Chapter 16

The sixth step in the co-value creation process revolves around executing on value. We agree wholeheartedly with customers when they say that executing on value is a prerequisite for a long-lasting relationship. Without seamless, smooth execution, there will be no collaborative co-value creation and nothing on which to build a durable long-term relationship.

In the chapter that follows, Dennis Chapman uses examples from his own basketball and business careers to illustrate the key conditions necessary for successful execution. As always, you have to create a virtuous circle by which you execute, you measure, you fine tune the execution, and then you measure some more. Furthermore, the author sagely illustrates how relationships and mutual commitment are the bedrock of successful execution. (Bernard Quancard)

Execute Value, Deliver on Customer Relationships and Commitments: Thoughts about a Coach

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After my 60-plus years in life, and 40-plus as a business professional, I am convinced that everything I needed to be successful—the skills, traits, and disciplines—I learned on the fields and courts where I played competitive sports. So it's only fitting that to illustrate the concepts of what it takes for a strategic account manager and his or her team to execute value and deliver on relationships and commitments I will lean on the lessons I learned from the coach who made the largest impact on my life.

A few years back, I had the opportunity to play three years of Division I basketball at the University of Massachusetts for Jack Leaman, who is the winningest coach in school history and a member of the Boston University Athletic Hall of Fame ('77), The UMass Athletic Hall of Fame ('88), and the New England Sports Hall of Fame ('03). In other words, Jack was an incredibly successful person. But Jack was only as prosperous as his teams were—meaning his career was fully dependent on the routine successful execution of plays by a handful of 18-to-22-year-old boys, which, based on what we know about men this age, may not always have been the easiest task. But Jack was able to get 12 rowdy alpha males with grandiose hoop dreams to simmer down and play for one another with a singular team focus and dream year after year after year. It's fair to say that pondering Jack's success and trying to incorporate what I learned from him into my own life was a substantial undertaking early in my business career.

Fortunately for me, Coach and I had forged such a strong relationship in those three years at UMass that, for years after, I could still call him to pick his brain for advice or whatever wisdom he wished to bestow upon me during our conversations. While Jack never really came right out and said, "This is how you win…," I eventually was able to piece together his advice into the following three principles for executing success:

1. Measurements (statistics, metrics, and analytics) are the lifeblood of executing successful decision making.
2. Relationships must be managed because executing success is rarely done on one's own—especially when operating in a team environment.
3. Commitment to executing success must be mutually shared amongst all of the key stakeholders.

I have personally utilized these principles, in different flavors for different processes, throughout the duration of my business career, and they have served me well and helped me realize great success. Naturally, they seem like the first place to start when analyzing what it truly takes to execute value inside of a strategic account. And wouldn't you know it, these same three principles will provide the perfect framework for your organization to successfully execute value inside your strategic accounts. To put it simply:

(Executing) Value = measuring impact + managing relationships + mutual commitment

For the rest of this chapter, let's draw the connection between the role of the strategic account manager and that of Coach Leaman, who was tasked with executing and delivering value (i.e., winning) to his customers (the team) and other stakeholders (the university and fans). Now it is my job to translate how Jack used the equation above to become the winningest coach in UMass history into the principles and methods that will enable you, the strategic account leader, to execute value for your customers.

Measuring impact

Jack, and the entire UMass men's basketball team, had a plethora of measurements, statistics, and analytics at our disposal: points per game, speed, field goal percentage, number of turnovers, height, rebounds, assists, and on and on and on. There was a statistic to measure everything that happened on the court—even in my day. But an inventory of these measurements is far less important than their application. As our leader, it was Jack's job to determine which statistics and metrics to utilize to formulate a game plan for each opponent that would put us in the best position to win. Whatever the strength or weakness of our next opponent, Jack had metrics at his disposal to analyze, crunch, and use to formulate a winning game plan. The decision-making process by which Coach made his game plan was quite simple: accentuate the gains/advantages and minimize the losses/disadvantages. So before we did anything, Coach was able to formulate a winning game plan by maximizing our advantage gaps and minimizing our disadvantage gaps through the use of metrics, measurements, and statistics. This game plan directly influenced and fed our action plan for that week, be it drills in practice, conditioning schedules, the starting five, or what-have-you. But more on that later. For now, let me translate for you the process by which Coach utilized statistics to drive results into principles for executing value.

Similar to my college basketball team, you, as a SAM and business professional, have countless measurements and metrics available to you. The hardest part for you is going to be determining which are the most impactful and valuable to you and, most importantly, to the customer. While your organization may have the quietest HVAC units on the market, it is eminently possible that your customer doesn't value lower sound levels in their HVAC solution—so such a metric is not impactful in their tallying of your organization's value. Therefore, it is critical that you take the time to understand what each specific customer organization values, how they will be measuring these values (i.e., "success"), and what factors impact (positively or negatively) these customer-defined values.

