



**Why account
management is the
core customer activity.**



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For those companies who rely on repeat business, it is obvious that account management is critically important. In fact, research shows it is one of the three key attributes of world class sales organizations.¹ But, we contend account management is the most important thing that a company can do. It can be the cornerstone of all your sales efforts.

First, understand this: 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.” That’s backwards, you must focus your account management on the customer and what their issues and concerns are. Our fundamental belief 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.



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? And, what if you did know? Wouldn’t that help you when selling to new prospects?

Think about a hierarchy of five different types of relationships with Level 1 on one end Level 5 on the other. Think of Level 1 as a pure commodity, where your product has no differentiation from all the rest. At the other end, Level 5 is the most differentiated possible and is so important to them that doing business with you has a major impact on the success of the

¹ The other two are 1) a common methodology for pursuing and closing opportunities, and 2) great personal selling skills and a common methodology for sales interactions with prospects.

organization. This gives us a structure to discuss and negotiate the types of relationships with our clients.

Level 5	Critically important to the success of their business
Level 4	Beyond products, you solve business problems
Level 3	Best of breed product supplier
Level 2	Somewhat differentiated product supplier
Level 1	Pure commodity

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. We recommend you treat customers the way 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 (Level 5) because you want to be very close to them. But, what if they want a simple relationship where you routinely deliver them good products and services (Level 2)? You have a major disconnect and you are probably investing a lot of time and money in the kind of relationship they don't want. You are wasting your money.

So, at its most basic, account management 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 this 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 hierarchy

Doing that for any individual customer is important and necessary to ensure you retain 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, assume for those 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 adviser, 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 then go and find new customers who 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 ***without going through this exercise you do not have that kind of knowledge!***

It's important to remember that knowing why your customers buy from you is one of the most important pieces of information you can have, and an account management strategy gives you that information.

So, now you know why customer buy, what can you do with that knowledge?

- 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.

For over twenty years, companies have come to rely on BetterSell Solutions to help them achieve their revenue goals. With a concentration and focus on big-ticket, B2B complex selling, BetterSell Solutions solves problems related to quota attainment, funnel management, account/relationship management and sales and marketing alignment.