

Key Account Planning

Not a wish and a prayer. . .

Just one or two customer accounts to achieve all your sales target? No customers, just a list of names to call cold and break into? Only a few accounts that just do not spend at the level that meets your target? A sales target that has risen two-fold and a customer base that has shrunk? These are just a few of the problems facing sales teams now that markets have tightened following successive years of poor investment and low stock market yields.

However, as a sales team you still have to reach targets no excuses allowed. It's now a matter of marketing and selling dynamically creating a new way forward to penetrate business prospects and client accounts.

When times are tough it's the smart ones that survive

It is fair to be said, times are tough for selling IT, you can almost feel sorry for those once 'high-earning' professionals, who now have stressed looks about their appearance, wondering how they will achieve targets when all their prospects seem to delay signing and new names rarely appear on the forecast.

Businesses have little tolerance of this, some adopting a churn policy with those performing poorly exiting the business rapidly, whilst other companies keep increasing the targets and hope their sales teams and markets correct themselves eventually.

All have adopted some form of selling methodology and seen improved reporting but little change in selling. Most have adopted sales force automation solutions only to find that this too fails because sales people simply do not want to disclose progress in a sale, especially when they are fully aware a business has become desperate for revenue.

It is becoming clear that sales force automation tools and sales methods alone do not work. There is a need for a new approach, which embraces both skills and benefits to achieve a better sales performance.

Those sales people who do remain successful seem to be capable of motivating people around them. They exploit the skills of marketing specifically to a problem or task and do not rely on heavy broadcast branding campaigns. They also seem capable of working with consultants and presales support, where they gain new ideas and solutions to present to their clients. These individuals are utilising creative key account planning and focused market selling.

Fig 1: Understanding where to make revenue



Not just another planning approach

Created as a method of bringing resources together for unique proposition development and account education, Sales Cycle Marketing and KAP approaches move to work alongside traditional sales techniques such as solution selling. Such sales approaches have traditionally worked on a simple level of information gathering, understanding the pain issue and presenting a solution. The rest is about making sure you have passed the milestone actions to achieve the sale. A simple, often made to look more complex, method of selling.

The problem is how you generate the enquiry first to then drive through with your method approach? How do you understand how to open an account up to present new ideas? Most of these method approaches rely upon intuition on behalf of the sales person or a quality lead from the marketing team. After all, these approaches see sales people as expensive resources who should do their job, not get caught into other functions.

That's why more and more companies have considered Sales Cycle Marketing and KAP approaches to proactively bring together the efforts and inertia of marketing, product development or pre-sales with sales teams.

Systematic education based upon dynamic propositions

The Sales Cycle Marketing and KAP techniques help you talk directly to your customers in ways they understand and values that they appreciate. It is based upon an advanced marketing layer and specialist techniques which drive dynamically changing propositions into the target company and its evolving decision making team.

