

Chapter 17

SAM is a journey. The strategic account manager doesn't manage projects or opportunities but rather a strategic corporate relationship. It's not about delivering projects but about having a continuous and long-lasting impact on customer business outcomes. The SAM is the manager and orchestrator of a strategic productivity journey with the customer, not a closer of deals. In this chapter, we will see how critical it is to use the voice of the customer and to establish a dashboard composed of customer metrics to allow for the effective managing of the overall business relationship.

The business cases that Walker covers in this chapter are all good illustrations of managing a customer relationship through time, rather than just managing deals. The common thread between each case is the idea that strategic account management is a customer productivity journey, rather than just the management of deals or projects. The objective of managing a corporate customer relationship is to bring innovative ideas, build trust, enhance reach, and attain trusted advisor status for the SAM, which should be the ultimate objective for all SAMs with their strategic customers. (Bernard Quancard)

Realize and Expand Value through Overall Relationship and Outcome Management

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In this section we'll focus on realizing and expanding value with customers through effective management of the overall customer relationship and desired outcomes. This zeroes in on step 7 of the SAMA SAM Process, wherein strategic account managers strive to strengthen their relationship with customers to expand share of wallet and achieve the role of a trusted advisor.

Four key elements are at the heart of this step: (1) gaining a deep understanding of the customer's business, (2) being a strong advocate for your customer within your company, (3) developing a solid measurement to monitor progress, and (4) bringing relevant ideas and solutions that show your commitment to customer success. While there are many ways to develop these elements, this section will focus on several key tactics proven to make a difference.

The mid-contract opportunity

Like it or not, most of us tend to do our best work when the situation is urgent—or at least that is when we give something our full attention. In the life of a strategic account, there are several key

times when this is very common: when we're competing to win business, when we're getting things up and running, when a problem arises, and when the account is up for renewal. At each of these times, the pressure is on and we're focused on delivering as much value as possible for the customer.

Unfortunately, the opposite is also true. When things are running relatively smoothly—typically, when an account is in the middle of its contract—we tend to turn our attention to more pressing matters. We can easily be lulled into a false sense of security, only to find out later that our customer was never very happy, and at the time of renewal we end up fighting to keep the account. And when we scramble to bring our best work to our client, who could blame them for saying, “You’re too late!”

Seizing the opportunity that exists at the mid-contract stage with an account is an effective way to avoid such surprises. The mid-contract stage is the ideal time to evaluate the value you are delivering to your customer and identify ways to deliver even more value.

■ CASE STUDY: Cushman & Wakefield continually evolving its client relationships

Most professional service businesses work hard to sustain client relationships as long as possible to counter the high cost of finding and adding new clients. Global commercial real estate is no exception to this rule, and Cushman & Wakefield (C&W), a \$3 billion giant in this space with offices in 60 countries and more than 45,000 employees, has undertaken a unique approach that earns longer-term client relationships and more renewals. They call the approach an “account assessment.”

For its largest strategic accounts, C&W conducts an assessment in the middle of the client contract period. This means a client will receive a formal account assessment two to three years into a five-year contract, and this is in addition to business reviews and client meetings it conducts on a quarterly and annual basis. Barbara Desmond, a senior managing partner, summed up the benefits of the more intense assessment: “Our clients deserve hearing about the latest and greatest we can offer them and hearing that sooner than later—certainly sooner than at the rebid presentation.” Cushman & Wakefield had sustained double-digit growth and high renewal rates even before the new process began—but just the small risk of lost business with clients this size has made account assessments well worth investing in.

C&W's account assessment program draws from a variety of internal functions and teams, all facilitated in-house. New “players” are invited to rotate into each assessment, including subject-matter experts who are not engaged in day-to-day activities. This cross-functional team collaborates with the account team and various role players supporting the account and also participates in interviews with client contacts. The assessment team identifies the successes, challenges, weaknesses, and opportunities for improving the relationship and increasing value delivered to the client.

The current state of the relationship is explored in depth as well as the best practices that could be incorporated into the relationship. The assessment team then analyzes the findings and delivers recommendations for the account team to confirm and discuss with the customer.

Critical to the process is the action plan with a timeline specifying tangible benefits to the customer—things like enhanced processes, cost savings, risk mitigation, and simpler decision making. Then by executing these changes and improvements, C&W positions itself more strongly for when the client rebids the contract and compares C&W services to its competitors.

