



The case for account management as the core customer activity.

It is intuitively obvious that account management is important to an organization. In fact, research shows it is one of the three key attributes of world class sales organizations. (The other two being a common methodology for closing opportunities and standardized way to generate leads.) But, account management, done right might be the most important thing that a company can do. This paper talks about how the Miller Heiman Large Account Management Process (LAMP) can be much more than an account management process, it can be the cornerstone of how and why you are in business.

First, account management is not “Okay Mr./Ms. Sales rep write me a plan to show me how we can grow revenues within the account at least 10% next year.” Account management must be focused on the customer and what their issues and concerns are. So, in our mind the basic premise is this:

It is not about what we are selling – it's about building long-term profitable relationships by understanding how we can add value to our customer's business.

If you take that as your basic premise then you not only have the foundation for success with that customer, you have a good handle on how you, as a company actually solve your customer's needs, rather than just sell your stuff. It has been proven that the more a company focuses on the problems it solves, rather than the products and services it sells, the more successful it is.

How you add value to your customer's business is the key concept. Ask yourself, do you really know why your customer's buy from you? Do you really know how your customer defines success? Do you really know what kind of relationship your customer wants to have with you? LAMP helps answer those questions. It defines a structure (called the “Buy/Sell Hierarchy”) for five different types of relationships in a hierarchy from “pure commodity” (Level 1) on one end and “has a major impact on the success of the organization” (Level 5) on the other. This gives us a structure with which to discuss and negotiate the types of relationships with our clients.

Understand that each of these five levels requires different strategies, goals, investments and activities. Level 5 relationships require a lot more investment than Level 1. But, here's the key, not all your customers want the same kind of relationship. LAMP requires that customers be treated like they want to be treated! Such a simple concept, such a powerful concept!

Let's say you have an account, and it's important to you, so you develop a plan to become their trusted advisor because you want to be very close to them. But, what if they want a simple relationship where you deliver them good products and services in a timely manner? You have a major disconnect and you are investing a lot of time and money in the kind of relationship they don't want. That money is wasted.



So, at its core, LAMP is about defining the kind of relationship your customer wants to have with you and what kind of relationship you want to have with them. Then, having an intelligent conversation with them and reaching mutual agreement. With LAMP you will get two things:

1. A mutually agreed upon definition of success
2. A clear understanding of what type of relationship they want to have with you and how that coincides with what kind of relationship you want with them – i.e. the level on the Buy/Sell Hierarchy

Doing that for any individual customer is important and necessary to ensure you are retaining your most important customers, but there is much more value here. Once you've done that exercise with, say, the top 30% of your accounts, you now have a lot of data. So, let's say that of the top 30% of your accounts your average place on this hierarchy is 3.0 (i.e. you are a "best of breed" product supplier), BUT, you have organized your company around being a "trusted advisor – Level 5". If so, you have a real problem on your hands. You are spending a lot of money in relationships that your customers do not want to have with you! If that's the case, you have two options:

1. You can fire all your customers and go and find those that really want a Level 5 relationship, or
2. You can change your company around being a best-of-breed product supplier.

Either one can work, but the point here is that ***without going through the LAMP exercise you do not have that kind of knowledge!***

As stated before, knowing your customers buy from you is one of the most important pieces of information you can have, and LAMP gives you that information. So, now that you know it, what can you do with it?

- Use it as the core of your marketing and messaging
- Use it as the key value proposition in your marketing campaigns
- Use it for white papers and case studies for your website and customer collateral
- Use it on sales calls with your prospective customers

The implications can be profound.

The bottom line is this. Account management when seen from the customer perspective, and with a framework with which to define relationships can impact your company in ways you've never thought of. It can impact your core go-to-market strategy, your staffing and investments, your marketing and your sales process and win rate.

Ignore it at your peril.