



## STRATEGICALLY RETHINKING MAJOR ACCOUNT SELLING

By: Ron Cox, CEO of Tailwind Consulting

### TAKING A NEW APPROACH TO MAJOR ACCOUNTS

A couple of years ago I was working on strategy with one of my clients, the CEO of a \$4 billion company. During the session we got on to the subject of his company's performance with their major accounts. He shared how disappointed he was in that key part of his business and how they were consistently coming up third or fourth behind their major competitors. He asked if I could recommend someone in the consulting space who could help him improve the situation.

My company, Tailwind, focuses on helping companies execute their strategy to drive results. All of our solutions emanate from the root idea that having executives and managers understand their own company's strategy is central to its execution. And in past lives I've been the CEO of four different companies including one that specialized in business to business sales consulting. In all of those companies I was personally engaged in the business to business sales process and worked with hundreds of companies and government agencies in architecting strategic solutions. So I told the CEO that we could accomplish what he was asking.

He and I had personally worked together for several years on a number of strategic projects and he was comfortable that if I said I could do something, I would figure out a way to make it happen. This was helpful since I did not have a canned approach to this process and had not personally delivered one of these projects in the past. But I had a lot of business to business sales knowledge and experience to complement my strategic approach and in-depth knowledge of his company. He agreed to give it a try and I agreed to give it a go.

Things proceeded from there and, by taking the uniquely strategic approach that we developed, my client began to see results right away and was able to actually *double* their major accounts revenue within 24 months. In addition, they were selected to be *sole* supplier by several of their key accounts, which meant competitors were not allowed to bid. They were also selected preferred supplier by a number of their major accounts. They became the clear market leader for their business segment. Some of their accounts grew by as much as 1500%, and their year over year growth in this segment continues, even in the current economic environment.

Needless to say, we were extremely excited about these results and the fact that we made them happen with the same sales leader and the same sales team. We also didn't change any of the basic fundamentals of the sales team like organizational structure or compensation. Instead, we took a more strategic approach to the major accounts sales process within the company. In the rest of this article, I'll share what we did and some of the key insights that I developed around why things worked so well.

As you prepare to read on, let me assure you that if you have an interest in doing something like this, what we did is highly repeatable in other organizations. The process can be replicated and the real magic lies in how it's implemented, including the role played by the executive team to help drive the results. The process is both learnable and sustainable by our clients. In this particular case, we were able to hand over control after a few months, having taught our client to maintain the process at a very high level. They still run the process themselves, with continued success.

## **RETHINKING WHAT MAJOR ACCOUNTS IS ALL ABOUT**

The best place to begin describing our approach is to help you rethink what major account selling is all about from a strategic perspective. Business to business selling is just that: one *business* selling to another *business*. In large accounts, this is different than a sales rep selling to a buyer, or even a sales team selling to a customer team. It suggests that the businesses actually engage with each other in order to effect the solutions. And the more complex the solutions, the deeper the level of engagement. Engagements touch many parts of each business, which often require some form of alignment, coordination, integration or synergy. Engagements involve services and deliverables, contracts and margins. Engagements require whole business thinking, especially on the part of the seller or solutions provider.

Considering how you want your company to engage with your clients elevates your thinking. Your company's strategy and business model come into play. How well do your sales people understand your company's strategy? Its business model? Can your sales people describe what an optimal engagement looks like for your company? Can they break down the profitability on their engagements? Do your sales people understand that there is such a thing as bad revenue, where a particular piece of business is something that you'd rather not have as it will actually hurt the company financially or through opportunity costs associated with the non-productive use of scarce resources?

Fully engaging with clients also brings their strategy and business model into play. How well do your sales people really understand where your client is headed strategically? Do they have a clear line of sight as to how your company's solutions fit within your client's strategic framework? How well are they able to position your solutions strategically with your client? To what degree do the executives within your company, who are not in sales, understand your clients and their strategies? What is the strength of your company's personal relationships with your clients, including relationships outside of the sales team?

Most strategic sales consultants will probably tell you how important it is to understand the customer's strategy so that you can paint yourself into their movie. Hopefully you will also agree that it is absolutely critical for your organization's executives and sales professionals to understand their own company's strategy and business model if they are going to execute it. This is a core essential. Otherwise, how can someone make the decisions to win the right business and commit your company to the deals that are in your best interests? This is one of the greatest weaknesses I've seen in major accounts programs during my career as a CEO and consultant, and the centerline for designing the approach we used in this article.

