meeting infrastructure
- Affordability
- Accessibility/transportation
- Activities & offsite venues
- Safety
- Services/one-stop shop
- People/culture/metropolitan
- Cleanliness
- Awareness/branding
- Hotel/convention offering
- Value for services provided
- Friendly staff

Offer a Great Centre

- Size
- Flexibility
- Cost/affordable
- Service/staff
- Technology
- Food & beverage
- Awareness/reputation
- Security
- Location/proximity to hotels & attractions
- Upkeep/maintenance
- Suppliers/contractors
- Community support (local hosts)

A Focused Sales Effort

- Right people
- Alliances
- Solicitation
- CRM/clean data
- Convention development funds
- Goal-setting
- Website as sales tool
- Segmentation/deployment
- Third parties
- Process

Relationships

Your relationship with your customers
doesn't just help you **SELL**
your competitive advantage —
it **IS** your competitive advantage.

Thought Starters

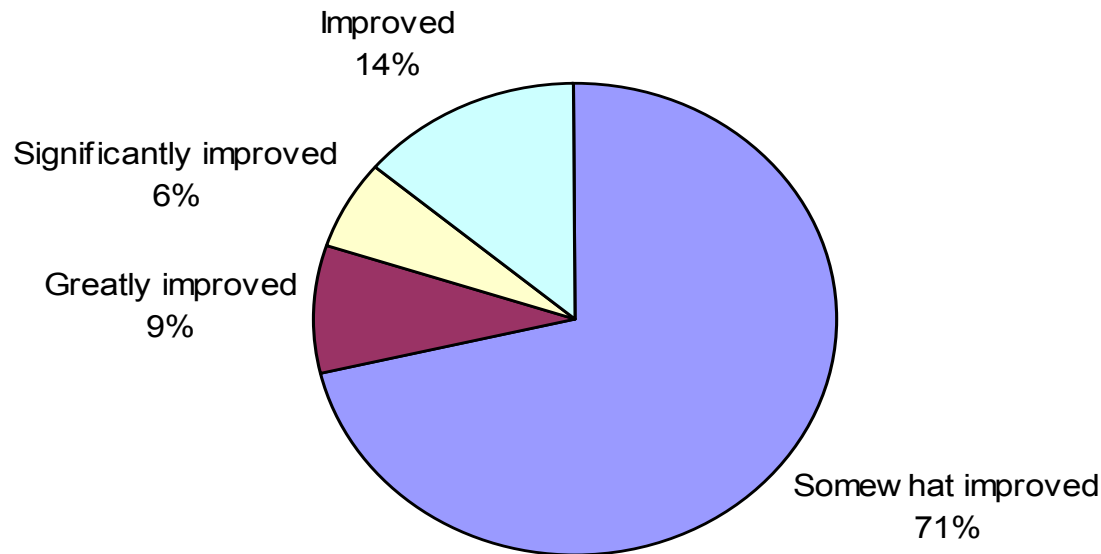
- How should you treat your largest customers differently from your medium and small customers?
- What does it mean to be consultative with your clients?
- How does the sales organization translate your customer's needs into your organization's strategy?

Why Implement SAM With Big Customers?

- Develop win-win relationships that create value
- Reduce day-to-day business complexity
- Increase profitability by driving costs out of the total system
- Change the game to create big breakthroughs
- Capture mutual learnings for reapplication

Revenue Improvement

Improvement in sales revenue since initiating a strategic account management program (out of 560 companies surveyed)



SAM Success Factors

- The right strategy
- The right accounts
- The right people
- Alignment
- Results: competitive advantage
- Loyalty



The Basics of SAM

- Select the right accounts
- Define the value proposition
- Conduct needs assessments
- Create account action plans
- Present findings to the client (verify the plan)
- Deploy cross-functional teams
- Implement the plans
- Summarize results for senior leadership to make long-term strategic decisions
- **Help both parties find ways to make and save money**

Strategic Account Executives

The role of a Strategic Account Manager
is **NOT** to make sales,
but to **BUILD** customers

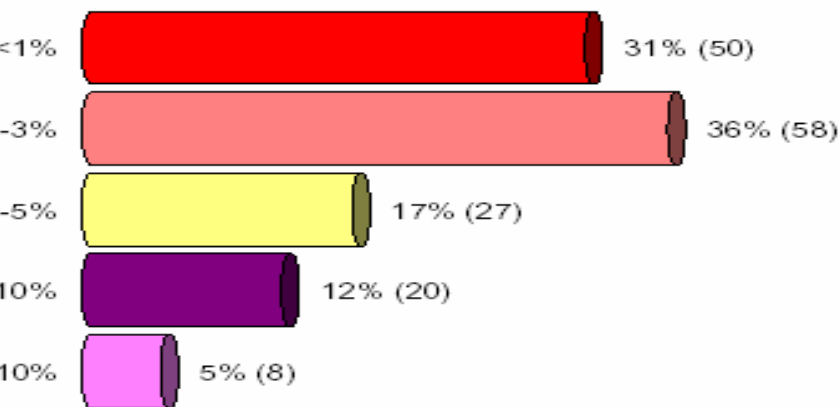
Nine-Step Centre Sales Process

- 1) Research
- 2) Initial contact: Needs assessment
- 3) Qualify/RFP
- 4) Hold space
- 5) Proposal: Innovation and business solutions
- 6) Site visit
- 7) Negotiations
- 8) Close
- 9) Service: Implementation and results

Assets Require Investment

How much do you invest in Strategic Accounts?

