



GETTING SALES STRATEGY RIGHT IN MAJOR ACCOUNTS

SALES  MOMENTUM

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1

SALES STRATEGY FORMULATION AND EXECUTION

Before exploring the specifics of getting sales strategy right in major accounts, we should examine a couple of fundamentals starting with a word or two about the nature of major accounts and then highlighting a definition for **account sales strategy**.

Understanding the Difference. First, major accounts are not just big little accounts – they are qualitatively different from territorial accounts. From the customers' perspective – market demands, competition, and government regulations are continuously shifting. