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The Role of the Senior Executive Team in Major Accounts

A Revenue Storm White Paper

Authored by:
LaVon Koerner
President and
Chief Revenue Officer

The Business Context

As we continue to face leaner marketing and sales budgets in today's marketplace, *Speed to Revenue* is more difficult to achieve. With this and other market pressures in mind, it is becoming imperative that the Revenue Yield per account must increase.

In our experience, improving your account wallet share is typically the most profitable approach in order to generate the most revenue in the shortest amount of time. Therefore, it must become the organization's priority to sell as much of its product/service offering as possible to its existing accounts.

As an organization readies itself to target what is commonly referred to as a *Market of One*, a number of issues will typically arise. The following comprises a list of the most common concern in involving executives into a major account program. If these concerns go unmanaged, serious revenue shortfalls are sure to occur in these accounts:

- The Executive Role in the Client Meeting
- Managing Account Ownership Issues
- Navigating the Political Landscape
- Confusion around the Go To Market Strategy

This White Paper defines the salient issues behind each of these common stumbling points.

The Executive Role in the Client Meeting

In most organizations, the most under-leveraged asset in sales is the Executive Team. But involving them correctly is an art in which few executives have the natural skills or training to do. This is especially true if the executive has had little to no real life sales experience.

Often executive customer visits are clumsy attempts to close something that an account manager has been unable to do. These types of calls can often do more harm than good.

An executive call should rarely be used to sell a specific product or service. <u>The primary and most effective use of an executive is to represent the company not a product of the company</u>.

In short, the executive is to position his or her company in a manner that the account manager would, by rank, be unable to do. The customer needs to not only believe in the product or service, which is the account manager's responsibility, but also believe in the company behind the product, which is the executive's responsibility. This entails discreet discussions into areas such as corporate direction, commitment and expansion in research and development, mergers and acquisitions, etc.

If the executive becomes confused and allows the conversation to creep into the account manager's domain, then the executive, often unknowingly, steals currency from the account manager. Once this takes place, it becomes difficult for the account manager to regain a position of value in the eyes of the customer. Why would a customer want to deal with an account manager when he/she could deal with the executive?

Rather than stealing currency from the account manager, they should be focused on building the account manager's currency. Executive visits should never be done at the expense of an account manager, but to the contrary, <u>they should be designed to proactively increase the value of the account manager</u>. This can begin by having the executive state that they are there at the request of the account manager.

The account manager must be seen as responsible for the orchestration of value for the account. The only exception to this rule would be if there has just been a change of account manager assigned to the account. The customer is to be trained to respect the protocol that all lines of communication flow through the account manager unless some kind of emergency requires specific actions outside the norm.

This *Single Point of Contact* is foundational to an efficient major account program. Without it, the left hand would not know what the right hand is doing.

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Managing Account Ownership Issues

There should be very little confusion around account ownership in a company. In our experience, the best guiding principle is "Whoever owns the account plan, owns the account."

If the account manager fails to create an approved account plan, then they forfeit their ownership of the account. In such an instance, not only does an executive have the right to take over the ownership of the account, but also has the responsibility to do so and to do so quickly.

Every major account represents a distinct *revenue stream* to the company. And as such, each *revenue stream* must be clearly anchored with an account plan. It is the account manager's highest responsibility to build and refresh the plan. A good account plan spells out the roles of the different members of the team.

It would be easy, if not natural, for an executive to assume ownership of the account based upon their senior ranking in organizational authority, but such an attitude would destroy a major account program overnight.

The executive's respect for the account ownership by the account manager should be demonstrated by the following three events:

- The executive should rarely visit a customer account apart from the account manager. Not only does it send the wrong message to the customer, it misses an opportunity to build the account manager's value in the account.
- If it is deemed important that the executive fly solo, then the executive must represent the account manager in their absence.
- The greater the customer's appreciation for the value that an account manager can bring, the stronger the account relationship will be and the more competitive immunity will be built.
- It seems obvious that the executive should receive a briefing from the account manager prior to a customer visit, but unfortunately, it often goes to the wayside. An executive who does not have a complete picture of the account's history is walking into a dangerous setting. By spending the time in advance with the account manager, the executive can be assured that the account plan is being advanced and any competitive traps purposely set by the account manager can be safely navigated and perhaps reinforced.
- Likewise, there should always be a debriefing session following the customer visit where the executive and account manager refresh the account plan and lay the groundwork for future account activity.

It should be stated, that if there is organizational confusion around account ownership, the morale of account managers will suffer and can result in unnecessary and unwanted turnover of account managers.

High turnover of sales talent will have a negative affect on account relationships and make them vulnerable to competitive displacement or sub-optimized *revenue streams*.

