

International Congress & Convention Association

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

45th ICCA Congress & Exhibition

Wednesday 1 November 2006



The Global Meetings & Incentive Exhibition

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LEADERSHIP SYNERGIES

ICCA

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

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Science of Art and Sales



Today's Agenda

- Segment 1: **Session Overview**
- Segment 2: **Client Needs Assessment**
- Segment 3: **Account Action Plan**
- Segment 4: **Session Summary**



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



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**



Key Account Selling as Part of SAM

Pre-Account Management Selling:

- One-to-one contact
- Supplier presentations focus on their own issues and concerns
- Response to customer inquiries is “yes” or “no” based on assumed customer needs and supplier capabilities
- The seller seeks volume potential
- The customer seeks evidence of competence and competitiveness
- The customer will judge competitiveness based on price
- The customer may require a trial period
- The buyer may act as “gatekeeper” and prevent access to other buyers

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



Key Account Selling as Part of SAM

Early-Stage Account Management:

- Principal contact is between two people—buyer and seller
- The relationship may be competitive—each seeking advantage
- Price discussions dominate—buyer focuses on cost
- Customer is still assessing alternative suppliers

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



Key Account Selling as Part of SAM

Mid-Stage Account Management:

- Principal contacts start to facilitate other contacts through mutual trust
- Increased time spent in meetings
- Increased trust and openness
- Mishaps can occur, causing setbacks
- This is a lot of work for both buyer and seller

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



Key Account Selling as Part of SAM

Partnership Stage:

- Information is shared
- Relationship is based on trust
- Access to people is facilitated
- Clear vendor ratings and performance measures are in place
- Value is sought through integrated business practices
- Value is sought through focus on customer's needs

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



Synergistic Stage

Synergistic Stage (SAM):

Joint R&D

Transparent cost and margins

Focus on innovation (*Blue Ocean* thinking)

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 Aström



The Needs Assessment

Q: *What is it?*

A: A survey guide you use to interview your *clients*.

Q: *How do I use it?*

A: One-on-one with your clients—you ask questions and document the answers.

Q: *How long does it take?*

A: About 45 minutes per interview.

Q: *How often will I use it?*

A: With all your *best accounts*, it will be ongoing.

Q: What will happen with the results?

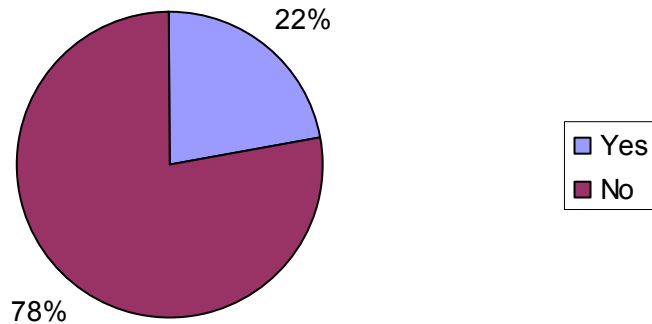
A: They will be collected and summarized, then used for strategic planning.

Q: What's the “win” for me in doing this work?

A: There are several: improved customer relationships, better closure rates = \$\$, increased customer loyalty, well-defined voice of the customer.

Client Needs Assessments

"Do you use a formal needs assessment process?"



- How many organizations use a client needs assessment?



Needs Assessment

Client interview questions

Strategic:

What changes have occurred in your industry during the last 2 years?

How have these changes impacted your organization?

What changes are forecasted for your organization during the next year?

What are the top three priorities for your department in the next year?



Needs Assessment

What are your top four priorities when you research a destination for your meeting/event?

What are your meeting/event objectives or goals?

Please tell me about your attendees – their profile, needs, and expectations.

Do you find it easy to work with _____?

1 2 3 4 5 NA

Does _____ identify and resolve problems effectively?

1 2 3 4 5 NA

Does _____ provide responsive customer service?

