



KnowledgeCity®
Learning Solutions

KnowledgeCity® STRATEGIC SALES FOR ACCOUNT MANAGERS



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“You must begin by deciding what problems your products can solve for customers.”

Michael Eisner, businessman, CEO and author
Neil Rackham, author, consultant and academic

Introduction

Strategic Sales in Today's Economy

Remember the days of one-size-fits-all? One size never did fit all, did it? It was similar to what professional sales were like where one approach was considered effective for all customers. Those days are now over, and today strategic account management (SAM) is the method of choice.

What changed? An emphasis on individual customers and their needs became the most important priority for account managers. Instead of going at a sale one way, account managers now need to understand how to identify key targets, learn who the gatekeepers are, how to approach them to gain information and discover how to get a foot in the door.

Today's account managers develop their strategies by understanding the strategic sales process and the competition. They need to learn how to build customer satisfaction and individual performance through customer relationship management (CRM).

The transition from professional sales, defined as one approach for all customers, to strategic account management is based on criteria that add value and profitability to a company. Strategic account management is an approach that creates mutually beneficial strategies for major customers.

To be successful at strategic account management, you need to know how to approach key accounts or influence gatekeepers and find out who the “puppet master” is. The “puppet master” is the person who calls the shots and can be a pivotal factor in a successful sale.

CRM is an important factor in successful strategic sales along with customer satisfaction, competitive analysis and individual performance attributes. Let's start by examining some basic strategic sales information.



Strategic Sales Fundamentals

What is the definition of strategic account sales? Today's sales people need to know the specifics of their prospects' business. They need to be able to diagnose problems and offer solutions. A strategic sale is calling on the right customer at the right time with the right products or services. Focusing on major accounts is more profitable. This is called a leveraged sales force.

Instead of operating strictly as a sales person, a strategic sales rep creates value with targeted accounts through consultative selling and increased customer engagement. This approach creates value for the customer by using dedicated contacts, shipping benefits, billing discounts, payment terms and custom products and services. Strategic sales account management is realized when accounts are chosen to increase profits and stimulate growth while creating customer loyalty.



There are several steps you can use to understand the strategic sales process:

- Select accounts based on the volume of products and services
- Perform a competitive analysis and industry profile to determine fit between buyer and seller
- Understand the selected target's market, goals and objectives
- Create a value proposition based on customer benefits
- Utilize a multifunction team from across the company
- Finalize, execute and realize value to deliver on promises and continue follow up

How do you create a sales strategy? It depends on factors such as who initiates the process (buyer or seller), and whether the account and/or the products are new or existing ones. Today's customers are more sophisticated and prefer customized solutions. Be aware of the types of customers you have. It is critical to know your products and services thoroughly, and to understand clients and their needs in order to close a deal.

Once you have a sales strategy, the next step is to identify key targets. Start by gathering intelligence on the organization and the key players in all departments or divisions who can use your products. Try to get to the decision-makers to maximize your time and effort. Ask questions of other personnel who can help you by relaying information about your products to those who authorize purchasing. Always remember to use your time and resources wisely by looking at company size, geography, industry, ownership type and state of organization.

How do organizations approach the buying process? You can find out by starting with profiling, identifying and contacting basics.



Profiling, Identifying and Contacting Customers

It is critical to gather intelligence on all your customers before you make your approach. The one-size-fits-all approach just doesn't work even if you think it will save you time and allow you to make more sales calls.

Start by doing your research using criteria such as company size, geography, industry, ownership type and state of organization. The bulk of this information is easily accessible through the internet, libraries, trade magazines or financial papers. D&B Hoovers (dnb.com) is an online database that has information on over 85 million global and local organizations. You can use this site to build targeted customer lists. Polk City Directories provide company names, addresses, executive contact information, emails, SIC and NAICS codes, employees, and sales volume. You can find these online or carry printed versions with you.

Your company profile should include information about the target company's culture and organizational behavior. Ask yourself whether your standard account management strategy meshes with their corporate culture and values.

