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Account Planning // The Customer Acquisition Methodology

This is the second in a series of articles from Jerry Sparger, Global Business Solutions (www.gbsonline.net). The first article, *More Selling, Less Overhead*, appeared in the January issue of the GCNewsletter and can be accessed on our website at www.GaffeyCPA.com.

To refresh the reader, the Customer Acquisition Methodology allows companies pursuing government business to use delivery resources such as program managers to pursue and win business. Smart contractors are using everyone that interacts with customers to sell. Companies must do this in a controlled manner to get the maximum benefit of all the face time that they have with customers. Team selling in the federal marketplace results in more sales with less overhead.

A government account is usually too large for any one delivery manager to cover. An account plan helps orchestrate the activities of all company employees that might have interaction with personnel in an account. It defines the target areas of most promise, defines and organizes activities to grow the account and provides a roadmap to measure progress.

Subsequent articles will discuss the account management framework, how to guide your staff in support of sales activities, how to be viewed by your customer as a strategic partner and steps to implement such a methodology.

WHY AN ACCOUNT PLAN?

Government agencies are too large to tackle all at once. Usually a company will have strength in one or more, but not all, areas of an agency. The account plan will help you break very large government agencies into manageable pieces based on how the customer buys and how you want to sell.

The act of creating the plan helps you decide what investments in time, money and personnel to make on the account, and to develop a specific plan of execution with actions, owners and target dates. You then use the plan throughout the year to focus

your team's efforts and to manage progress. Usually this is a long-term plan, covering a one to three year time span. The plan forces you to evaluate your activities with an account, agree on a plan, create stakeholders in the plan and review and correct your plan as you implement it. An account plan will help you focus your energy on those areas of an agency in which you can successfully serve the customer and yet profit.

The following list contains some of the factors that make managing large accounts difficult, and a summary of how to use an account plan to address them.

- Multiple, complex personnel interactions – Most companies have multiple employees interacting with multiple customers in the same account. These interactions are at different levels of your organization and of the account. An account plan gives everyone a script to follow when interacting with a customer. The account plan educates everyone on the company's goals for the account, the message, information needed and areas that need developing. It optimizes the interactions between your organization and the account and focuses your message?
- Complex buying patterns – Government agencies are large, with numerous sub-organizations. Each can present multiple potential business opportunities. Each opportunity can involve a different set of account personnel. You probably can't find resources to pursue all of them. The account plan helps you identify areas where you can add the most value based on your competencies, areas in which you must improve and which opportunities to target.
- Competing areas within same account – Personnel within accounts can have competing goals. Winning business by helping one set of personnel achieve their goals to can place you at odds with another set of personnel in the same account. An account plan helps you understand which account personnel are most important to your success, which ones might not favor your presence and flags the areas in need of attention.
- Complex account missions – Accounts have specific but complex missions. The most important contribution you can make to an account is to help them accomplish their mission. Understanding the customer's view of their mission and of both your ability and your competitor's ability to help them achieve their goals is an important part of a good account plan.
- Forces beyond your accounts' control – Many forces impact your accounts' ability to achieve their mission. These forces continually challenge your accounts giving you opportunity to be of strategic value, if you can determine the forces and their impact before your competition does. The account plan is a vehicle for tying research into broad industry trends to your specific account.

- Limited resources – Every organization has limited resources for competency development, such as R&D, hiring and training. These activities have long lead times. An account plan forces you to break an agency into manageable accounts, to understand how the customer views you and to determine how you will address the customer's goals. This becomes the tool for prioritizing the use of limited resources on developing those competencies that will help you grow the account.

The process of developing an account plan will help you define your desired position within the account, determine activities necessary to address these factors, define activity owners and develop a consistent approach to managing the account. This optimizes your account interaction.

THE ACCOUNT PLAN

An account plan is not a large document that sits on a shelf. Rather it is a working tool to guide all personnel that have customer interaction. The basic plan is a few pages, based on a standardized template for management consistency.

The tasks required to create an account plan are shown below. You will probably have some of the pieces in progress. The plan itself is a starting point for managing the account; it is updated periodically as new information is learned and conditions change.

Information Gathering

You need to gather information about your account and the trends that affect your account. The information and trends are used as the basis for an account strategy. Your strategy is more than "win x dollars of business". An account strategy must specifically add value to an account. That's why understanding your account's mission and objectives, and the trends impacting them is so important.

