

Increasing Relationship Value through Account Planning and Management

Goal: Build an Account Plan to proactively grow your relationships with your most important customers.

Message to Sales Managers:

Everyone likes to work big accounts. But developing an Account Plan that can help sales people identify and prioritize opportunities, navigate through the company hierarchy, and proactively manage the relationship (instead of reactively taking orders or bidding on new projects) isn't something that salespeople typically enjoy doing. Sales people like the act of selling, but it is often difficult to get a busy salesperson to spend time building a plan. Defining the planning process, providing planning tools and templates, and creating a venue for planning to occur is an important management responsibility. If we are to expect our sales people to develop strong Account Plans, and take a more proactive approach to growing relationships with large accounts, then we should first schedule an Account Planning workshop and provide the tools to facilitate the Account Planning process. We would also recommend making Account Plan reviews part of your regular one-on-one meetings with your sales team members.

Best Practice:

Account Planning is defined by many people in many different ways. A strong Account Planning process looks like this:

Account

1. Profile the Company
 - Background
 - Organization
2. Identify the Known Opportunities

Opportunities

1. Describe the Need and Approach
2. Map Out the Customer Roles
3. Create the Account Penetration Strategies
4. Build the Competitive Positioning
5. Rank the Opportunities

Relationship Management

1. Define an agenda for regular "Relationship Management Meetings" with your customer to maintain executive level visibility

Here are some tips to building a good Account Plan:

1. Profile the Company:
 - a. Know the business your customer is in: Capture historical revenue trends, and future revenue objectives. Read the financials (if they are a public company), know their target markets and their product lines. Research their market so that you have an understanding of the market dynamics, opportunities and challenges. Capturing this information in your Account Plan enables you to play more a "Trusted Advisor" role, rather than a "Vendor" role. As a Trusted Advisor, ask about their strategic initiatives and how they plan to address their business challenges. This will open the door to more opportunities, and expanded relationships at the executive level.
 - b. Build An Organizational Chart: Know who the decision makers, influencers, evaluators and purchasers are in each division of the company. If you don't know how the organization is structured or the names of the key contacts across departments, ask your existing contacts. Draw an org chart right in front of them and ask them to fill in the blanks. This is also a great time to ask for referrals by simply asking "Who on the org chart would you suggest I should meet? Can you introduce me?"
2. Identify and Rank Opportunities:

- a. Make a List: Record the existing known “qualified” opportunities, and targeted areas of the business where you think opportunities might exist.
 - b. Define Contact Roles: Define the roles of each contact (Decision Maker, Sponsor, Evaluator, Influencer) and their position relative to the your relationship with the company (supportive, neutral, negative).
 - c. Identify the competition: Is this a cross-sell opportunity where there is a competitive relationship that needs to be displaced, or is this an up-sell opportunity where you are the incumbent?
 - d. Strategic Value: How important is your solution to the customer? How important is this opportunity to you? Consider the impact your solution will have for the customer. From your perspective, consider the potential size of the deal, forecasted margin/profitability, and whether this is a lead-in to other, more significant opportunities.
 - e. Rank and Prioritize Opportunities: Based upon this information (and perhaps other factors as well), rank your opportunities. You can’t pursue everything at once. So pick your battles, and focus your effort on the opportunities that will have the most impact on the long-term value of your relationship with your customer.
3. Schedule Quarterly Relationship Management Meetings
- a. The idea here is to meet with your customer without a specific sales agenda. If the only times you talk with your client when you want to sell them something, you are positioning yourself to be no different than every other sales person. Schedule a more high-level Business Discussion with your executive contacts to stay out in front of potential relationship-impacting issues, and to proactively identify new opportunities to expand your relationship with your customer.
 - b. Here is a sample RMM agenda:
 1. Prior Period Performance
 - Your Performance: Review of prior quarter performance (Did we meet your expectations last quarter?)
 - Customer Performance: Is your customer meeting or exceeding their purchasing projections? Will this impact pricing moving forward?
 2. Finances (review of invoices, A/R, etc.)
 - Note that this may be a short discussion, but having it on the agenda it creates a forum for you as the relationship manager to stay on top of receivables without having to schedule a “special” discussion after the accounting department let’s you know that there is an “issue” that needs to be resolved.
 3. What’s New
 - With you – let your customer know what’s coming. New products / services, new partnerships, etc. Let the customer hear it from you first!
 - With them – ask your customer to share with you any new strategic projects or initiatives that will be top on their priority list.
 4. Brainstorming Session
 - What can we do differently or better?
 - What new things can we do to help improve sales or reduce costs?
 5. Goal Setting
 - If relevant, set relationship goals for the upcoming quarter
 6. Next Steps and Action Items
 - Define and assign action items. Follow up on them throughout the quarter between this and your next meeting.
 - Schedule your next Relationship Management Meeting.

How Salesforce.com can help:

1. Use the “Reports To” feature to define organizational hierarchy (a virtual org chart) for all contacts within your top accounts.
2. Customize the Account record as needed to capture important company information.
3. Create a method for ranking opportunities on the Opportunity Record. Use a combination of factors including Stage, Potential Value, Competitive Positioning, Access to a Decision Maker, etc.
4. Track Relationship Management Meetings (RMM) as a separate meeting type. Use custom views, reports or workflows to remind you when it is time to schedule your next RMM with the C-Level contact in the account. Perhaps even create a custom RMM Event Record to capture relationship management topics.
5. Create an Account Planning section on the Account Page Layout. In that section, create a Revenue Goal field that you will populate from your Account Plan. Create another “Actual Revenue” field that you will populate and update from your production reports (perhaps from billing or shipping information). Then create a rollup formula field called “Forecasted Revenue” to sum the value of related opportunities. From these 3 data points (Revenue Goal, Actual Revenue, Forecasted Revenue), you can easily monitor and report on Account Performance on the account record.
6. Browse the AppExchange. There are several Account Planning apps out there. One in particular is Adventace’s AAPT application. Check it out!

Having an Account Plan and proactively managing the relationships with your most important customer will pay huge dividends over time, and enhance your personal relationships at an executive level.

If you would like to see a sample Account Planning template, please log onto the [Resources](#) section of the HarvestGold web site – and help yourself!

Good Selling everyone!

Steve