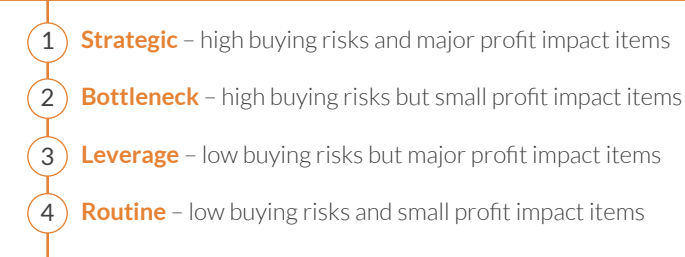


The original Webster Buygrid model* has four stages that can be summarized in three:



*Research in International Marketing edited by Peter W. Turnbull and Stanley J. Paliwoda, Routledge, 1986

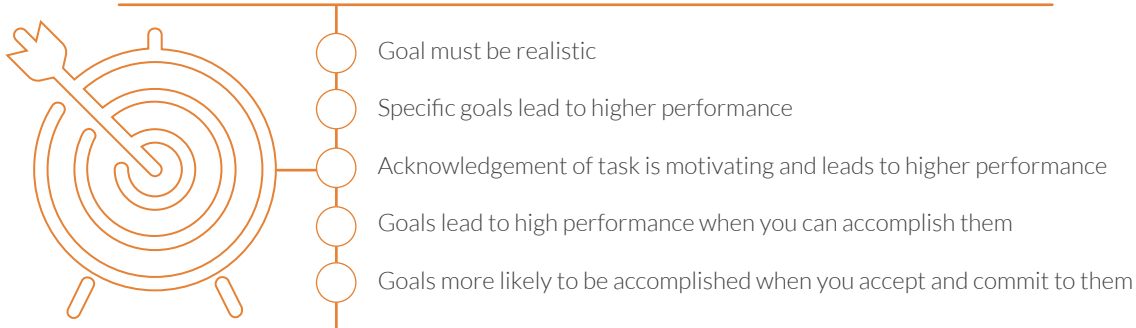
You adjust your strategy by understanding in which of four groups your products/services fall:



Profiling, Identifying and Contacting Customers

Setting goals and objectives may be a process determined by your sales manager, yet you still have control over your own personal sales and revenue goals.

There are different goal-setting models you can use, such as the Locke and Latham model:



Similar to the Locke and Latham method is the SMART model (specific, measurable, attainable, realistic and time-specific) was first developed by George T. Doran, et al.*

One of the most difficult aspects of strategic sales is identifying the decision-makers and getting to them. Use databases, business directories, phone calls or lists. You'll often run into the gatekeepers in the course of finding the right person to talk with about your products. Establish rapport with them, and relate to them with an authoritative tone of voice. When asking to speak with a particular person, ask for that person by first name and say you sent the person some information and need to discuss it. The key with gatekeepers is to engage them, be respectful and friendly, and ask questions that will help you understand more about the company.

Last, be aware that in some organizations there is a designated person who influences buying decisions but remains hidden. This person is the "puppet master." It is difficult to identify and meet with this person, so do your best to work with the designated decision-makers you know.

Armed with the information you need, let's move on to the next steps and learn more about account planning.

* Doran, G. T. (1981). "There's a S.M.A.R.T. way to write management's goals and objectives." *Management Review*.



Account Planning I

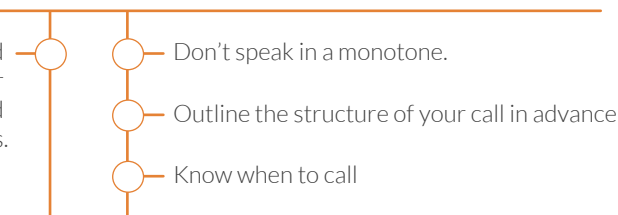
Account planning is the process of managing and planning your entry into an account. You start by determining the entry-level contact, the method of contact and the key players.