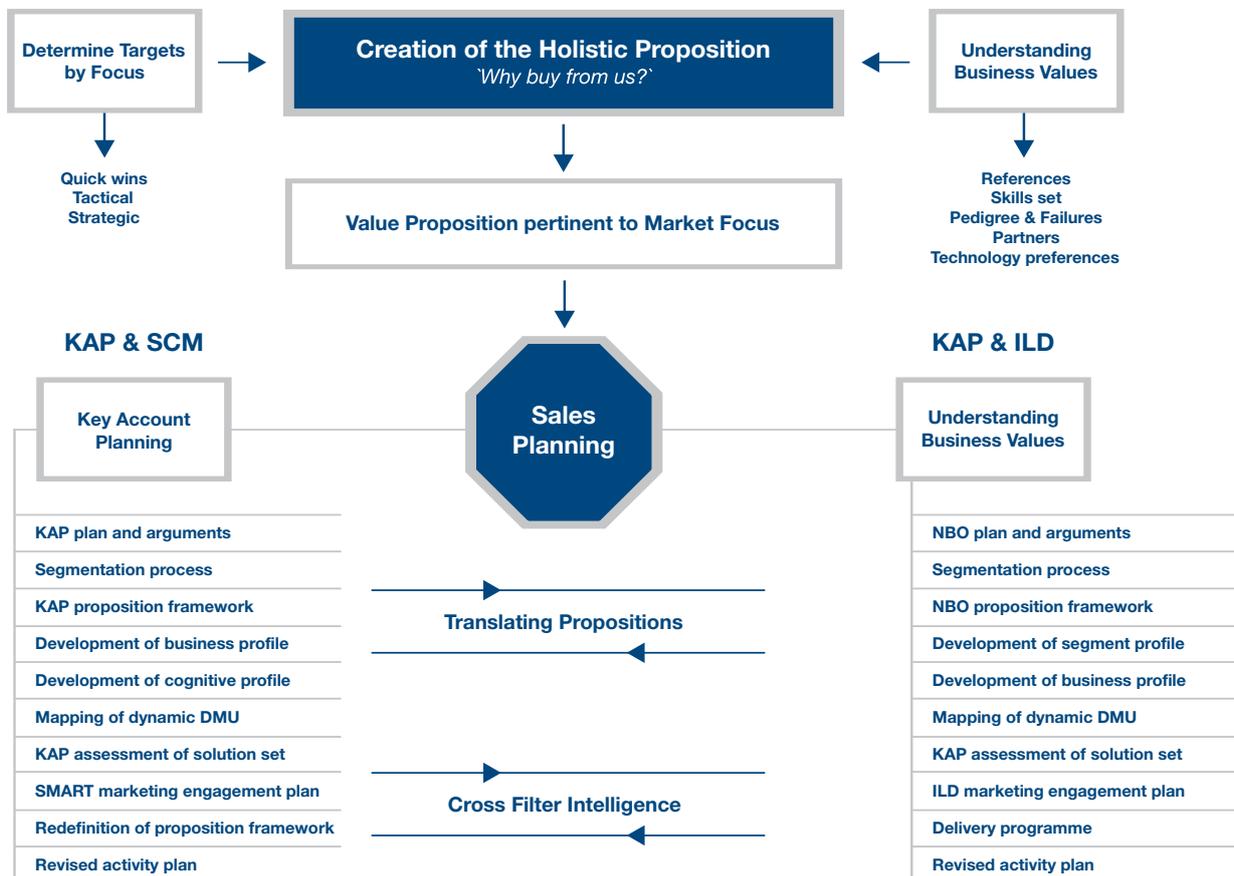
Each approach helps educate your audience in advance of the sales engagement. Proposal arguments are created and driven by specific business issues that you have developed from an Intelligent Lead Generation (ILD) approach.

Clearly, these are not replacements for techniques such as solution selling, simply the introduction of a sales approach supported by more active and dynamic marketing or business growth intelligence. Previous methods should continue for reporting and sales processing. Sales Force Automation (SFA) tools should be used more proactively and also in line with campaign planning and management tools. KAP and Sales Cycle Marketing further progress past investments and do not propose wholesale redundancy of past practices.

KAP starts with creating the value proposition

So why should your clients or prospects look at your proposal? How do you interest them to begin with? Many companies think that the strap-lines generated by the advertising agency is, in effect, a representation of the business proposition. This should not be the case, if anything the strap-line is a promotional plug that can be dropped and a new one created.

Fig 2: The KAP and SMART processes working in harmony



Developing the holistic proposition is really about what the company is in the business for, what you see as the differential and what thought leadership you are bestowing upon your target market. This thinking provides the corporate line in propositions. Unfortunately too many sales and marketing teams then stop at this point and back the proposition up with “best in quality, most skilled, quickest to react” type support statements; which, contrary to their thinking, are not differentiators and rarely bestow any value to their argument.

Few have created a portfolio of propositions within the holistic theme. These arguments may then be drawn from the sales ‘kit bag’ as they recognise a circumstance before them. Highly focused translations of the core business proposition make a massive difference. More importantly, focus provides specialisation and demonstrates your understanding of the client or prospects business.

KAP and Sales Cycle Marketing approaches help you pursue a portfolio of business issue level propositions. You are encouraged from the very outset of a KAP and Sales Cycle Marketing approach to create a portfolio of sales arguments, to test their validity through objective testing and then propegate further refinement. Above all, you may, in future, sell the holistic proposition as a scene setter, but you will immediately drive to focused arguments and engage the customer with the issues directly appropriate to your services.

The KAP process is about understanding the client, their needs and future business strategy, then leveraging this to promote your business and client specific propositions or values.

Creating the story to sell by

Having a great basket of propositions or selling arguments is only half the solution. Having a story from which you

can describe your values and solutions consistently completes the picture.

This is often described as a leadership argument, which encompasses all of your propositions through an easy to deliver sales engagement story. It also acts as a barometer to all new product development or proposition creativity – if they do not fall into the leadership argument its validity should be questioned as it will either dilute or confuse your story.