Do not assume that all customers value the same thing or that revenue/profitability are the only metrics that organizations use to determine value. Take the time to discover what the customer organization is looking to accomplish and ask them, "How are you measuring success this year?" Only by gaining a solid understanding of the success metrics the customer organization is using will you then be able to align your own metrics and measurements to speak their language.

Alignment of your organization's measurements and metrics to those of the customer is the only way that the two organizations' numbers will speak the same language and deliver the same impact. They need to be aligned both in scope/magnitude units of measurement. If you want to convince a healthcare provider of your value by talking up new revenues, when the provider is calculating its own successes by patient turnover, then any concept of value will be lost in translation. It is your role as the leader to align your own success metrics into the customer's own metrics for success. Once translated and aligned, then you and your team are ready to begin building the metric-based value proposition. You do this by calculating the total value to the customer by aggregating both positive and negative impacts into a metric-based summary that you can present to the customer for collaboration and validation.

Managing relationships

At some point people have to engage with people. This is as true on the basketball court as it is in the boardroom; as good a tactician as Coach Leaman was, the final outcome was still determined by the execution of plays by a handful of college kids. So what can we learn about the importance of managing relationships in executing value from my old coach? Lots!

Jack had a reputation as "a player's coach." But after playing for him, I quickly realized that he was not "just" a player's coach. He was also a coach's coach, an alumni coach, a faculty's coach, a reporter's coach … You get the idea. Jack was the coach to everyone in and around the university. And while the number of people with whom Jack had ongoing relationships was too expansive to enumerate, it's paramount to understand how much Jack truly valued each of those relationships—no matter how big or how small—because he believed that each of them added value to the UMass basketball team and our shared goal of winning.

This is the first lesson Coach Leaman can teach us about managing relationships when it comes to executing value: Expand your relationship network to include everyone you can. This doesn't mean you have to build trusted advisor status with everyone you meet in and around a customer's organization, but to effectively execute value you will require a wider breadth of relationships than you imagine. Sources of your value can come from anywhere within your organization and its product/solution portfolio; it is YOUR job to uncover how these sources align with your customer. And the best way to discover those linkages is to expand your relationship network. Go high, wide, and deep throughout your customer's organization; executing value requires you to have multiple relationships at all levels and functions at your customer. This expansive network will enable you to uncover what would have been otherwise hidden positive and negative opportunities to align the value of your organization, team, solution, and brand (i.e., your message) to the business drivers of your customer.

The second lesson I learned from Jack about managing relationships is that, while a wide breadth of relationships can help you to spread your message and discover new sources of value, to accomplish the internal selling required to secure buy-in for your value requires having the RIGHT relationships. Let me explain by introducing you to Ray Ellerbrook, who was the captain of our team and the closest thing that Jack had to a coach on the court. Ray played so many roles for Jack—the communicator, the peacemaker, the messenger…whatever Jack, the team, or the university needed Ray to do, he did. Ray was a Jack disciple, and in business terms he served as the champion for his teammates and everyone who surrounded the team as well. To translate Ray's role into your own world, he would be the one who sells the message internally, who helps secure buy-in, who serves as your closest and strongest relationship inside the customer organization. Any success of the relationship between your company and your strategic account will be wholly dependent on that relationship with your champion. Without a proper champion in place at the customer organization, there is absolutely no way to execute value.

As I said before, strong relationships alone won't help you justify your value. Your relationships have to be at levels of your customer where value can be built, understood, and acted upon. As a strategic supplier, you will be wasting everyone's time if you present and try to execute value for people within spheres of influence at the organization who won't "get it." Typically value can only be justified and understood at the higher levels of an organization. And while I believe this to be mostly true, it comes with one caveat: You need to look beyond job title for other indicators of "the right relationships." It is my experience that there are others who will understand, buy into, and help sell properly executed value (beyond your champion) within the power centers of influence within your customer organization. And they won't always have the job titles you expect.

The final lesson I learned from Coach that is pertinent in your quest to better execute value for your customers is that, the farther you can move up the trust chain, the easier this process becomes. Put the hard work and effort in early to build rapport and credibility. Mutually define, agree to, and over-deliver on commitments. Do whatever you can to move the trust needle in a positive direction. Coach Leaman led by example when it came to this. His door was always open, he was an excellent listener, and he communicated clearly his thoughts and expectations. His greatest gift as a coach may have been his ability to create a culture of openness, collaboration, and competitive comfort on and off of the court. We (the team) always knew that he had our back, and literally nothing would get in the way of doing what Coach asked of us. And this was all thanks to the high level of trust between coach and team. No one ever doubted his personal commitment to our team and personal success.

There's no way to sugarcoat it: To execute value, there has be collaboration built on trust, transparency, and mutual agreement on actions. Otherwise, your story of value and commitment won't be properly told, and your ability to effectively deliver the positive business outcomes the customer expects from its investment in you and your organization will be lost. Executing value is a high trust exercise, and it requires a 110 percent commitment on both sides. Which brings us to the final principle I learned from Coach …

Mutual commitment

I can vividly remember the following phrases (in some form) from some of those early conversations I had with Coach as I was deciding where to bring my talents:

"If you commit to the University of Massachusetts, the university will commit to you."