As one key to success, Desmond stressed communication and the need to assure the account team and client of the value the process can bring. Clients see the fresh ideas with input from experts and can rest assured that the best-fit services and newest practices are being considered.

Cushman & Wakefield breaks down the total solution and services it provides, with questions posed on subjects like:

- The contract
- Tools offered by C&W that enable facilities management
- Reports offered by C&W

- Metrics used most or needed to do the job
- Working with C&W people
- Working with C&W processes

The client and account teams are asked about what the customer wants most, if they receive all they need now, and whether other improvements or better practices might be available. In addition to probing about the current state, clients are asked how their businesses are changing and what they want in the future or in an ideal state.

For each recommendation, the team documents steps it will take to implement changes, identifies potential obstacles, outlines the timeframe to implement, and estimates the cost in man-hours and dollars. Perhaps the most important purpose of the assessment is to determine the payback to clients and to C&W for each recommendation in terms of cost reductions, efficiencies gained, enhanced decision making, and risk mitigation.

The C&W account team and other resources are aligned around proposed changes, and then the project is executed collaboratively with the client. Updates are given quarterly and annually.

This process has paid dividends for Cushman & Wakefield and its clients, including:

- Increased revenues through high renewal rates going even higher
- New internal relationships and bonds formed
- Better shared learning from and across subject-matter experts in a global organization
- Expansion of services, scaling of innovative approaches
- Celebration of successes

Clients of C&W have attested to the benefits of seeing best practices and services sooner than they would otherwise as well as enjoying better reports and streamlined processes. In general, customer feedback praises the assessment for helping leverage the capability of C&W as a strategic service provider. ■

Use journey mapping to jump-start mid-contract strategies

It's clear Cushman & Wakefield has a proven system in place for leveraging the mid-contract opportunity. But how can you implement this discipline in your organization? One useful approach to getting started is journey mapping. This involves gathering insights from inside your organization as well as from customer contacts. You begin by having the key players on your account team, as well as other key individuals from functional areas across the business, to literally map out all the interactions and steps the customer goes through while working with your company. Typically a facilitated exercise, the group posts dozens of sticky notes along a blank wall to chart the customer's journey and then digs deeper to determine strengths, weaknesses, and key "moments of truth" that can make or break a customer relationship.

A second or parallel step is to have corporate staff or third-party experts interview customer contacts regarding the partnering relationship. The topics explored may include the customer's changing plans, unmet needs, new solutions, additional support, and any other relevant topics. Once all content and inputs are documented, the findings are grouped and analyzed to determine the most essential implications for action-taking. In short, the analysis should take the form of identifying:

- **Strengths.** What moments of truth for the customer do you perform so well as to be leverageable, i.e., part of the reason your customer buys from you versus a competitor or via self-service?
- **Opportunities.** What experiences for the customer, if improved or better monetized, would make enough difference to your customer as to become a leverageable strength?
- **Weaknesses.** What issues for the customer take priority for fixing, i.e., moments of truth where performance falls short and negatively affects the relationship?

Finally, you will create a set of recommendations and planned initiatives based on an analysis of the inputs as well as collaboration with selected customer contacts. The goal is for the customer to agree that your team proactively invested in providing refreshed and improved approaches for the duration of the contract in advance of any RFP that may be issued. Journey mapping is a highly interactive and engaging process that motivates teams to take action. Effectively implemented during the mid-contract stage, it is an excellent way to discover new opportunities to deliver value to your most strategic accounts.

Leveraging the “voice of the customer” for growth

Strategic account managers are pretty good at acting on customer feedback. The data from SAMA's latest “Survey on Current Trends and Practices in Strategic Account Management” backs this up. When asked to rate their skills and abilities, SAMs rated “acting on customer feedback” as their top skill. Impressive! Since it is clear SAMs respond well to requests and input during their normal day-to-day interactions, do they really need anything else?

Actually, a more formal process of gathering feedback through surveys and other techniques serves as an excellent complement to the daily interactions of a SAM. Here's why: A structured voice-of-the-customer program provides feedback that is more comprehensive and objective. It is in this environment that customers are more likely to share the positives and negatives of the relationship. And often, there are surprises.

