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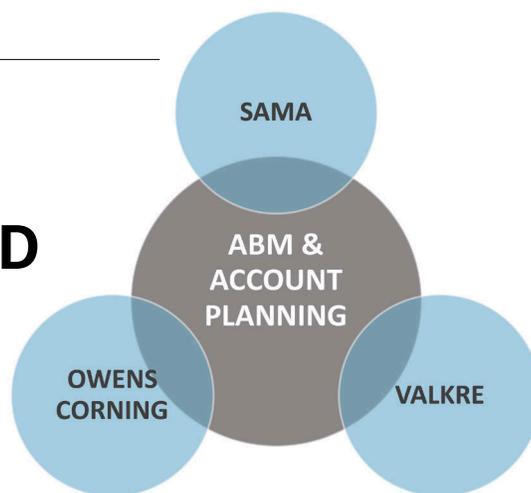
### **In this issue:**

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- Account-Based Marketing
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# BUILDING ACCOUNT PLANS WITH ACCOUNT-BASED MARKETING



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Account-Based Marketing (ABM) is finding its way into the account-planning process. With this connection, account managers have a powerful new marketing partner helping them build more effective account plans. For marketers, the connection is helping them implement their strategic ABM work at the customer. In this article we review how these two capabilities are coming together to form a new, powerful customer engagement model. We will also share an early example of the results being achieved at Owens Corning.

We begin with a story from Owens Corning. They are a strong testament for what can be achieved by getting SAM and marketing working together.

## Owens Corning Case

The Composites business at Owens Corning plays in several mature market segments. When the business was faced with low-cost competitors and slowly eroding market share, we knew we needed to make intentional strategic choices in order to stay competitive in an ever-changing marketplace.

Recognizing the business challenges of quantifying customer value and executing key account plans, the General Manager of the Americas, Director of Sales, and Director of Marketing collaborated to design a formal Key Account Management (KAM) Operating Model and Management System.

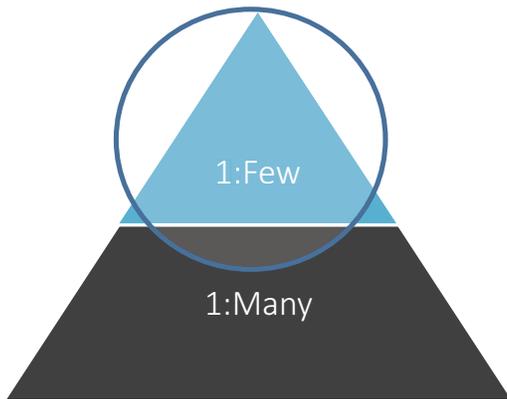
In just one year after implementing a formal KAM program, the North American Composites business gained four points of market share, a 20 percent increase in volume, a 31 percent increase in revenue and a 75 percent increase in standard gross margin vs. prior year, which was more than half of our three-year growth goal. (Note: This compares to previous YOY growth levels in the 2-4 percent range.)

While it's tough to juggle both the near-term and long-term growth goals of the business, we found that a strong partnership between the sales and marketing functions provides an ideal environment for both challenge and support. For example, it's one thing to throw stones at an account plan from an academic standpoint, and it's quite another when both the sales and marketing teams are working together to build and execute account plans so they have a sense of shared ownership and accountability. We've learned that SAM is not a sales process; it's a business model. And it's not purely led by the key or strategic account manager; it's a team sport. As such, you need support from multiple functions with a strong core team led by sales, marketing and general management.

## ABM and account planning 101

We will focus now on defining a few of the ABM and account-planning elements so we can get at the heart of what is really happening behind the scenes.

**Figure 1. Varieties of ABM**



**1:FEW = STRATEGIC ABM**

- Part of Account Team
- Insights based on proprietary data
- Tailored value prop
- Developed engagement plans

**1:MANY = PROGRAM ABM**

- Little to No Sales Involvement
- Automated Insights
- No tailoring of propositions
- Rules based campaigns, AdTech

For programmatic ABM, the marketers operate independently of sales. Customer insights tend to be generated by AI mechanisms looking at public information. Solutions are generic across wide customer groups. And, the approach tends to be operated by rules-based campaigns often driven by technology.

**The KAM Engagement Process**

KAM at its core is a process for engaging with large, important customers. There are well defined approaches to this process, many

**Strategic ABM**

There are different varieties of ABM in the market (Figure 1). The type most everyone hears about is 1:many or programmatic ABM. The variety we are more focused on when it comes to SAM or KAM and building account plans is 1:few or strategic ABM.

