

The Role of Your Strategic Account Manager:

Are Your Account Executives Gatekeepers or Gateways to Expanding Your Account Relationships and Capturing Global Opportunities?



Mike Byrnes



Ed Petrozelli

By Mike Byrnes and Ed Petrozelli

Mike Byrnes is managing partner of The INSIGHT Group, a management consulting firm focused on assisting product companies in growing profitable services and solutions businesses. He works with clients to assist them in transforming their account management to a best-in-class model, restructuring their account coverage strategy, and aligning their global capabilities and offerings with their customers business needs. Prior to joining INSIGHT, Mike had a 30-year career with IBM, where he served as a vice president and general manager. In addition to being a vice president of the North America Financial Services and IBM's Global Siebel Alliance, he was one of IBM's first client managing directors. Mike may be reached at mbyrnes@insight-group.com.

Ed Petrozelli is president of The INSIGHT Group. He works with clients to build, help implement, and validate their strategic business/marketing plans, account relationship/coverage plans, and organizational structures. Prior to joining INSIGHT, Ed spent 30 years at IBM Corporation, where he was a senior executive and a member of the Senior Management Group. He served as vice president and general manager of a number of IBM's global businesses, including Worldwide Petroleum Industries, Network Computer Division, Product Lifecycle Management, U.S. & Latin America Industries and Solutions, and Global Channel Sales. Ed may be reached at petro@insight-group.com.

Leveraging Corporate Relationships

Although account management is not a new concept, it has progressed to hold a whole new level of importance as more companies strive to grow their solutions and services businesses. And if that's not enough, recognizing the critical value of a well-conceived and well-managed account management program is imperative for global companies, as the term "global" is transforming rapidly from buzzword to reality. Companies realize that they need strong business relationships with C-level executives of their most important customers, an in-depth understanding of their customers' wants and needs (especially for solutions and services), and the ability to link their strategic core capabilities with an effective global go-to-market plan.

Many companies have restructured their sales and marketing organizations numerous times over the last decade, with mixed results. So what is different about account management today that makes it so difficult to get it right? In today's environment, companies are required by their customers to provide a business solu-

tion—not just a product—and the solution must be deployed globally. These changes have put significant demands on companies, but they also have provided an opportunity for gaining competitive advantage that can result in share, revenue, and profit growth. Developing and implementing a best-in-class global account management coverage plan with a significantly expanded account executive role is one of the most critical strategic components in driving sustainable competitive advantage.

Account Coverage Health Check

Why have many previous attempts to improve account management processes not produced the desired advancements in coverage, business results, or customer satisfaction? There are several common problems that occur repeatedly with unsuccessful account management plans. Companies should consider reengineering their program if they answer no to more than two of the following questions.

1. Are your most talented, experienced executives assigned to key accounts, and do they have a well-defined

career path?

2. Are key services delivery professionals involved in the selling process with clear roles and responsibilities and an identified sales process for services-led opportunities?

3. Can your account teams act globally to address your customers' multinational needs in response to cross-geographic opportunities?

4. Do you have a "one face, one firm" image to your global customer in order to leverage and derive competitive advantage from a "global" brand? Do they have the IT tools and support systems necessary to enable them to be responsive?

5. Do business processes exist that allow your account executives to commit your firm's capabilities effectively and responsively?

6. Are account executives' objectives/compensation aligned with their customers' value and success measurements?

7. Are revenues and profits "optimized" with total customer revenue, profit, and satisfaction vs. geographic optimized metrics?

8. Do your account teams have an in-depth understanding of their customers' industries and business models?

9. Do your account executives have strong "senior customer executive" relationships? And do they sponsor relationships between your firm's services thought leaders and their customer executives?

10. Are coverage and skills deployments balanced with customer opportunity?

Having a good understanding of these common problems is an important first step in developing and implementing a best-in-class account management plan and reengineering the role of the account executive.

Five Key Success Elements

There are five key elements for a successful account management plan. To be certified and judged as best-in-class requires that all five elements be implemented effectively in a holistic manner. These key elements for success are as follows:

1. Executive leadership: Senior management commitment to cultural change and the resources to make it happen.

The senior management team must do more than just support the initiative; they must be personal advocates who ensure successful implementation of the initiative. In order for the initiative to be successful and to overcome current geographic, product, and other resistances within the company, their personal involvement and commitment is critical. They must ensure that the entire company is fully aligned and committed to the global account management initiative.

2. Global account executive: Empowered leader with the knowledge and skills to act for the entire company—paid on global P&L and customer satisfaction.

A new executive position must be developed with the duty to report to the top of the corporation and reflecting global customer expectations, such as the ability to commit the corporation. This executive must be empowered to commit the company and enabled to lead a global team successfully. This position is not just that of a senior account executive, but it is an executive position with specific job objectives, reporting relationships, roles and responsibilities, empowerments, compensation, and required knowledge, skill, and experience.

3. Account planning process: Global account selection and planning process with congruent global business objectives and measurements.

Global accounts must be selected based on globally applied rules-based selection criteria that provide better insight into global potential and opportunity, customer receptivity, and your company's strategic capabilities. A comprehensive global account plan must be developed and supported with both executive management involvement and a cadence process having congruent business objectives ensuring effective account execution throughout the year.

4. Enabling support systems: Global processes for contracting, pricing, revenue and profit tracking, CRM/IT systems, resource planning, and headcount support.

In order for a global account executive and team to support and deliver world-class solutions, they require global support processes, systems, and tools.

5. Global structure and team: Global account team, structure, and support organization that matches customer buying profile and revenue opportunity.

Based on a global account's buying profile, current revenue, and potential opportunity, a global coverage strategy must be developed. The global team can be a combination of dedicated and shared resources, as long as the entire team is measured by a congruent measurement system. The global account executive needs to be given funds that can be allocated to team members for customer opportunity pursuit and travel expenses.

Reengineering Payoff... Lessons Learned

What results can a company that moves successfully to a best-in-class global account management model expect? Establishing broader senior-customer relationships, improving responsiveness, and demonstrating an

ability to provide solutions on a global basis can result in an increase in revenue, profit, and customer satisfaction. Over time, the entire customer relationship may change, as you transform from being an important vendor and become a global partner with the ability to provide products, services, and business solutions where and when the customer needs them.

Successful companies have a common set of critical success factors. Senior management must take ownership and ensure that the environment is receptive to change. There are often long-established geographic, product, and organization practices that inhibit the transformation needed for a global approach. Senior leaders must be the “change agents” leading the organization toward becoming global. Investments are required, such as developing new roles and career models for your global account executive and global support systems and processes that enable the pursuit and management of global opportunities. The transformation doesn’t happen overnight. A holistic, phased approach is needed.

Who can benefit in leveraging corporate value through best-in-class global account management? Clearly, companies in the Fortune 500 must have a successful program, but growing companies responding to global business solutions and services-led opportunities are also key candidates. More and more key customers are requesting solutions that must be implemented in multiple countries. The global account model can be scaled to match the size and capabilities of your company. Companies that are best-in-class in global account management will have a significant competitive advantage over their competition. ▼