## **SEPARATING THE VITAL FEW FROM THE TRIVIAL MANY**

Once you start thinking about engaging versus selling, the natural next question becomes "With whom?" In one of the companies that I led, we were doing business with 3,000 accounts around the world. I asked our marketing team to help with an account analysis and we learned that 300 of these accounts provided most of our revenue and practically all of our profit. Did we have any different approach for selling them versus the other 2700? Of course not! Separating the vital few from the trivial many through account segmentation is critical.

We worked with our client to segment their major accounts by developing a Value Matrix for each account. The value matrix was custom created for the client. It is a corporate criteria matrix where the criteria measure the best fit and opportunity of a customer or prospect for engagement by our client. The value matrix also captured trending, as to whether the account being reviewed was trending *toward*

or *away* from being a good fit. This helped deal with the dynamic nature of changing situations. Accounts were scored and strategy was developed based upon the scoring that each account received.

### **DEVELOPING RIGOROUS ACCOUNT INTELLIGENCE**

Doing a good job with the value matrix, and developing account strategy depends on gathering accurate and useful Account Intelligence. Great analysis requires great intelligence. And whole business thinking requires whole business intelligence. With our client, this was one of the earliest changes we made in the way they were approaching their business to business sales. We needed to learn a lot more about their accounts as businesses. To accomplish this, we developed a rigorous account intelligence worksheet and coached the sales team in how to use it.

The key to rigorous intelligence is *evidence*. We held the sales team to a standard where, when they made a claim or comment as to what was going on within an account, the other executives in the room would ask, “*What evidence do you have that confirms what you said?*” Early on, we found that some of the insights shared by the sales team lacked any supporting evidence. These were viewed as opinions or guesses, not necessarily facts that we would want to use to make important decisions. We made a concerted effort to push for evidence and facts as cornerstones to our intelligence gathering.

Like any knowledge-based process, the sales team’s competency in gathering and sharing intelligence improved with practice and feedback. Early on they were gathering the low hanging fruit, but gradually they got more and more into strategic business issues. They quickly realized that account intelligence is a transitory variable. There was always something that changed and something new to learn. This was the approach we took and we continually updated our intelligence on key accounts as part of an evergreen process.

### **WORKING DIFFERENTLY WITH CLIENTS**

As part of our process, we wanted the sales team to have a realistic view of how they were selling and how they were viewed by their clients. This awareness of the “*as is*” was foundational in demonstrating the need for change. To accomplish this, we developed a simple process that enabled the sales team members to identify specific client behaviors that they were observing and infer how the client actually viewed them. It also enabled them to modify their own behaviors and manage their touchpoints to create different perceptions. This concept provided a candid view and became part of our regular dialogue at our meetings.

As the major accounts process gained traction, customers noticed the differences in our client’s approach. The sales team members helped this perception by sharing what they were doing with key players in their accounts as they were gathering intelligence. This actually caused their customers to open up more as they viewed the sales team as trying to really understand them and their business needs in order to better serve them. It also caused the CEO of our client to desire the same kind of business approach from his suppliers who were calling on his company. His comment was, “How come they don’t want to understand our strategy or our business needs?” He noted that practically none of the sales people meeting him inquired about his company’s strategy. Once he saw the value of the approach *as a seller*, he noted its absence *as a buyer*.

This process and approach became a differentiator for our client, not only helping them do a better job internally with strategizing accounts and pivoting into solutions, but also positively changing their customers’ perceptions as they implemented it.

## DEVELOPING ACCOUNT STRATEGY

Strategizing major accounts requires ideation, insight, intelligence, creativity, problem-solving, business knowledge, analysis, opportunism, flexibility and nuance. That sounds like a lot, but I probably even left out a few things. It's not easy! It often entails out-of-the-box thinking coupled with the ability to leverage the company's resources, often in innovative ways. It involves the meshing of a client's strategy and needs with a supplier's strategy and solutions. In a good account strategy session, there's a lot going on.

We've already mentioned the vital role that account intelligence plays in setting the stage for account strategy. The strategy can only be as good as what you know about the account in the form of intelligence that has been gathered. The other dimension of building a solid strategy is what the group developing the strategy knows about its own company. This led us to two conclusions with the client. 1) The more brains in the room, the more robust the strategy, and 2) Involving senior executives dramatically increased the knowledge quotient of the company and its capabilities, as well as the whole business thinking around their client's issues and needs.

