The Role of the Senior Executive Team in Major Accounts

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White Paper

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THE BUSINESS RAINMAKERS

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 offerings 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 list is comprised of the most common concerns 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

The Executive Role in the Client Meeting

In most organizations, the most under-leveraged asset in sales is the Executive Team. However, 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. The primary and most effective use of an executive is to represent the company not a product of the company.

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. To the contrary, they should be designed to proactively increase the value of the account manager. 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.

Managing Account Ownership Issues

There should be very little confusion around account ownership in a company. 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. 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.
- It seems obvious that the executive should receive a briefing from the account manager prior to a customer visit; 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 could 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

Commonly, the role of an executive as an account team member 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 account managers can find themselves politically blocked 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. 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.

Below is a simplified overview of 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.

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About the Author

With over three decades of international consulting in sales and marketing effectiveness, LaVon Koerner is recognized worldwide as a leading subject matter expert in diagnosing and transforming sales and marketing organizations.

Since co-founding Revenue Storm in 2000, LaVon remains zealous in his pursuit to provide organizations a comprehensive suite of proven tools and techniques that drive profitable revenue growth.

In demand as a speaker, LaVon's passionate and entertaining style endears him to his audiences whether at private workshops, annual sales meetings, or industry conferences — including the Strategic Account Management Association, the International Conference on Organizational Development, the Society for Human Resource Management, and others.

About Revenue Storm

Revenue Storm is a sales consulting firm that helps clients implement processes and disciplines to drive sustained revenue acceleration. We provide comprehensive consulting, training, coaching and rigorous analytics to help Fortune 1000 firms create demand and increase profitable, sustainable revenues. Headquartered just outside Chicago, the firm accelerates revenues for its clients in 45 countries and nine languages.

For more information and to experience the power of our approach, visit www.revenuestorm.com.