Entry-level contacts can be employees, former customers who are now at different organizations, associates and even friends. The goal is to speak to other users or decision-makers within the organization. This may not happen immediately, but emphasize to your contact you would like the opportunity to meet managers to pitch your product.

An entry-level contact can open the door for you, so you are not making a cold call. You still need to evaluate the right method to establish contact. The obvious way is to go in person to visit the account. If that is not possible, you can use calls and emails to start the process. Business meetings and events provide a social venue to meet people at different levels of the organization.

What if you need to make cold calls? Here are a few tips:

Know the difference between telesales and telemarketing. Telesales sell the product over the phone; telemarketing is influencing and generating interest that leads to appointments.



A cold call should start by asking if this is a good time to talk. Ask questions about what they are currently using, state your proposal and how it can be a solution for their problems. If they are interested, schedule a follow-up phone call. If you meet resistance, know when to quit and thank them for their time.

If you are using email, follow these tips:



- Get personal by using their name
- Make it clear you are not a spammer and only send emails that create value
- Have different lists for different users
- Format the email so it is easy to read and does not look like spam
- Give something in return for contact details, like a case study or e-book.

Key players need different approaches. CEOs and other C-level executives want the big picture and the bottom line. End users will have many questions, and decision-makers want to make sure the product does what it is supposed to do. An influencer has an agenda to ensure the product or service is adopted.

How can you show your prospects that your product best fits their needs? You can do it by using a competitive analysis that shows how your products and services relate to the competition's. Your company may have this available, or you can do your own by thinking of your company's unique qualities. You may want to do a comparison using strengths and weaknesses. Survey current customers to get their opinions on what they like and don't like. Consider both direct and indirect competition.

Next, let's move onto understanding your customer's goals and building a lasting customer relationship.

Account Planning II

A primary point of the sales process is understanding your customer's goals. Using annual reports is a good starting point to determine the financial status of the company and their growth strategy, so you can better align your sales approach with their growth initiatives. Keeping abreast of trends by subscribing to industry-specific publications is another way to become more of a consultant rather than just a sales account manager.

Building a customer relationship requires both a personal and technological touch. Customer relationship management (CRM) is the process of tracking all touch points with a client. Generally, this process is done through modules or customized online tracking software. Use your CRM system to forecast time management and customer information. Keep it updated regularly, so your information is accurate. Be diligent in capturing data in your CRM system including conversations, follow-up calls and contact information.

Do you have control over your sales forecasts? These may be done by your manager, but it is a skill that can be useful for you to learn.

There are three types of forecasts:



Sales forecasts are the basis of a business budget and impact all departments within the organization from purchasing to production to human resources. You can use qualitative techniques such as customer surveys, expert opinions and sales force input. Quantitative methods are based on mathematical analysis and are twofold: time analysis or causal analysis.

Time analysis uses a variety of methods such as moving averages and exponential smoothing. Causal analysis looks at cause and effect through measurable events and the items being forecasted. These methods are usually done by expert forecasters. However, you can use software packages to do the math and make accurate forecasts for your territory.

An integral part of your job as a strategic account manager is following up and calling back your clients. This process is often automated by CRM software to remind you, but you must make those calls yourself. Sweeten the call by adding something more than just the follow-up patter. Offer something of value and of interest to the client. This could be information about a new product, market intelligence, research or new companies in a similar industry. Remember the ROI – return on investment - of the service or product for this specific client.

In this digital age, a handwritten thank-you note may seem out of place. Consider how many emails everyone gets during the day. How many handwritten notes do you get? This shows you took the time to write out a note instead of knocking out an email that may not even be read. On the day you think the letter will arrive, put a note in your CRM to email the contact, as well as to take any additional steps to make the sale.

Listening to your customers is vital to success, but research is also necessary. Let's look at how to find the information you need to close the sale.