While SAMs may feel like they know their customer better than anyone else (and probably do), it is impossible to know everything. And sometimes those knowledge gaps result in revenue losses for the supplier. This can be particularly true when trying to understand the perspective of senior-level contacts who may have been involved in original purchasing decisions but now may have less day-to-day contact with the account team.

It's important to have a solid voice-of-the-customer program that collects useful customer insights, provides a solid rating for each account, and prompts action to address issues and leverage opportunities. Such programs are typically administered in a different part of the organization, so it is important to search out the person or department that administers your customer listening program and make sure you're getting the customer insights you need to serve your customers.

■ CASE STUDY: Leveraging the “voice of the customer” at Johnson Controls, Inc.

Johnson Controls, Inc. (JCI), a global company with core businesses in the automotive, building, and energy-storage industries, conducts an extensive customer experience program that leverages the voice of the customer across its company. This highly visible initiative creates a constant flow of customer insights that influences strategic direction and fuels quality improvements, service enhancements, and overall focus on customer issues and concerns. Among its most important benefits is the use of objective customer feedback to monitor and improve the company's most strategic relationships.

Key ingredients of JCI's voice-of-the-customer initiative include:

- Gathering the right insights from the right people through a variety of methods
- Creating awareness to engage customers and employees through visibility and access
- Creating improvement initiatives, with accountability, at all levels based on customer priorities
- Providing links to other information sources to demonstrate a quantified ROI for the business
- Aligning customer feedback to each employee's job and aligning it with corporate strategy
- Creating a network of cross-company customer advocates

These initiatives clearly demonstrate JCI's integration of the voice of the customer into all levels of the organization in a way that is actionable, drives results, and includes the SAMs. "Strategic account managers are likely the most important users of customer insights," said Daniel Viera, JCI's global manager of customer experience. "Because they interact directly with the customer on a regular basis, they can immediately put feedback to use to leverage an opportunity, address a concern, or respond to a request. These are our quickest wins!"

Customer feedback is made available to SAMs in a variety of ways. First, they receive feedback provided by each individual involved in their account. Input from these contacts is seamlessly delivered to them via the customer relationship management (CRM) system they use every day, making it easy for SAMs to view, interpret, and respond quickly to ratings and comments from individual customers.

Customer feedback is also provided at an account level, where input from all the contacts within a strategic account are rolled into one report. This provides the SAM with a concise view of the entire account relationship, revealing key metrics, ratings, and comments. These reports are shared with all strategic account managers, distributed by email, through their CRM system and via SharePoint.

Finally, the customer experience team conducts one-on-one meetings to review customer feedback, provide perspective on the results, share important trends, address any questions, and ensure the SAMs have a complete understanding of the insights provided by their customers and can determine appropriate action steps. The customer experience team also provides a format for action planning which is tracked using customer dashboards within the CRM system. Monthly update calls also ensure that the customer experience team is available for any additional support.

"Our strategic account managers do an excellent job of managing and growing our most important customer relationships," said Viera. "The role of the customer experience team is to support the SAMs' efforts by providing added insight to help them be more effective in their role and help them deliver more value to our customers."

JCI's customer experience program has resulted in driving integrated, continuous improvement processes across all regions and channels based on the voice of the customer and identifying early operational predictors through the value chain that impact overall customer experience and business relationships. The voice of the customer is embedded into day-to-day business processes and establishes metrics to inform decisions as well as align programs to commercial excellence strategic initiatives. The strategic account managers are key to creating successful results by using and acting on customer feedback. ■

Keeping score: Measuring and monitoring progress

SAMs inherently have a good sense for how things are going with their accounts. Most of the time they can tell intuitively if a relationship is headed in the right direction. However, to objectively evaluate progress it is essential to have a practical way of measuring and monitoring it, and so maintaining a clear scorecard for each strategic account just makes sense. A scorecard provides the structure necessary to objectively track the health of an account and which way it is trending. A solid scorecard also will help gain internal cooperation, secure executive buy-in, and identify areas that demand focus.

While the specifics of a scorecard may vary by company, consider the following five areas as a recommended structure for a strategic account scorecard:

- **Financial success:** to determine if targets are being hit and customer goals are being met. Measures can include spend, profitability, and growth. They can also include customer goals, productivity, operating expenses, and incremental revenue.
- **Execution:** to determine if quality standards and delivery schedules are being met. Measures can include on-time projects/delivery, speed to market, product failures, and problem resolution.
- **Customer insight:** to understand customer feedback and perceptions. Measures can include service ratings, satisfaction/loyalty scores, and customer comments or complaints.