You need to understand broad trends such as domestic and international economic, political and military trends that might affect your account's mission. Sometimes such trends are gradual, sometimes they are sudden. Trends impact where money is spent and how it is spent. Trends change an account's mission and objectives.

A gradual trend might be the aging population. This trend could impact real estate, Social Security, Medicare and taxes. This trend might mean more funds to re-engineer Medicare or the IRS. A sudden trend might be the 9/11 attack on the World Trade Center. The WTC attack suddenly shifted funds to Homeland Security. The challenge is not only to see the trend but quickly determine what it means to your customers.

You need to understand your account's mission and objectives, as seen by key decision makers in the account. A mission statement is often, but not always, found in a strategic plan. Sometimes a mission statement fails to clearly define what it means in the context of the account's operating environment. The devil is in the details,

and knowing how to get at the details in the mission objectives is the hard part. This takes a different kind of research; face-to-face with key decision makers.

To reiterate a key point in account management; it is how your customer views your ability to help them with their mission and objectives that matters. That's why you need to discuss your value with your customer; to see if you are on the right track. This saves time and money, and positions you better with the customer.

Account Assessment

Your assessment should examine the key decision makers in the account to determine whether they are your allies or not. Do the decision makers believe you are important to their achievement of their strategic goals?

Tied to an understanding of your account's mission is how you can help fulfill that mission, from the perspective of account decision makers. In other words, it is account decision makers' understanding of their challenges and your ability to solve them that matters. The account's view of your competitors' ability to address their challenges is also an important part of your research. Your assessment should cover your experience with the account; where you are strong and weak in the account.

Show decision makers your view of their mission and objectives, and how you add value to addressing their mission and objectives. Then use their feedback to guide your account plan.

Another part of account assessment is defining business opportunities that might be available to you in the account. Opportunities you target should support your strategy, or you should not pursue them.

Strategy Development

Once you understand broad trends impacting an account, decision makers' views of their mission and goals, and how decision makers view your contribution to addressing their mission, you can start to develop your strategy. The strategy will define where you want to go in the account (goals), how you will invest time and money to reach your goals and how you will measure your success.

A normal planning horizon would be one to three years. If an account is really a key account for you, you should be considering how you want to advance your position in the account. This goal is more than "grow the account revenue", or "improve profit margins". It is focused on how you want to add value in the eyes of the customer. Value is tied to the account mission. Ask yourself "Based on how the customer views us today, how much do we want to increase our value to the customer in the one to three year horizon." This drives investment in hiring, training and R&D; as well as defining your partnering strategy.

An account plan guides your activities. You need a way to tell if you are on track, doing the right things well. This means establishing some metrics. There are two kinds of metrics, leading and trailing. Leading metrics measure those activities that, if performed correctly, will result in achieving trailing goals. For example, a leading metric might be training a certain number of programmers in a new language that is in demand. Doing so will improve your ability to develop critical customer applications, thereby helping the customer. This then would result in more revenue and profit, which are trailing indicators.

Finally, ownership of the account plan and all activities in the plan must be established and clearly communicated.

HOW DO YOU USE AN ACCOUNT PLAN?

The act of developing an account plan should force your account managers and support staff to think about how to segment an agency into accounts, what is important to the defined account and how you can add value to that account. This then should guide the activities of your customer-facing employees.

The plan will have defined activities and owners. Manage to those activities; tracking their completion and measuring their impact. If you determine you have selected the wrong activities as important, correct them as you go.

Account managers should use the plan as a way to guide others in their interaction with the customer's account staff. Of particular importance is defining what information you need to get from account members and what information you want to share with the account staff. Information to be obtained and shared should tie back to your strategy. In this way the account plan is used to orchestrate customer interactions.

BENEFITS

An account plan provides discipline. By forcing yourselves to look at the environment in which the decision makers within your accounts operate you can focus your efforts on what is important to the customer. By forcing yourselves to actually ask what value you bring that addresses the decision makers' challenges you can make targeted investments in time and money to grow your value to your customer. The more the decision makers in the account view you as strategic partners with high value to them, to more you will be involved in creating new business opportunities, and keeping competition out.

The account plan provides you with a tool to manage the activities of all customer-facing personnel. It gives everyone insight into the information they need to acquire and the information they need to give to account personnel during the course of their interactions. Everyone is pulling in the same direction.

THE NEXT ARTICLE

The next article will explain how to use the plan to engage all customer-facing personnel to manage the account. I will discuss how to understand your customer's perspective, how to develop metrics and how to use the plan as a roadmap for customer interactions.

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