Research Tips to Make the Sale

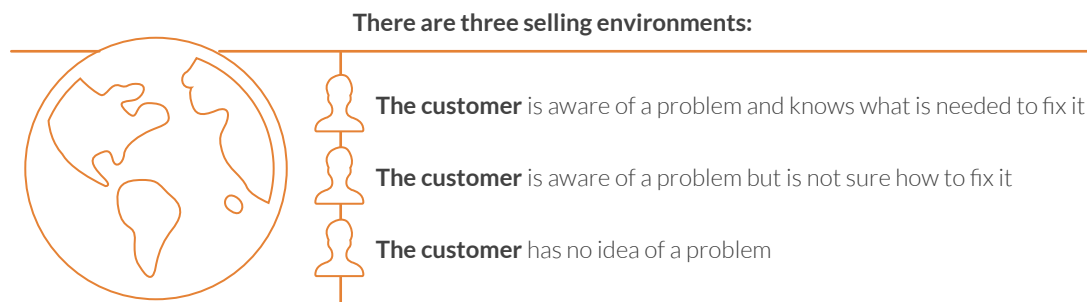
If you don't know your client's business processes, it will be almost impossible to close sales. In order to be a strategic or consultative partner, you must understand how the customer does business. Does the company you want to approach have specific business or vendor processes with which you must comply?



**Source: "What Are the Top Ten Core Business Processes?" www.BizManuals.com*

Depending on your relationship with the account and the nature of your product or service, some or all of these business processes impact how you do business with a company.

Another important factor in the sales process is to know your prospect's selling environment.



The first selling environment may not be as easy as it looks. In this instance, find out how to make your solution perfectly match the customer's problem. This requires establishing rapport, asking questions, and providing the perfect solution for the problem. Make the answer seem as if it is their idea and help make them look like heroes in the eyes of their company.

In the second environment, put on your consultant hat. Show your strong product knowledge and subject-matter expertise. Ask probing questions and provide the client with the best information and solutions. Point out other issues that may influence the situation.

With the third environment, ask questions that will get the client to think about their business and what potential problems they may not have noticed. You want to create demand for your products and services, while also helping your client avoid other problems in the future.

Do you know your competitors' strengths and weaknesses? Customers will ask you why your product or service is better than your competitors' offerings. Start with website information. Ask your customers about their experiences with your competitor - e.g., what they like and don't like about doing business with them.

Research Tips to Make the Sale

Other tips for knowing your competition are:

- Know their products and make a binder for comparison purposes when making a sales call
- Save print ads
- Call competitors' stores or locations
- Check out their customer service and verify what they say
- Call your own locations to know what your customers experience

No matter how good you are, you will still experience objections before making a sale.

What are some of the most common objections?



Price – Focus on value of product and how it will help the business.

Change – Fear of change can obstruct a sale. Show how the change can be positive.

Trust – Customer is not sure about you or the product. Be honest and provide references if needed.

Personal issues – Want to purchase from a friend or family member.

Be prepared to meet objections with confidence and honesty. Have the customer's best solution at the heart of the matter.

A major part of the prospecting and qualifying steps is to find customers who have a need for your product.

There are a few perspectives to keep in mind when identifying prospects and their business needs:



1 Customer history – their company's history as well as your company's history with them

2 Needs – the company's goals and obstacles

3 Reference point – pre-conceived notions that may prevent the sale

When you ask questions, you are mentally aligning your products with the wants, desires and needs of your prospect. This process helps you to select and present only those products that will help your customers achieve their goals.

	Helpful	
Internal	Strengths	Weaknesses
External	Opportunities	Threats

Have you ever done a SWOT analysis? This tool self-identifies strengths, weaknesses, opportunities and threats. Strengths and weaknesses are generally internal factors, while opportunities and threats can be internal or external. A SWOT analysis is an important tool for an account manager to use to understand what the company is doing well and where it can improve. Opportunities for future sales can emerge from new markets, technology upgrades or an economic upturn. Threats are not only from competitors. They can also be from inflation, fuel costs, trends or fads. You may not need to perform a SWOT analysis on your own, but doing this exercise, using this tool, for yourself and several of your competitors, will give you a greater understanding of how to proceed.