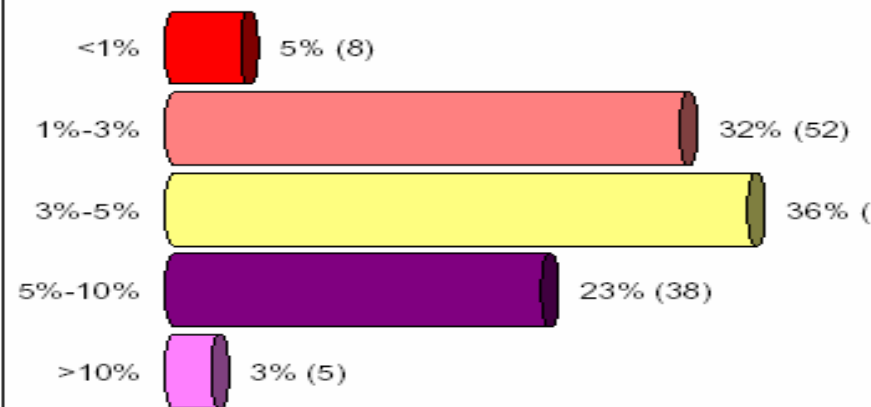
- Less than 1% of revenue
- Between 1% and 3%
- Between 3% and 5%
- Between 5% and 10%
- More than 10%



Total: 163

How much should you invest in your Strategic Accounts?

1. Less than 1% of revenue
2. Between 1% and 3%
3. Between 3% and 5%
4. Between 5% and 10%
5. More than 10%



Total: 162

Keys to Effective Account Selection

- Adopt a transparent, supported, auditable selection process
- Ensure use of reliable customer and competitor intelligence
- Keep strategic accounts to a manageable number
- Use an appropriate measure of payoff
- Ensure the portfolio of accounts is balanced
- Refine the selection to identify pilot accounts
- Regularly review the selection process to promote and relegate accounts
- Make sure potential relationship fit is considered
- Fit strategic accounts to strategic account managers

Sample SAM Account Selection Criteria

- Size (revenue), usually over 3–8 years
- Produces significant revenue in high-profit areas of the Centre (or has proven potential to)
- Timely—pays bills on time
- Easy to work with—not chronic complainers
- Easy to contract with
- Open to partnerships and alliances (will share data and best practices easily)
- Willing to have a high-level/senior-level relationships versus procurement mindset
- Have existing partnerships with other companies (brands) that could complement and/or enhance the Centre's brand image (and share information/best practices)

Critical Competencies for KAM/SAMs

Managing Account Relationships	Understanding Account's Business	Ensuring Action & Responsiveness to the Customer	Involving Others with the Account	Ensuring Commitment to SAM Program
<p>Developing relationships with key individuals</p> <p>“Corner-office” skills (managing executive-level relationships)</p> <p>Creativity in establishing reasons for customer interactions</p> <p>Monitoring health of all relationships between organizations</p>	<ul style="list-style-type: none"> • Being an expert on trends in customer's industry • Collaborating with customer to gather strategic information about their business • Meeting with contacts at all levels; visits to understand the issues 	<ul style="list-style-type: none"> • Taking responsibility for the experience the customer has with your company • Mobilizing your company to respond to customer problems and opportunities • Orchestrating customer experiences to register on key decision-makers' “radar screen” • Building a strong, account-focused internal team 	<ul style="list-style-type: none"> • Encouraging others to interact with customers • Providing status information to technical and other functions in SAM organization • Facilitating rather than controlling others' involvement with customer • Ensuring internal support on transactional tasks—freeing SAM to focus on strategic initiatives 	<ul style="list-style-type: none"> • Ensuring support from your own executives • Making the business case for investment in the strategic account • Ensuring that customer appreciates benefits of strategic account status • Involving field sales with customer executives

Core Challenges

- Effectively communicating **voice of customer** to stakeholders and value proposition of Strategic Account Management internally
- Removing organizational obstacles to customer focus
- Leveraging Centre resources to bring value to customers

Obstacles to Alignment

- Company culture/silo mentality
- Company reporting structure
- Lack of senior management commitment and support
- Flaws in compensation design
- Lack of buy-in from all departments for the SAM strategy
- Insufficient SAM training
- Poor internal communications
- Inadequate or incorrect allocation of resources
- Insufficient account team training

Source: 2004 SAMA Annual Conference survey of attendees

Execution: What Breaks Down?