For strategic ABM, marketers are part of the account team. The insights developed are proprietary and specifically related to the unique business situation that exists between their company and the customer. Value propositions or solutions are tailored to the customer situation and there is an engagement plan for the customer.

that are conceptually the same.

The significant tenets of this process are:

- Named account: The process is applied to named accounts. KAMs are working with individual accounts and developing plans for their accounts.
- Outside-in: The process starts by understanding the customer.
- Value is key: Throughout the process, being able to identify and deliver value to the customer is key.
- Execution is led by a KAM team: The overall engagement with the customer is a team activity orchestrated by the KAM.

SAMA has its own proven approach (Figure 2).

**Figure 2. The SAMA SAM Process (detailed)**



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## Account plans orchestrate the KAM Engagement Process

Figure 3 on page 33 shows an account plan that you would find within Valkre. The plan orchestrates and organizes the major tenets of the KAM Engagement Process.

The engagement process requires we understand the customer's goals or careabouts. Starting with customer goals, we then connect our strategic imperatives so we can clearly see on a page the threading of what is important to our customer and then how our capabilities and strategies connect. Next we connect the initiatives or projects to those strategic imperatives so it is clear how we will execute. The initiatives, of course, can then be connected to value-creation outcomes for the customer and revenue-generating opportunities for the supplier.

This core plan is then wrapped with typical tools such as account profile, relationship plans, financial plans, internal team, customer fit, coaching scorecards and other tools that may be incorporated.

### The process of strategic ABM is very similar to KAM

Figure 4 shows a process model for Strategic ABM. This model is sourced from Bev Burgess and ITSMA. Pay attention to the work being described. The work is very similar to the KAM Engagement Process.

The strategic ABM process is similar to three of the major tenets of the KAM Engagement Process, but differs in execution. Whereas in the KAM Engagement Process, marketing leads a KAM team, in the strategic ABM process, marketing leads execution.

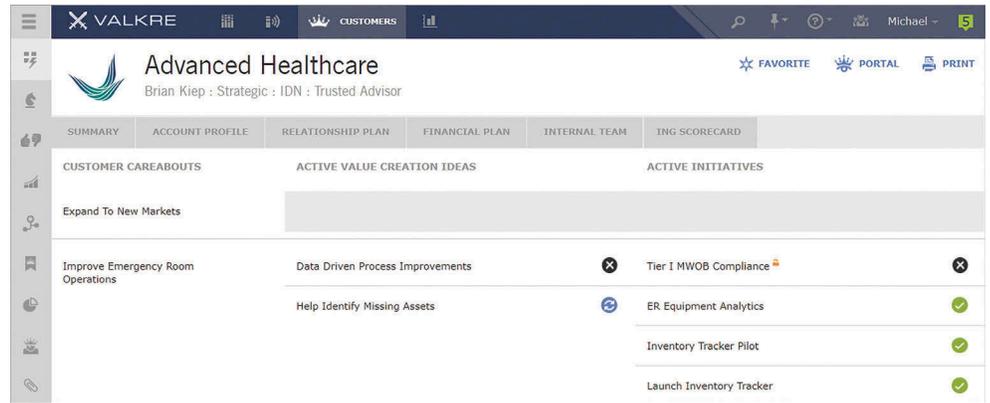
It is at the point of execution where a critical question should be addressed. Should it be the KAM team or marketing leading execution using the account plan as the engagement guide? Or is this the same thing? Marketing is on the KAM team and their work becomes part of the account plan.

### Integrating account planning and strategic ABM

Early in this article, Owens Corning shared their business case. A significant success factor was getting KAMs and marketing working together using the same Plan.

A simple process diagram (Figure 5 on page 34) shows how KAM and marketing can work together to orchestrate a far more effective account plan. Using the same account plan as in Figure 3, we've overlaid a SAM + marketing approach in Figure 5.