We directly involved the executive team, including the CEO, in developing account strategy for targeted accounts. As you would guess, this raised the bar on the level of thinking and planning that resulted from the process. It also enabled us to pivot into emergent opportunities and make fast decisions to capture business. For example, opportunities came up that required our client to integrate their computer systems with a customer's, or to build a new supply facility near one of their customer's locations. With the senior team and the sales team working the same account strategy process, these issues were dealt with directly, and decisions were taken almost immediately. In addition, the senior team could see the role they had to personally play in working with the client and scheduling meetings or calls to help drive results.

When you compare this approach to the 'normal' way of managing national accounts, you can clearly see the impact. With the old way, the sales team was constrained by a lack of company knowledge. They did not have the latitude to suggest some of the out-of-the-box solutions that emerged. They had to send questions, requests or ideas up through the chain of command and wait days or weeks for an answer. They were not as experienced in understanding business strategy, which limited their thinking about how to engage with clients. Their level of thinking was constrained by their own experience—with the client, with their own company, ...and with whole business thinking.

In addition, the senior team was unaware of what was going on with their accounts. They did not always have a straight line of sight between what they and their departments did every day and how it impacted the customer. In one of our meetings, our client discussed a key customer's request to integrate their inventory system with a customer's. The CEO assigned the action item to the CIO right in the account strategy meeting, and this became a critical enabler for expanding their business relationship with that customer (by the way, the *entire* senior team...IT, Finance, HR, Marketing, Sales, Operations, Supply, Product, Admin., etc. sat in *every* monthly account strategy meeting). Changing the client's approach to account strategy made a huge difference in what we were able to accomplish with the accounts. It got *everyone* on the same page strategically.

## **DRIVING IT FROM THE TOP**

From the beginning, the CEO was personally involved and the key driver of the process. He helped lead the monthly meetings, analyze the intelligence, brainstorm solutions and strategize the accounts. He began to meet with customers and prospects on a proactive basis, something he had not done before. He gave direct and candid feedback to the sales team when their intelligence or analysis was not at a high enough level. He helped reshape their thinking about approaching the accounts from a strategic level. His passion and personal commitment were evident and contagious, helping us elevate the process in the eyes of everyone involved.

With the client's senior team and sales team in every monthly account strategy meeting, we were able to prioritize accounts and quickly move the ball on growing business with them. We were also able to involve all members of the senior team with the accounts. This included launching a Focused Executive Program for our client. Each member of the senior team became a focused executive with specific account assignments. Accounts were matched up to the executives using certain variables to predict how the executive might match up with key players in the account from a chemistry, experience or skills perspective.

The overarching idea is that the targeted customer's company will have a personal relationship with member of our client's senior team...someone at the policy level whom they could call about an issue, problem or opportunity. The senior executives visited the customers on a regular basis to build their relationships. When the customers visited them at their headquarters or met them at key marketing events, the focused executives assumed the role of host. Customers immediately noticed this as a key differentiator. It was also very developmental for the senior team as most of them hadn't ever worked directly with customers or participated in the sales process.

## **BUILDING A SUSTAINABLE PROCESS**

The elements that I've discussed in this article were woven into a disciplined process with recurring monthly meetings. These meetings were outcome driven with tight agendas that we adhered to carefully. They were typically a day long and attended by the major accounts sales team and the entire senior team. For the first few months, the meetings were planned and facilitated by us. After several months, we began transferring this responsibility to the sales leader. We co-facilitated with him, and then had him facilitate with us observing. Within six months we had transferred the process entirely over to the client and they were able to run it in a highly professional way without us being present.

Building a collaborative meeting process around major account strategy is the key to sustainability. It also provides the discipline and accountability to reinforce the changes that need to occur. It provides a forum for the exchange of intelligence and development of insight. And it teaches the organization how to come together to make things happen at a whole business level. As part of this process, we provided meeting process expertise and ground rules, which are important for these kinds of venues where the levels and power (positional and personal) among the individuals involved are so disparate. In the first few months, we modeled these skills and techniques, which became the modus operandi for the group going forward.

## **COACHING THE SALES TEAM**

Earlier we mentioned that we were able to double the client's major accounts revenue with the same sales leader and sales team. Their willingness to try new approaches made this possible. The sales leader embraced the process and viewed our involvement and approach as something that was really

going to help him and his team, which it did. His reputation and credibility within the company was enhanced due to his role in the process and the success that he and his team achieved. The ongoing regular interactions with the CEO and senior team helped him and the sales team to fully integrate what they were doing into the company's strategy.