Armed with your research results, you can approach your customers with a better idea of what they need and how you can supply it. Let's explore the facets of customer satisfaction.

Customer Satisfaction

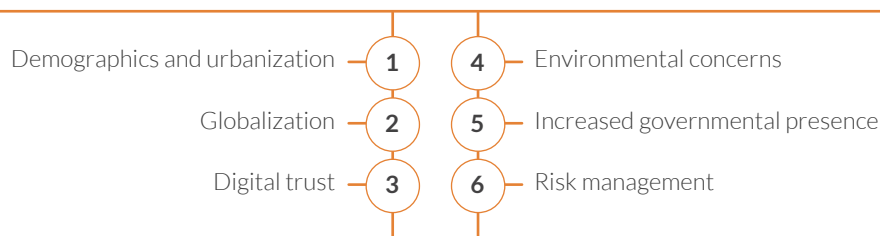
As an account manager, you are the face of your organization, the point person for contact between your product and your customer. While you have the flexibility to customize products and services to a degree, remember to set proper expectations by not overpromising on delivery, price and billing. Discuss time frames and discounts during the negotiation phase. Be judicious when offering discounts, as this process may set up expectations that the product will always be discounted and can diminish the perceived value of the product. Adhere to guidelines on discounting and price reductions set by sales management. Be clear about payment expectations with your customers, as late payments can affect your personal bottom line.

When you make a promise to a customer, keep it. Nothing will diminish the relationship between customer and account manager faster than broken promises. Be honest about delivery times, products and specifications. Sometimes, events beyond your control can impact your promises, but for routine transactions, always deliver what you promised.

You may think exceeding expectations is normal, yet many account managers don't follow through. Look for ways to delight your customer by giving added value to each transaction. These can include organizing informational luncheons to address questions about the product or providing technical support on-site during a rollout of a new service. Remember always to follow up shortly after the products have been shipped, and, if needed, schedule a personal visit or phone call to address any issues.

Customer feedback is important to any organization, so most companies use quantitative measures to determine satisfaction. Many organizations use a scorecard approach that takes broad mission statement ideas about customer service and turns them into quantitative factors relating to service costs, product quality, delivery and performance.

There are six factors that shape how companies strategically incorporate customer satisfaction into operations:



Consider how the changes in the workforce, industries or digital technologies impact how business is conducted. Online retailers are surpassing brick-and-mortar stores in sales and delivery. Even education is being delivered online now. In today's digital sales era, companies have to find the best ways to reach customers and assure them of a safe way for them to do business online.

Once you've created a customer relationship, you can strengthen it by welcoming customer feedback and addressing small concerns before they become large issues. Make sure you inform management about important issues and follow up regularly to ensure your products and services are working at an optimal level.

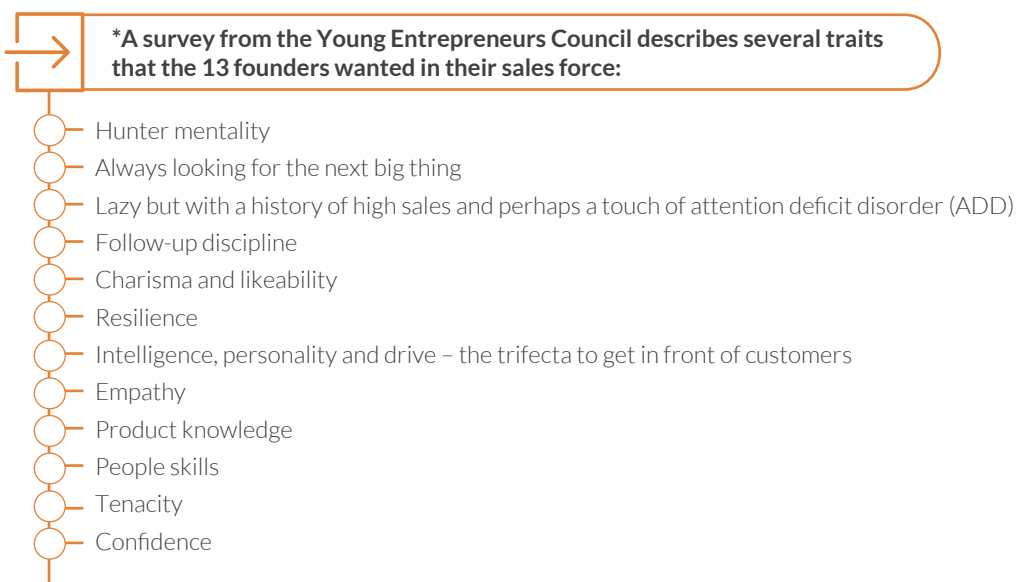
We've talked a lot about the customer, but what about you? What attributes and skills do you need to succeed as an account manager? Let's find out.