- **Competitive position:** to understand how you stack up with your competition. Measures can include number of suppliers, share of wallet, preferred status or no-bid status.
- **Involvement:** to determine the level of engagement from your customers. Measures can include participation in events, forums, or councils, and willingness to provide references.

Using these five areas as a guide, developing an account scorecard provides a solid structure for monitoring progress and securing support throughout the organization.

■ CASE STUDY: Keeping score at EMC

EMC is a \$24.5 billion company with approximately 400 sales offices across 86 countries. With its strategy to enable business customers to transform their operations and deliver IT as a service, EMC works to closely engage its customers. Led by its corporate vice president, EMC's Total Customer Experience (TCE) program has the operational responsibility for engaging EMC's customers, partners, and employees to drive quality, innovation, and continuous improvement into its products, services, and business operations.

EMC is driven by key metrics, and work with its strategic accounts is no exception. Not only does EMC collect a wide range of internal and external metrics, but it has an innovative program to focus on distributing the right metrics to the right stakeholders through highly informative online dashboards.

As background, the EMC Total Customer Experience team distributes voice-of-the-customer, voice-of-the-partner, and voice-of-the-field insights to a broad range of functional groups including sales, service, and other supporting functions. The team also uses supporting data analytics to gain deeper insight into customer feedback and drive continuous improvements based on these insights. "We modified and leveraged existing TCE programs to ensure we collected insights along the end-to-end customer journey," said Jenny Beazley, director of global customer advocacy at EMC. "We want to ensure we know how our customers buy, get deployed, receive support, and use our products."

Delivering metrics on strategic account performance in a digestible and actionable manner is a significant challenge. To do this, EMC created end-to-end account dashboards, which made displaying the array of insights about specific customers scalable and viewable for strategic account managers, global account managers, executives, and sales teams. This tool includes the current status of the account with information across categories, including:

- **Financial success.** The dashboard reveals revenue trends captured over a period of years influenced by the 3- to 5-year buying cycle it sees as typical for a company to perform a refresh of its technology. This information proves to be critical as SAM teams move toward conversations with customers about renewals. This interactive dashboard provides the ability to drill down by revenue source for hardware, software, professional services, consulting, and other services and solutions provided by EMC.
- **Execution.** This portion of the dashboard focuses on quality events such as issues the customer has experienced that impact its satisfaction with the product. Often, quality incidents will connect with a corresponding low service transactional satisfaction score, which is also highlighted on the dashboard.
- **Customer insight.** EMC displays information based on how customers compare to each other in terms of customer satisfaction ratings, Net Promoter Scores, and comparative industry ratings. What's more, EMC segments its strategic accounts into four key categories representing its customers' level of loyalty to EMC: "truly loyal," "accessible," "trapped," and "high risk." This breakdown helps account management teams tailor their approach to the customer based on the customer's overall relationship with EMC.
- **Competitive position.** Data in this section comes from industry feedback from a large panel of IT professionals. The information, which is specific for each industry EMC serves, provides a snapshot of the competition and how EMC stacks up. These insights help strategic account teams understand the competitive landscape and deliver important perspective for their day-to-day interactions.

- **Involvement.** The dashboard also provides a perspective of customer involvement and engagement. EMC has found its most engaged customers, for the most part, will respond to its global customer loyalty program survey, from which it derives a Net Promoter Score. The dashboard clearly displays the proportion of those customers that are categorized as “promoters,” “passives,” or “detractors.” ■

The trusted advisor: Bringing ideas and building trust

What does trust look like in a strategic account relationship? To capture this, consider this somewhat obscure quote from Woody Allen: “Someday the lamb will lay by the lion ... but it won’t get much sleep.”

Strategic account relationships are much the same. No matter how much trust is built or earned, SAMs always need to be proactive and alert to ensure that relationships are constantly growing. Because mergers, reorganizations, and other sweeping changes that are completely out of the SAM’s control are so common in today’s business environment, constant attention is vital to continually earn and maintain trust.

To develop deep, trusting relationships a SAM must do more than manage day-to-day activities. Rather, he or she must establish a format for having thoughtful discussions where ideas can be shared and trust can be built. A proven technique is to conduct quarterly business reviews (QBRs) with strategic accounts, where stakeholders can remove themselves from their day-to-day duties and focus on the bigger picture.