1 2 3 4 5 NA

Using Customer Data to Make Long-Term Decisions

- Organizational strategy
- Planning
- Competitive assessment
- New products and services
- Deployment



Creating an Account Strategy and Plan



- Analyze your position
- Consider alternatives
- Create action plan
- Implement

Automatic Red Flags

- Missing critical information
- Uncertain about information
- Un-contacted buyers
- Buyer is new to position
- Reorganization



Perception Is Reality

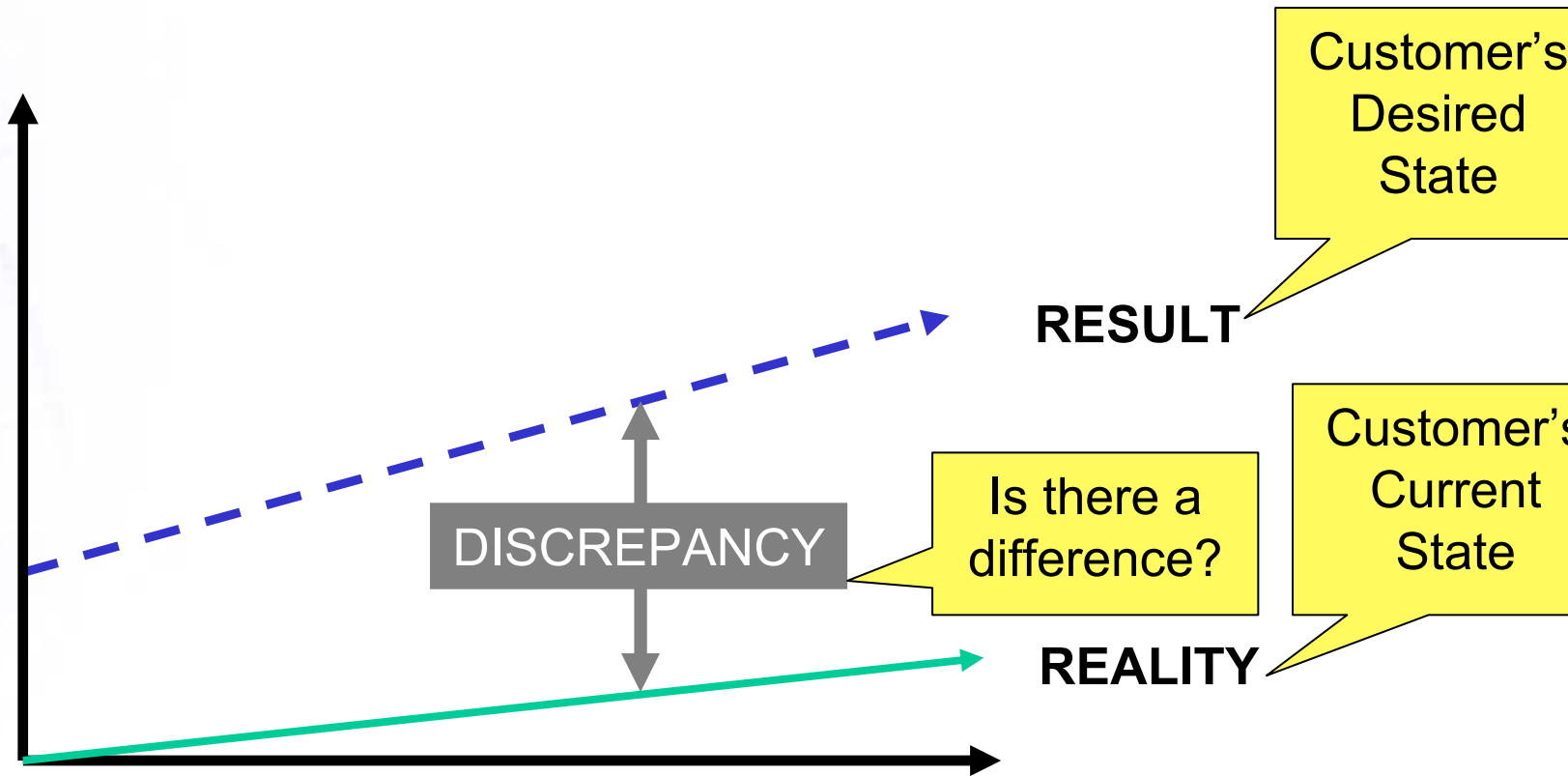
Response is determined by the buyer's perception of:

- Immediate business situation
- How proposal will change that situation
- Whether or not that change will make the needed impact



Adapted from *The New Strategic Selling* by Stephen E. Heiman and Diane Sanchez with Tad Teluja. Miller-Heiman, Inc., 1998.