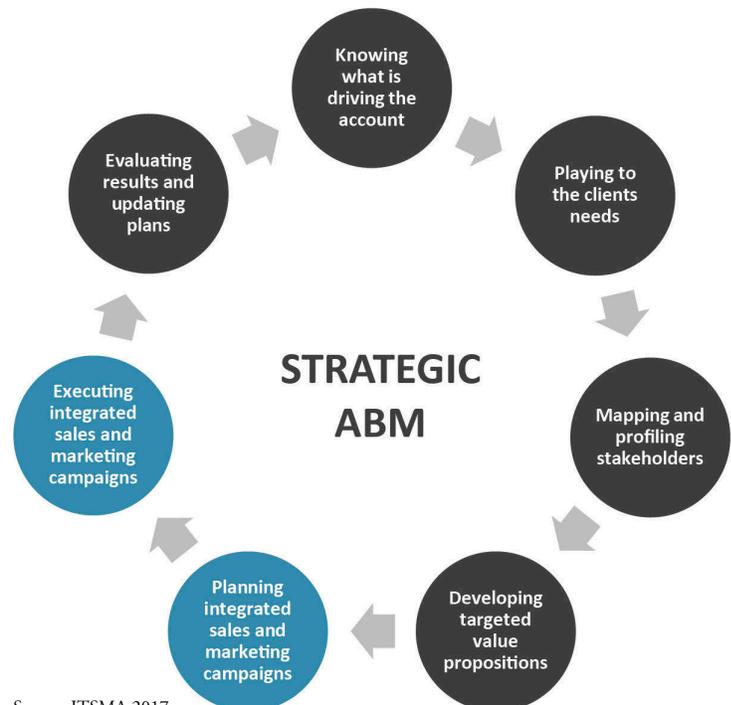
Figure 3. Tenets of the KAM Engagement Process



In the SAM + marketing ABM approach:

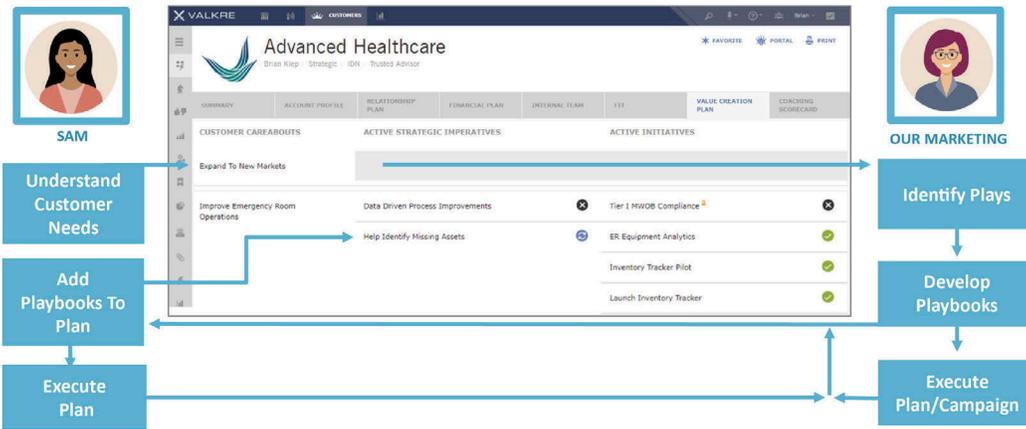
- **KAM understands and shares customer needs:** This is one critically important responsibility that the KAM needs to do better than their counterparts in other companies.
- **Marketing identifies plays:** The marketer is in a unique position to have visibility to many account plans. Unlike the KAM, they can identify the 80/20 rule of plays that matter to the company's large, important customers.
- **Marketing develops playbooks:** Having identified plays, the marketer can now work to develop reusable playbooks that contain much of the information on how their company could

Figure 4. Strategic ABM Process



Source: ITSMA 2017

**Figure 5. SAM + marketing ABM approach**



help achieve the customer goal or careabout.

- KAM adds the relevant playbook to the account plan: Rather than doing all of the work of identifying strategic imperatives and building the initiatives necessary to execute, the KAM now simply downloads the relevant playbook and customizes it for the customer.
- KAM and marketer execute together: Now the KAM and marketer execute together using the account plan as the orchestration device for the overall customer engagement. If marketers do have some programmatic type of ABM plays that pertain to the customer, those programmatic ABM plays become a part of the account plan.

**One level deeper: Identifying plays**

The marketer is in a unique position to identify plays that will be relevant to more than one customer. When marketers are actively participating with KAMs, they are able to share in

**One level deeper: Developing the playbooks**

Having identified the plays, the marketer can now build playbooks that can be downloaded into the account plan. The playbooks can be tuned to match the process, but the point to be made is that they contain 80 percent of the information KAMs would typically have to enter on their own. The playbooks dramatically reduce the time to develop the account plan and can increase quality.

Figure 7 on page 35 shows typical playbook elements: situation, positioning, value story, value calculators, collateral, proof points, competitors and so on.

What we see of particular note are the value calculators which depict outcomes to customers. Defining customer outcomes is a very powerful concept in helping the account manager drive customer engagement. Having marketing working side by side with the KAM to get these calculators incorporated into the account plans is a big plus for the organization.