Translating senior management intentions into action

Internal vs. external focus

Unwillingness to change

Transaction cost of internal change

Expectations are high

Short-term focus

Decision rights

Staffing/training/continuity

- Reluctance to allocate resources
- Wrong composition in teams
- How handle/react to setbacks
- Inadequate recognition and reward systems
- Inadequate information and understanding of customers
- Lack of real understanding of opportunity

Measurement

- Demonstrating current and future ROI of your SAM program
- Determining appropriate allocation of funds within accounts and across accounts
- Measuring customer satisfaction and loyalty vis-à-vis the SAM program specifically
- Assessing SAM program effectiveness for continuous improvement

Imagine This Was Your Centre

Top 45 customers interviewed:

- ❖ Food quality: 51% rated fair/poor
- ❖ Meeting delegate needs during peak times: 58%
fair/poor
- ❖ Drayage cost value: 81% fair/poor
- ❖ Cost value for technology provided: 79%
fair/poor

and Deeper.....

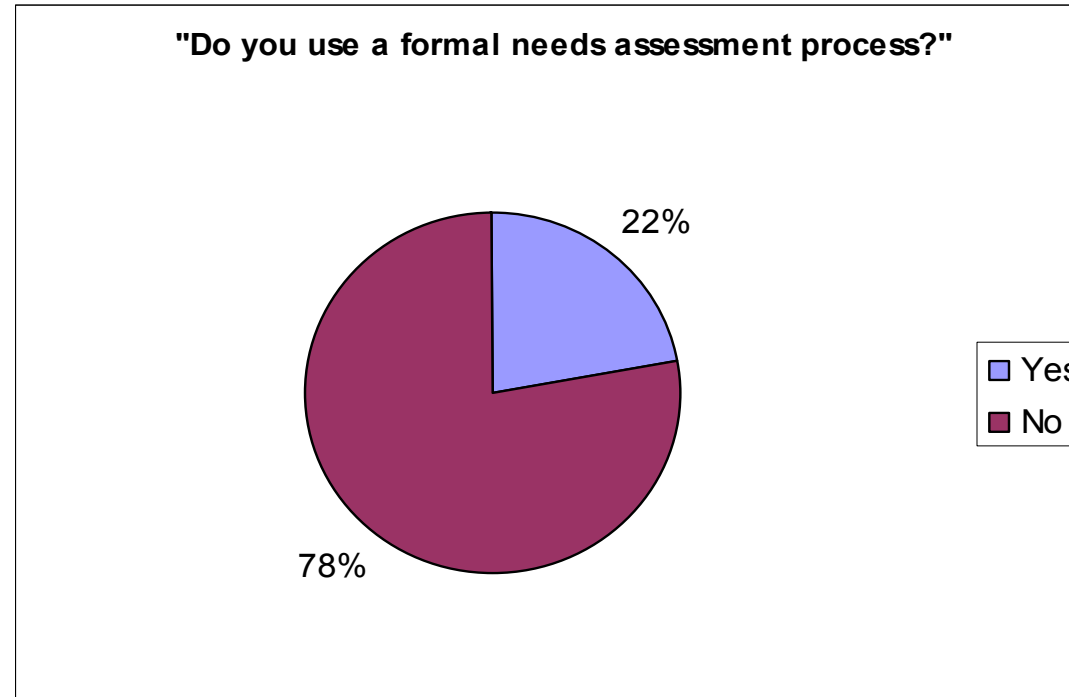
- ❖ Contracting process with the Centre: 78% fair/poor
- ❖ Pass-off from CVB to Centre: 81% fair/poor
- ❖ Assistance with attendance-building: 66% fair/poor
- ❖ Commitment to you as a customer: 62% fair/poor
- ❖ Convention sales: 66% very good/excellent

Define “Value-Added Selling”

- Provide more customer care—“higher customer-service level; getting to know the client as well as possible.”
- Help clients with marketing and PR
- Understand the client’s business and help find solutions
- More ROI—“Apart from space, what do you get?”
- Meet and satisfy the customer’s direct and indirect objectives by developing a sales proposition that is planned and executed through clear internal and external communication.

Needs Assessment

How many organizations use a client needs assessment?



Cross-Functional Team Approach

Centre
SAM Director

Your Customer
Name, Role

Mary Price, CEO

Mark Smith, VP Sales

Joe Wills, Convention Services
Manager
Jane Smart, Marketing

Jack Brown, CEO

Tim Kan... Director



Synergistic Stage (SAM)

- Joint R&D
- Transparent cost and margins
- Focus on innovation
- Joint business plans
- Collaborative approach to customers' new markets and end users
- Shared communications
- Shared training
- **Both parties find ways to make and save money**

Portions adapted from International Business and Economics Programme, Lulea University of Technology, David Mattgard & John Astrom

Why Implement SAM With Big Customers?

- Develop win-win relationships that create value
- Reduce day-to-day business complexity
- Increase profitability by driving costs out of the total system
- Change the game to create big breakthroughs
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How to Win: Basics, Strategic Selling, KAM, SAM

- Planner: Insist on innovation
- Association Management Company: Vendor Score Card
- CVB/NTTO: Formalize your approach
- Centre: Collaborate with the CVB
- Hotel: Collaborate with NSO



Next Steps

- Consider if SAM is right for you
- Attend the SAM session tomorrow for more in-depth input



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Thank you!

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