Understanding what your business can really do

The problem for most companies has to be conformity within the proposition and leadership story. Marketing teams will instantly use the results created through the KAP and Sales Cycle Marketing approaches to police the messaging to market. Sales, on the other hand, will still sell tools, quick sell solutions and other bits of technology they think a client will need. Both functions are right, and also completely wrong. You need to create a service portfolio that permits corporate solutions to be presented and also encourages the development of ‘quick fire solutions’, which may be added to the sales tool kit and presented quickly to clients.

These should be done within the KAP and Sales Cycle Marketing or ILD frameworks. No one should stifle creativity, but it should be driven in particular directions!

When considering your solutions, they should be introduced in two levels to support key account planning and new business development. KAP will be looking for up-sell and cross-sell add-ons whilst the other will be considering broader more complex propositions that generate sufficient revenue to permit further account management efforts in the long-term. Using the framework proposed, both will have boundaries, which make all services and solutions regulated, and above all complementary.

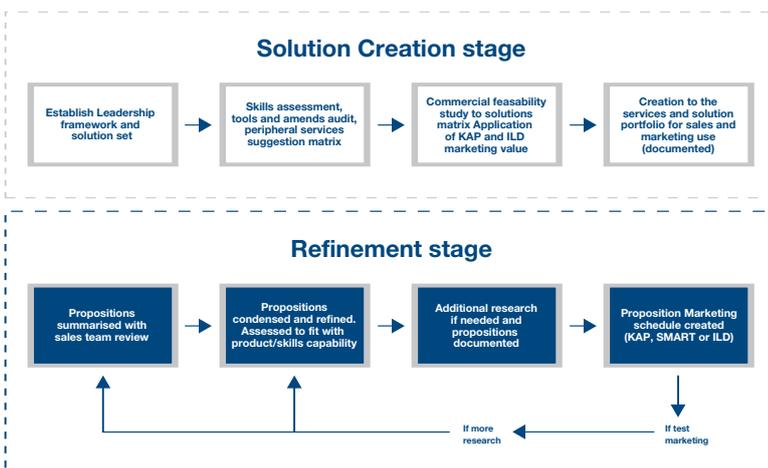


Fig 3: Developing a service portfolio that is both proactive and reactive to KAP and ILD requirements

Understanding who to sell to

Now fully equipped with a great story and your proposition or solution kit bag, your sales teams must consider who to sell to. Account managers may be restricted to the accounts they are allocated – so KAP works perfectly for them to plan out the activities within the company and across key target individuals. This will include profiling the business and understanding key areas of investment as well as understanding the psyche behind the investment methods or politics in procurement.

With the account mapped by motives, politics as well as business strategy, goals and targets, the key account manager is then driven to create a series of 'roving DMUs'. These are decision making teams that follow a specific project. As the project progresses through each stage the DMU will change, therefore your propositions must be capable of change, arguments delivered to the dynamics of the project group. Without a key account plan, it is impossible to understand the buying process and then set out your propositions or sales arguments accordingly.

Should the planning process be for new business development, you have two options – you can target these key accounts that you desire new revenue from, which will be managed in a very similar fashion to normal account penetration from KAP; or you can focus lead development. This is where ILD programmes could be instigated with both sales and marketing input to drive specialist propositions to market which would otherwise not be introduced into the corporate marketing plan.

Getting the right information to make a KAP plan

Effective KAP planning and marketing campaigns such as ILD for sales teams are all underpinned by 'intelligence' – what you know about the DMU, the company, its issues and its market pressures as well as the underlying political process by which orders are made. In KAP and ILD this is called creating a cognitive profile.

"It's easy to profile a company, nothing more than a matter of telemarketing". An opinion that is often followed by a lengthy explanation of why past profiling efforts have badly failed, either providing little value to the sales teams or finding little data to relate a sale to. Based upon the proposition basket, you should begin to profile a company based upon their business issues. Then, as part of your KAP planning approach and especially as the foundation of any key account Sales Cycle Marketing activities, begin to provide a cognitive research programme where contacts responses are monitored to provide additional profiling as to which issue is acute and which is a 'nice to solve'. This cognitive profile is a real insight to the business and not simply a collection of names and balance sheet statistics.

So how does Sales Cycle Marketing affect key account planning?