The concept of QBRs isn’t a new or earth-shattering idea to most strategic account managers, but consider two questions: (1) Have you sustained your practice of holding these business meetings with your key account(s) each quarter? And (2) how robust and strategic are the meetings for you and the customer?

Group meetings have prompted awkward, or even humorous, responses when strategic account managers are asked a simple question: “How often in a year do you hold quarterly business reviews with your strategic customers?” Sheepishly, half the group typically admits these meetings don’t happen consistently each quarter. Some say they started well but let the cadence of regular meetings slip. Others never established QBRs as a regular practice. However, all tend to agree that the main challenge is making these meetings mutually valuable.

We strongly believe the responsibility for initiating QBRs rests with SAMs and their teams, although planning should include the customer’s input. Four key ingredients are necessary for successful QBRs:

- **The right preparation.** To prepare for an effective QBR, strategic account managers should collaborate with their accounts to compose a joint account scorecard. Different from the scorecard mentioned earlier under the subhead “Keeping score: Measuring and monitoring progress” (which is for internal use only), this is a jointly developed listing of shared goals and metrics to be reviewed at the quarterly meetings with the customer (the QBRs).
- **The right people.** For QBRs to be highly effective, the right people must be involved. This includes economic buyers, technical buyers, and usage buyers as well as executives who have a vested interest in the value delivered by your products and services.

- **The right agenda.** The heart of the QBR is the content. These meetings should evaluate business impact, review activity, provide updates on company and industry news, share best practices, and chart the path forward. The tone should be collaborative, ensuring the customer can sense the SAM's commitment to seeing its success.
- **Effective follow-up.** SAMs can strengthen the effectiveness of a QBR by following up on commitments, sharing additional insights, listing action items, and using other methods that demonstrate commitment and follow through.

Quarterly business reviews can be a highly effective way to ensure your organization is not just another vendor. Implemented effectively, they can be an excellent method to becoming recognized as a reliable, trusted advisor.

■ CASE STUDY: QBRs at Viavi

These four key elements for effective QBRs are clearly evident in the quarterly business review program at Viavi Solutions, a provider of software and hardware platforms that deliver end-to-end network test and visibility solutions across physical, virtual, and hybrid networks. Viavi uses these meetings to connect with its customers on a strategic level, making sure customer goals are met, issues are addressed, and new ideas are discussed for future success. QBRs at Viavi require careful advanced planning to assure a successful outcome. Beginning more than a month in advance, the date is set and participants are invited to attend. Viavi typically casts a wide net to encourage broad attendance, all guided by the topics that will be discussed. At least two weeks in advance, Viavi SAMs work with their primary customer contacts to agree on a productive agenda. Based on the topics, they collaborate with the customer to develop a joint set of slides that is sent to all parties one week prior to the meeting. Those who attend are expected to review the material and be prepared for the discussion.

Joint account scorecards are updated and distributed in advance of the meeting as well. In many cases these provide a report card on Viavi's performance based on established target metrics. The agenda for Viavi's quarterly business reviews includes a host of strategic topics that are important to both the company and its customer. These may include:

- Current challenges, concerns, and company happenings that may be of interest to both parties. This could include upcoming mergers, shifts in manufacturing locations, management changes, budget constraints, and other issues that could affect day-to-day work together.
- A review of current accolades from both parties to include top awards, technology breakthroughs, recent big wins, or strong performance. This review encourages support for each other's successes.
- A review of the product roadmap as well as new technology or services being provided by both parties
- Ideas and new services being developed by Viavi to make it easier to do business together
- An in-depth report card review. This includes dialogue on all pertinent metrics that have been established and discussion regarding plans to improve any metrics that fall below targeted scores.
- Discussion of any opportunities for improvement that might fall outside of report card review
- Feature topic discussion, which may include a guest speaker from within the company to expand on an agreed-upon subject to improve the business relationship
- A summary and review of any old or new action items

After the meeting, detailed minutes are prepared that include a running action register, ensuring that all those involved are well informed of any changes or developments.

"Quarterly business reviews are an essential element in developing strong relationships with our most strategic customers," said Darin Stowe, senior customer program manager at Viavi. "There's no question this is the most valuable time we can spend with our customer, collaborating in a way that encourages mutual respect for each other and shared success for both organizations." ■