Individual Performance

Think back to when you decided a career in sales was the right one for you. Maybe you had a lemonade stand and found selling fun. Or, maybe you had a newspaper route or babysitting service and enjoyed finding new customers. Whatever your reasons, you probably already had many of the skills and traits necessary for becoming a successful account manager.

The most important skill is motivation. There will be days when rejections abound, so you have to possess an internal ability to motivate yourself to knock on the proverbial next door. This calls for two additional skills: resilience and optimism. When the door has been slammed in your face many times during the day, you have to believe the next one will be a success, and then, be as personable, cheerful and respectful as you were for the first call.



Source: "13 Traits of an Outstanding Salesperson." Young Entrepreneur Council. www.inc.com

Negotiating skills are critical for account managers. Always keep your goals and the customer's in mind when embarking on the negotiation process. Remember, goals should be specific, measurable, attainable, realistic and time-based. When negotiating, both parties should be able to communicate, understand each other and decide if the deal on the table is what both parties want.

There are three types of negotiation strategies you can use, depending on the situation:

- 1 **Competitive and short-term focused** – you put your goals first at the expense of the customer's goals
- 2 **Collaborative and long-term focused** – both parties have joint goals and want the relationship to last
- 3 **Accommodating** – let the other party win to foster reciprocity or a long-term relationship

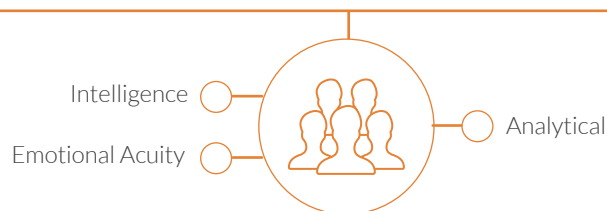


Individual Performance

Your communication skills are not just about the gift of gab. How you convey what you are saying is as important as what you are saying, so be aware of your grammar, diction, spelling and body language. Use persuasive language in speaking and writing. Tailor your presentations to specific client needs but remain flexible. A canned spiel is no longer effective in today's market.

Before you became an account manager, did you complete a personality test? These tests are used to determine how well you will perform in your role. It can show whether you are an extrovert or introvert.

Most sales people are extroverts and also have other common personality traits that include



Motivation is important, because it keeps you working toward a goal even in the face of obstacles. It is that inner drive and determination that keeps you moving toward a goal despite setbacks. What motivates you? Self-motivation is necessary to keep going every day and is the primary trait needed to succeed. Additional motivators can include money, freedom, flexibility and prestige.