**Figure 6. Connecting customer needs to products, services and solutions**

Your Offerings	Customer Need 1	Customer Need 2	Customer Need 3	Customer Need 4
Product 1	Play #1	Play #2		PLAY #4
Product 2				
Service 1		Play #2		
Solution 1			Play #3	

Source: ITSMA 2017

the understanding of customer needs and careabouts. Figure 6 demonstrates the idea.

Armed with the knowledge of common customer needs across the spectrum of important, large customers, the marketer can connect those customer needs to products, services and solutions. The combination of these products, services and solutions become the plays.

**Scaling ABM and account planning**

Technology is playing a big role in scaling ABM and account planning. Refer back to our simple process diagram (Figure 5) and now imagine that everything is digital (see Figure 8).

- **Digital account plans:** The KAM's account plans are digital, thereby providing marketing real-time customer-need visibility. Marketing can look across many account plans and determine common needs.
- **Digital playbooks:** Marketers can create digital playbooks that can be searched and downloaded directly into account plans. The playbooks take large amounts of time out of

the effort of building account plans. The playbooks are enhanced with customer outcome calculators that enable KAMs to share and collaborate with their current and potential customers.

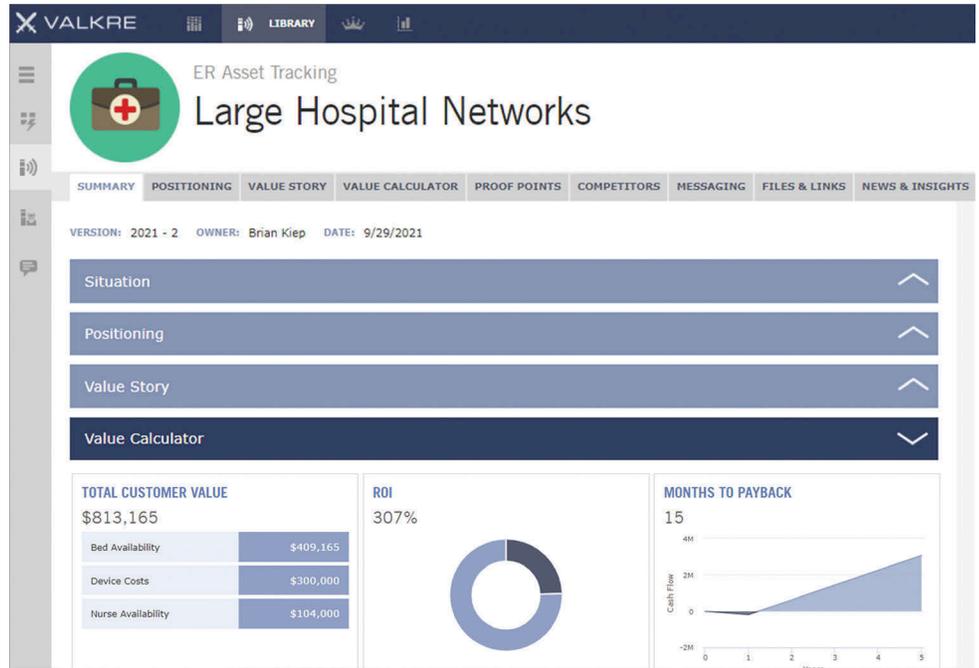
• **Playbook suggestions:** The playbooks can be pulled or pushed. Through technology, suggestions can be given to the KAM on playbooks relevant to the customer's needs. The KAM can then choose the appropriate playbook and pull it down into the plan. The playbooks can also be pushed. Here, maybe the organization has developed what it considers a very important play that it wants included in account plans. The important plays can then be pushed to the KAMs for inclusion in the account plan.

With technology the KAM and marketer are operating in a system that is collecting data, layering analytics on top of that data and yielding proprietary insights. These proprietary insights become the fuel for improving the account management process and customer engagement with large, strategic customers.

### Summary of Outcomes

The result of this new partnership between KAM and marketing is a powerful, new customer engagement approach. The results Owens Corning reports are stunning.

**Figure 7. Account plan with value calculator**



A quick recap of the outcomes:

- Improved customer engagement: The Owens Corning case is a living example within the SAMA community
- Sales and marketing working together
- Marketing creating playbooks that make the KAM's job easier
- KAMs sharing insights and initiatives that make the marketer's job easier
- Proprietary data, analytics and insights in a digital system that fundamentally increases a company's ability to serve its customers ■

**Figure 8. SAM + marketing ABM approach all digital**