For many companies, marketing and sales are considered as two entirely different functions or disciplines, marketing creating the enquiry which sales then close – two stages, two functions. With Sales Cycle Marketing you have the two disciplines brought closely together to effectively manage and drive the sales cycle. This begins with supporting education and effectively ploughing through the business with propositions and arguments ahead of the sales persons activities.

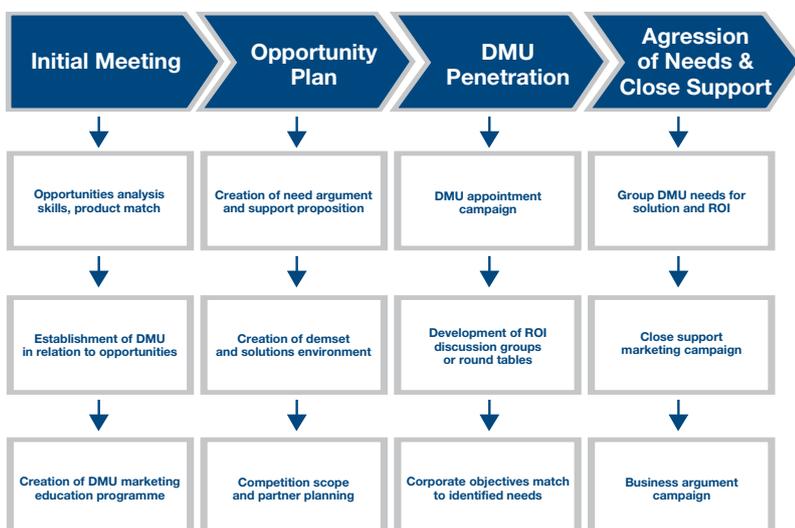


Fig 4: SMART Marketing supporting the sales process

With Sales Cycle Marketing your propositions change as the sales cycle is progressed. To do this, sales and marketing must work together very closely, sales driving and marketing supporting. Above all, Sales Cycle Marketing is about moving the sales cycle along, not making enquiries.

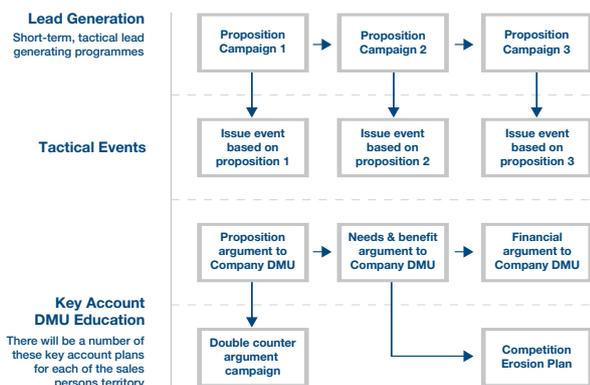


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And how does ILD assist in KAP?

As for new business development, marketing should again work more closely with your sales teams. Whilst marketing still prosecutes its corporate campaigns, it should also set aside support and finance to conduct rapid response campaigns to sales suggestion. Highly focused to a select group of companies, ILD campaigns are not part of the corporate marketing effort they form part of the sales plan – tactical, dynamic and specific to a sales requirement.

The result? Sharply focused marketing programmes, quickly turned around for a given sales person in a market they choose and with the proposition they have developed.

Summary

Businesses now need to look less for missing technology or methods of selling and need to consider bringing functions and processes together, such as marketing and sales within KAP, and Sales Cycle Marketing approaches. These simple approaches use on-the-street business intelligence to focus selling effort and fine tune marketing activities. Above all they need the co-operation of both functions to create company specific key account campaigns as well as focused micro marketing campaigns to keep presenting fresh and dynamic ideas to the market.

For more information, contact Anderson Baillie for white papers on:

1. Developing a KAP plan that involves both sales and marketing teams
2. Developing Sales Cycle Marketing approaches to key account development
3. Creating a cognitive profile on a target accounts
4. Making sales teams work with their own business plans – not chase markets randomly
5. Understanding our CRM and SFA milestone planning process.

Glossary

KAP – Key Account Planning

This can be for new business development or improving existing account customers.

Sales Cycle Marketing

To support KAP plans this is a continually developing marketing plan based upon an evolving proposition framework educating the audience and supporting the sales cycle.

ILD – Intelligent Lead Development

Highly focused lead generation campaigns exploiting specific business intelligence on a group of companies or sector of a market to make a highly refined propositions directly applicable to the sales process.

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