Assessing the Conformation Response Modes

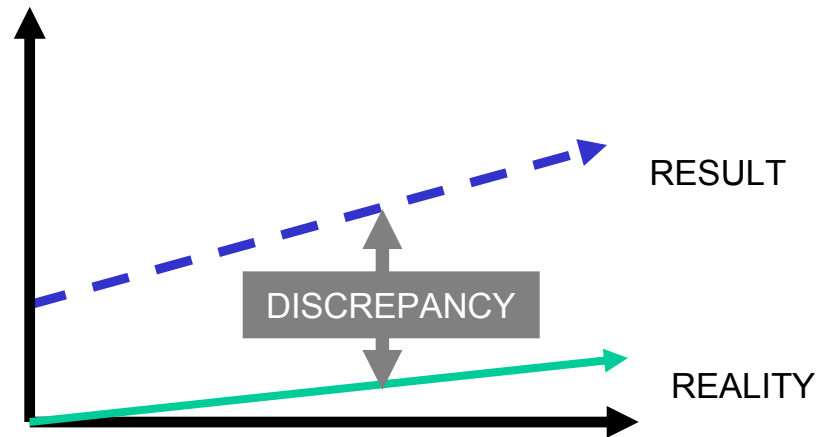


What Is the Impact of Your Proposal?

Adapted from *The New Strategic Selling* by Stephen E. Heiman and Diane Sanchez with Tad Teluja. Miller-Heiman, Inc., 1998.

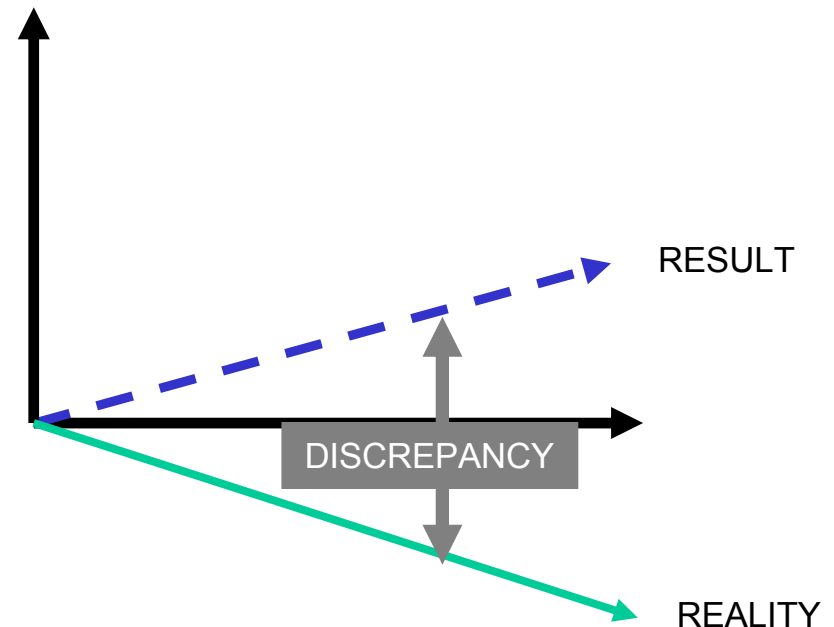
Condition: Growth Mode

- **Vitals:**
 - Perceives discrepancy
 - Receptive to change
 - Change to improve a good situation
- **Probability of action:**
 - High
- **Trigger words:**
 - More, better, faster, improved
- **Clutch:**
 - Your proposal must be the change that will reduce or eliminate the discrepancy