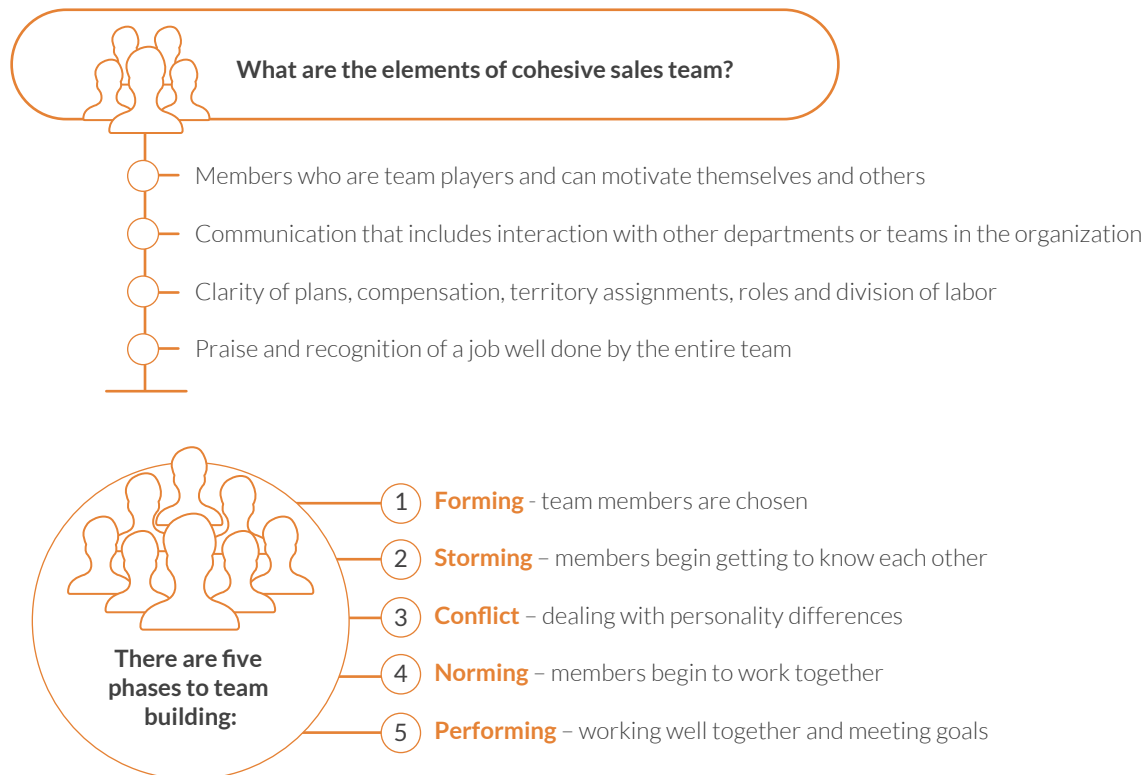
Precise time management is the key to success as a strategic account manager. Start each day planning your activities for that day. Take 30 minutes to schedule your calls and plan your objectives. Before each call, take five minutes to go over the objectives for that call and visualize the desired outcome. You can use your company's software to assist in this process, or even apps and software packages to keep you at the top of your business.

You bring your unique skill and attribute set to your company, but how do you work with your company to assure successful sales? Let's look at how to collaborate to create successful account-management outcomes.



Successful Account Management

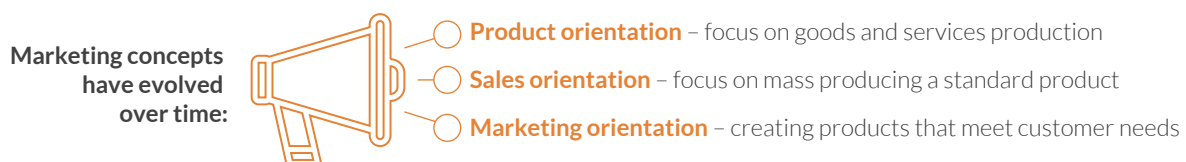
As an account manager, you are accustomed to working on your own and motivating yourself to achieve your goals. However, there will be times when your sales manager will want you to work in a cohesive sales team.



Team building requires effective communication, clearly defined roles and expectations, feedback, and diversity to grow and be sustainable. It also requires progressive management that includes team empowerment. Team empowerment creates an atmosphere where team members are engaged, outspoken and invested in the team's success. A team manager should trust that the team can function autonomously and make effective decisions.



Where would you be without your marketing department? They can assist you by supplying you with material, research and even videos to promote products to customers.