"If you come to UMass, you will have my full commitment."

"Committing to this team will repay you."

Honestly, I cannot say if this approach was intentional, but Coach was consistent in his message about commitment. Even after I'd joined his team, he continued to preach a gospel of cooperative commitment. What stands out to me after all these years is that, to Coach, commitment was never a one-way street. It was always, by definition, mutual. In all of those statements and throughout my conversations with Coach, whenever the concept of commitment surfaced, it was positioned within a mutual win-win framework.

This is an incredibly important insight, and if there is one thing I would want you to take away, it is this: You will never execute, communicate, and validate value, or build the necessary high-trust relationships to do so, with unidirectional commitment. If there is only one party in the relationship that is consistently committed to the relationship, a climate of resentment will build and destroy any possibility of executing or validating value.

So what can you do as a strategic account leader to ensure mutual commitment in the relationship?

If you are starting from "scratch," the first thing to do is to find some worthwhile short-term win-wins. If you are beginning the journey up the trust ladder, you need to build commitment, credibility, and trust. The following best practices for gaining and maintaining mutual commitment require a certain level of trust between supplier and customer.

To succeed as a leader in this endeavor, you will need these three things:

1. Something to drive and measure mutual commitment
2. A way to create and manage (new) mutual commitments
3. A formal venue for reviewing both

The practice that will best drive and measure mutual commitment is a **joint scorecard**. The purpose of the joint scorecard is to serve as a measurement tool where both the strategic customer and strategic supplier assess one another's performance against a set of agreed-to performance drivers/activities that influence the accomplishment of mutually agreed-to strategic priorities, e.g., value creation, higher quality standards, or a more collaborative relationship. The expectation is that performance gaps may be identified that, when addressed, will enable the successful accomplishment of the agreed-to priorities.

The best practice that will enable the development and management of mutual commitments is the **collaborative action plan, or CAP**. The CAP is a co-developed, constantly evolving plan that is revisited during ongoing business reviews and other appropriate meetings between a strategic customer and one of its strategic suppliers. The purpose of the plan is to formalize the mutually agreed-to efforts over a designated timeline, including roles and responsibilities associated with addressing a mutually agreed-to issue, opportunity, initiative, or priority. A CAP can include any or all of these.

Finally, you will need a formalized venue to review these two items with the customer: the external business review. The purpose of this practice is to place all of the primary stakeholders from the two organizations in a room where they can freely, openly, and transparently review the performance of the relationship through the joint scorecard and call out what has to happen in the existing collaborative plan.

■ CASE STUDY

The situation

A recent client was having difficulty getting a strategic customer to appreciate all the value delivered by the supplier. In fact, the supplier felt like it was being pushed into the commodity box. After careful examination of the situation, we discovered three important issues. First, the supplier didn't have a key contact at the customer with the power to change the direction of this tide. Second, in most cases the supplier's extra value efforts ("value-adds") were being executed without recognition and little if any involvement from, or validation by, the customer. And last, the customer hadn't even committed to being a part of these initiatives, leaving the two organizations misaligned in their priorities and commitments.

The remedy

The account team began a strategy of identifying the right champion at the account. After pinning him down, they involved him and a core customer team in the development of initiatives that were aligned to customer priorities and documented these efforts in a collaborative action plan. They then collaborated with the customer on a joint scorecard made up of key performance metrics tied to success. And finally, they developed a methodology and associated calculations to monetize the positive financial impact they were delivering through these extra efforts.

The result

Today, despite being in a market that could be termed a commodity business environment, this client brings in greater revenue than ever from a broader portfolio of customers. This is a very simple example of the success that's possible when executing value is supported by managed relationships and mutual commitments by all. ■

Conclusion

It can't be a coincidence that I also have coached basketball (albeit at a far lower level) and had similar success to Coach Leaman. I'm not the all-time-winningest coach at any Division I programs, but I did routinely coach my son's travel team to ridiculous winning records, typically playing more than 50 games a winter up and down the East Coast against quality competition and never once losing more than 10 games in a season. Could it be that I simply had better players to coach? Maybe. But I prefer to think that it was those principles that Coach Leaman instilled in me. For a basketball team to be successful, I've developed this equation to replicate a winning culture on our team:

Winning = (statistics x game planning) + (right coaching x right players) + mutual commitments

As a strategic account manager and (future) business leader, I used the same principles and concepts to construct a similar equation that would provide the key to forming mutually beneficial relationships between customers and suppliers:

(Executing) Value = measuring impacts + managing relationships + mutual commitment

Unfortunately neither Coach Jack Leaman nor Captain Ray Ellerbrook is here with us to appreciate the impact that they had on my life and the lives of so many others. But I do know we can all share in the value they provided. For this and much, much more I thank them for the opportunity to learn, explore, and have a meaningful business and personal life. And to you, the reader: May you also follow these same principles and share in similar successes as well.