

From sales to SAM

Philip Foster investigates strategic account management



"Declining profit margins, more aggressive competitors, fewer but larger customers with highly professional central purchasing..."

If this sounds familiar and you find yourself involved in fewer but bigger deals that have top level approval, then it is time to make SAM (Strategic Account Management) a high-development priority.

Only the best-equipped salespeople will succeed in growing these accounts profitably. SAMs require a wide arsenal of personal abilities – knowledge, skills, board level language and the right mindset, plus the company support network. Focus, however, on the ability to effectively discuss ideas and converse fluently with senior directors. Why? Because if they are serious about partnering, adding value and being proactive, they need to think and behave like senior business people.

Recruiting a SAM externally is an expensive option, but you can develop your own SAMs from your existing account management team. From my experience, salespeople already act as business managers in many ways. A more systematic and consultative approach is required, plus knowing the appropriate amount of knowledge that is needed.

You do not need to become strategy consultants, economists or accountants, or require an MBA. The following checklist is a starting point to help potential SAMs and managers assess the level of understanding that is required. For strategic customer accounts consider:

- Economics – What are the key trends affecting their industry? Currency movements, pressure from 'The China price', EU enlargement or mergers?
- Business strategy – What is it? Attrition? Acquisition? Consolidation back to core business or niche positioning? Why does their strategy differ from their competitors?
- Implementing strategy – How serious are the directors about implementation? What processes need to be created or improved? What issues need to be resolved?
- Finance – What are the key numbers, turnover, margin growth, cost reduction, EPS, gearing or P/E? How can you relate your services and products, using a calculation of the value of our proposition, against these numbers?
- Legislation – What are the influences of current or future legislation – at a national and international level – on the account? How can your offer benefit from or suffer from legislation?

Using a consultative approach, the new breed of SAM will be better equipped to develop profitable growth and succeed in strategic relationships with their accounts. Most people can learn this so long as their mindset is positive, they want to improve their ability to reason and their senior management is encouraging and fully supportive.

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