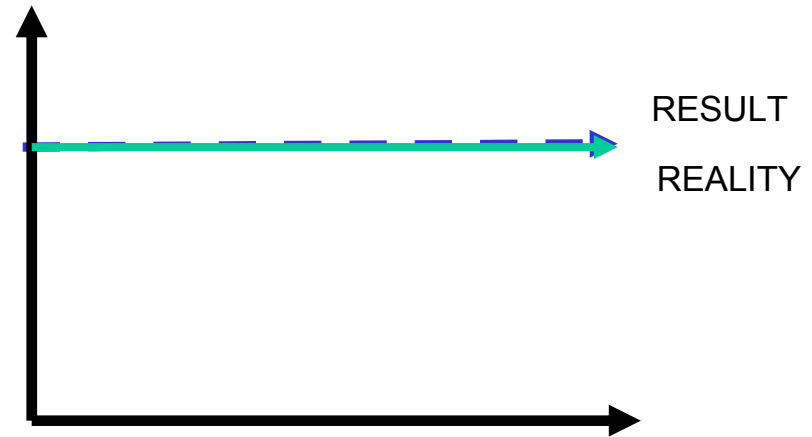
Condition: Trouble Mode

- **Vitals:**
 - Perceives discrepancy
 - Receptive to change
 - Change to fix a bad situation
- **Probability of action:**
 - High
- **Trigger:**
 - Help! Sense of urgency
- **Clutch:**
 - Proposal must be the change that will *quickly* reduce or eliminate the discrepancy



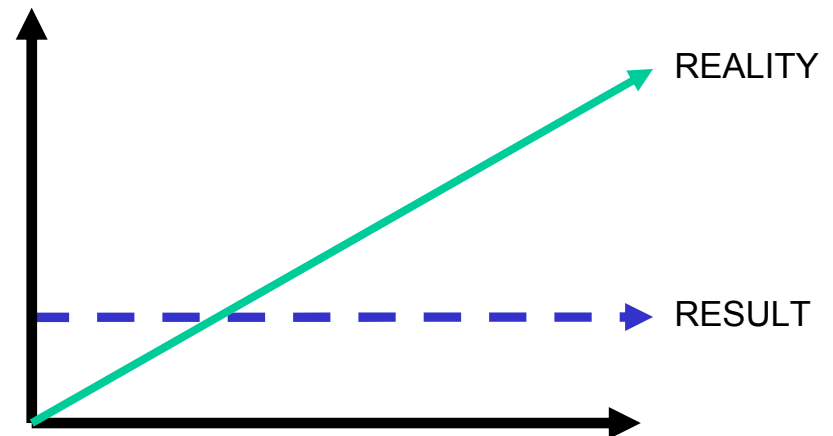
Condition: Neutral Mode

- **Vitals:**
 - Perceives no discrepancy
 - Not receptive to change
 - Nothing to fix
- **Probability of action:**
 - Medium; **Red Flag**
- **Triggers:**
 - “Don’t rock the boat”
- **Clutch:**
 - Proposal is a threat unless another buyer pressures or you can demonstrate discrepancy



Condition: Reverse Mode

- **Vitals:**
 - Doing better than anticipated
 - Not receptive to change
 - Nothing to fix
- **Probability of action:**
 - Low; **Red Flag**
- **Triggers:**
 - “Never been better”
- **Clutch:**
 - Proposal has a *negative* impact on reality



Characterizing Potential Outcomes

I WIN YOU WIN	I WIN YOU LOSE
I LOSE YOU WIN	I LOSE YOU LOSE

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Influences: Buyer Types



- Who is involved in the decision-making process for this sale?
- Roles, not titles
 - ✓ Economic Buyer
 - ✓ User Buyer
 - ✓ Technical Buyer
 - ✓ Coach Buyer

Source: *The New Strategic Selling*

The Players: Economic Buyer

- **Position:** Rubber stamp
- **Role:** Give final approval to buy
 - Controls money
 - Veto power
- **Focus:** Bottom line and organizational impact
- **Asks:**
 - *What is the ROI?*
 - *How will this impact our organization?*



The Players: User Buyer



- **Position:** Tester
- **Role:** Judge impact of product/service on his/her job performance
 - Will use or supervise use of product/service
 - Link between User Buyer's success and the success of product/service
- **Focus:** Task at hand
- **Asks:**
 - *How will this work for me in my job/department?*

The Players: Technical Buyer

- **Position:** Gatekeeper
- **Role:** Measure quantifiable aspects of product/service against specifications
 - Can't give final approval
 - Can advise against based on technicalities
 - Criteria: Price, delivery schedule, logistics, terms and conditions, credit, regulations
- **Focus:** Not win, but play
- **Asks:**
 - *Does this meet requirements?*



The Players: Coach Buyer



- **Position:** Yoda
- **Role:** Act as guide for sale
 - Provide/interpret information about validity of single sales objective, other buyers, plan
- **Focus:** Your success with this objective
- **Asks:**
 - *How can we ensure that this solution is accepted?*

Questions and Answers

Next steps
Research materials
www.SAMA.org



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Thank you!

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