At the beginning, we made it a point to coach the sales team and help them prepare for the monthly meetings. We also conducted regular "process checks" with the team to make adjustments and improvements in the process. We helped the sales leader develop his personal role in leading this effort and engaging the company in the pursuit of major accounts. And we coached him and the sales team in how to communicate and engage the field sales force in coordinating their efforts to drive results. The measure we developed with the sales team was "Return on Effort." Their priorities with accounts were keyed to ROE, and they invested their resources accordingly in high gain activities.

During this process, the sales leader and the sales team raised their thinking to embrace the company's strategy as part of their approach. They saw themselves and their mission as different and more strategic than they had thought. They leveraged the insight and input of the senior team to take their game to a higher level. Their account intelligence was more precise, allowing them to build insightful and complete strategies for each account. As a result, they were able to deliver much more profitable and comprehensive business solutions for their accounts within a few months.

### **KEY LEARNING AND INSIGHTS**

I've shared the major elements of how we helped our client rethink their approach to major account selling and achieve phenomenal results. As I mentioned earlier, this approach is unique in its design, but highly repeatable and therefore transportable. By taking a more strategic view of how major accounts are analyzed, prioritized, strategized and engaged...our client was able to *double their national accounts revenue and become the clear market leader*. In summary I'd like to share a few insights that might help you to accelerate your results with your own major accounts sales.

- It completely changes your company's paradigm when you think of Major Accounts as a corporate strategic process versus a sales process.
- Involving the senior team raises the bar on account strategy and enables you to pivot into opportunities and make quick decisions. It also allows you to leverage the entire set of company resources to go after key business, differentiates you with customers, and is developmental for the senior team members.
- Account Intelligence drives the whole process. All analysis, strategy and decisions made down range are rooted in the robustness of the intelligence gathered and shared. The Sales Team members are the scouts for the organization. They go out, meet with the accounts, gather information and share the intelligence. If they don't do a good job, the process suffers.
- All accounts are not created equal in terms of opportunity or fit for your solution. Account segmentation is key so you can focus your resources and increase Return On Effort (ROE).
- Having a regular, disciplined process is the key to effecting the changes and building in sustainability. This process should be learnable so that you can run it without consultants within a few months.

- The direct leadership and involvement of the CEO or senior business leader in the major accounts process is key to lifting it up strategically and engaging the whole company in increasing sales results.

### **FINAL THOUGHT FOR BUSINESS LEADERS**

CEO's often share with me that improving strategic thinking skills among their executives across the company is one of their biggest challenges. It is also one of their biggest barriers to executing their strategy. Why is this?

First and foremost, most executives do not understand their own company's strategy and business model. And, as a result, don't completely understand their role in executing the strategy. Second, thinking strategically is difficult. It requires analytical thinking skills and the ability to synthesize complex thought processes—something that many executives haven't had a lot of exposure to, especially if they have grown up in one company or business model. Third, executives don't get a lot of *at bats* or chances to practice whole business strategic thinking. Typically their focus is on making things happen operationally, which is where it should be...most of the time.

Thought leaders in business strategy debate whether or not *strategic thinking* is something that can be taught. They also suggest that today's strategic planning processes actually help extinguish strategic thinking because they are more of a paint by numbers exercise instead of requiring original thinking and analysis by executives. While this is all interesting, the real question to me is whether or not average executives can do a good job of strategic thinking if they are provided a strategic framework that enables them to do so. My answer to that is an unqualified yes! In this case, when you think about it, that's exactly what we did.

We built a strategic framework for the executives that enabled them to collaborate and think strategically as a group, no matter what their level or experience was. We provided a big picture architecture, clarified roles, introduced mental models, provided analytical tools, delivered personal coaching, facilitated a collaborative outcome-driven process and even wrote a custom glossary of terms to help keep it simple. This strategic framework enabled the Sales Team and the Executive Team to get on the same page strategically, align their efforts and close the strategic white space between their company and their customers...and with each other. The results speak for themselves.

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*Ron Cox is a strategic thought leader and solutions architect who works personally with business leaders to help them execute their strategy. He is the founder and CEO of Tailwind Consulting [www.tailwindconsulting.com](http://www.tailwindconsulting.com), headquartered in Tampa, Florida. Tailwind's solutions are built around helping companies leverage the understanding of their own strategy to accelerate their business results. Tailwind specializes in building strategic frameworks that accelerate applied strategic thinking with executives. Previously he was CEO of four companies in the training and consulting space, with revenue ranging to over \$200 million. Ron earned his MBA from the Simon School at the University of Rochester.*