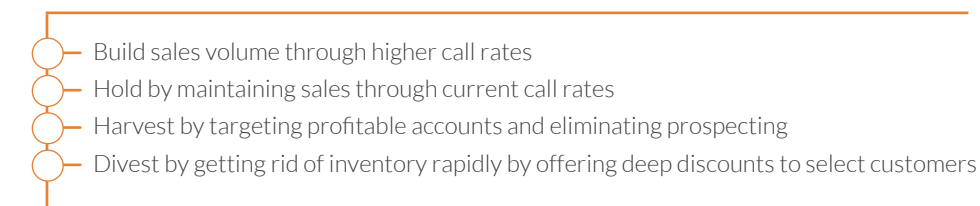
Successful Account Management

Sales-oriented companies place a premium on their needs, while marketing-oriented companies emphasize customer needs.

As an account manager, you should be familiar with the four components of marketing:

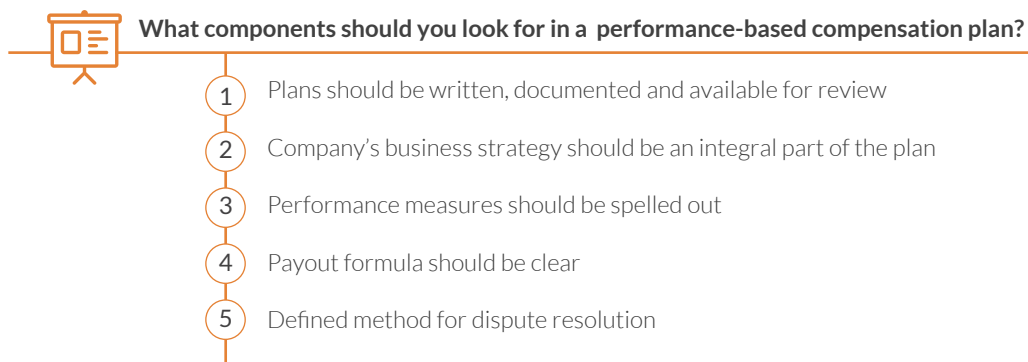


Sales are typically a function of the promotion component. **Marketing strategies should be aligned with business strategies by using strategic objectives to move more products or services:**



Marketing plays a key role in the sales process, and it can dictate whether a sales force is necessary or if products can be presented directly to customers. Sales force strategies are designed to fulfill marketing objectives. This symbiotic relationship is key to developing and implementing strategic sales plans.

Of course, account management is an exciting career, but compensation is important, too. There are many different types of compensation plans for account managers, ranging from base pay and commissions to working solely on commission. There are also incentives and bonuses to consider.



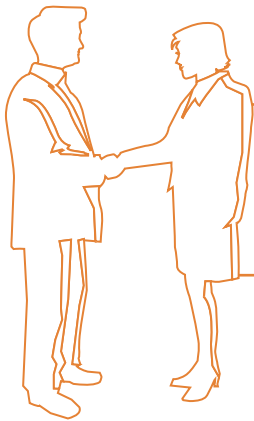
Depending on what a company is seeking to do with their growth strategy, the compensation plan should reflect this. Check to see if the plan has an "upside" provision. This is defined as above-target pay for those who exceed their goals or quotas.

Whatever compensation plan you have, remember you are being compensated for your performance, and the plan should reflect that.

Conclusion – Lasting Customer Relationships

You started out on this endeavor by learning how to research your clients and provide solutions that will enable you to build lasting customer relationships over the long-term. Become a partner with your customer and be invested in the growth of their business. Continually refine and practice your craft - always looking for ways to improve your knowledge, delivery and relationship-building skills.

Communication is key to creating and maintaining relationships with clients and within your own organization that will foster growth and goal achievement. Remember, your organization has invested in you, so find ways to maximize that investment.



View your profession as a consultant who works with clients to find the best solutions for their problems and has their best interests at heart. Your sales will reflect the sincerity and the genuine interest you show to your clients.



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