Navigating the Political Landscape

One of the more common roles of an executive involved as a member of an Account Team is political in nature. Understanding that the internal politics of the customer's organization will play an important role in the day-to-day management of any major account, the executive becomes a critical resource for managing the numerous political issues that will always arise. Most of these responsibilities fall into the following four distinct areas:

- The executive making a call with a client executive within the customer's environment is in a good position to gather political information. Using Revenue Storm's approach to Political Mapping, the executive can provide and populate a Political Landscape that would be difficult for the account manager to do by himself or herself. This type of political insight is invaluable in creating and executing a world-class account plan.
- The executive can assist in providing political rewards to deserving customer personnel at the request of the account manager. To provide such visibility is a great manner in which to gain or build momentum for advancing a specific cause. Such recognition can only be accommodated by a senior executive who can do for an individual that which they cannot do for themselves.

- Often an account manager can find themselves politically blocked or politically owned by someone in the customer's organization. A trained executive can be the key for unlocking this political jail in which many account managers inadvertently find themselves.

  The executive, by nature of their title, has permission to go places that may be seen as politically out of bounds by the account manager.

- Finally, a well-schooled and well-informed executive can assist the account manager in advancing the account plan by participating in a well-laid plan to start or advance a customer-internal *power struggle* that is designed for the displacement of a competitor. An account manager would find this very difficult to accomplish by them self, especially if the *power struggle* is to take place across multiple levels and departments of the customer organization.

Confusion around the Go To Market Strategy

It is not uncommon for the executive sponsor on an account to have unknowingly adopted a differing Go To Market Strategy than the account manager. It is the Go To Market Strategy that contains the essence of the type of relationship to be built with accounts.

There must be a unanimous agreement in the thinking of every member of the account team or confusion will prevail. And, as a general principle, if the account team is confused as to the type of relationship they are trying to build, then it stands to reason that the account will become confused from the mixed messages.

For the purposes of this paper, the following will provide a simplified overview of the four very different approaches to market. They are:

Level One: Buying Centric

The buying experience: Quick, convenient, least expensive and simplified.

The resulting relationship & dominant emotion: No real relationship developed, but great appreciation for the efficiency of the buying process.

Level Two: Solution Centric

The buying experience: One stop shopping for a more complete, total and integrated solution.

The resulting relationship & dominant emotions: An emerging relationship with a feeling of being understood, prepared for and attended to.

Level Three: Business Centric

The buying experience: Having a business impact discussion and buying a business value proposition for a current business challenge.

The resulting relationship & dominant emotions: A trusted confidant with feelings of security resulting in buying confidence.

Level Four: Relationship Centric

The buying experience: Partnering in shared risk, performance bonds and contingency fees, etc.

The resulting relationship & dominant emotions: A feeling of being ready for risk will have been formed through a foxhole comradery and the resulting courage to move aggressively forward.

Final Considerations

Once one of the four above strategies is adopted, the role of the executive becomes clear along with the messages that they will need to deliver. Get it wrong here and there will be a tendency to either over-invest or under-invest in an account. The former will damage the company's bottom line, while the latter will diminish the top line. Either way, the profitable revenue stream emanating from an account is hampered.

About the Author

LaVon Koerner has spent the last 20 years consulting in the highly specialized field of Sales and Marketing Effectiveness. He is internationally recognized as a leading subject matter expert in diagnosing and transforming sales and marketing organizations. He has been privileged to contribute and assist many of today's Fortune 500 companies.

In high demand as a speaker, LaVon's passionate and entertaining style endears him to his audiences. His speaking engagements include personal executive coaching, private company workshops, annual company sales meetings, industry conventions, professional association conferences and international events, such as the Strategic Account Management Association and the International Conference of Organizational Development where he spoke alongside former President George Bush.

LaVon's insights from having worked with so many global market leaders uniquely positions him at the forefront of Thought Leadership in formulating the design and installation of sales and marketing.

About Revenue Storm

Today's analysts and shareholders have made it clear to businesses of all sizes — ever increasing profits is the goal. That leaves companies with two major choices: reduce expenses or grow profitable revenues. Executives have made a career of reducing expenses. While expenses can still be improved today, due to a decade of cost-cutting efforts, the greatest potential impact is GROWING PROFITABLE REVENUES. Companies tend to take two approaches to the Revenue Equation: 1) Dole out larger revenue goals and assume the compensation plans will drive the desired results, or 2) Push out more products and services to the market hoping more revenue options will yield more revenue dollars. Neither is a good strategy.

An aligned organization, executing against a well-defined and communicated Go-to-Market Strategy is essential to reap replicable revenue growth year after year. It demands more careful thought, focus, and planning than ever before. Revenue Storm was created to bring together an integrated set of consulting and training methodologies to bring clarity and focus to organizations navigating in today's tumultuous business climate.

We emphasize Clarity, Speed and Revenue. We work with each level of the organization, using business drivers that are important to those teams to gain consensus and focus. We help companies identify their strengths, leverage what is working through the installation of process and tools, and help uncover vulnerabilities where improvements are needed. We look for both small, but fast impacting changes to build team excitement and motivation as well as going to work on the bigger, more global issues that when resolved will yield a well-aligned, fast churning Revenue Engine.

Let's start a Revenue Storm within your organization that will thunder in the marketplace and rattle your competitors.

For more information visit our website at www.revenuestorm.com.

Revenue Storm®

US Headquarters
Chicago
tel 224 659 7710

European Headquarters
United Kingdom
tel +44 (0)1752 547784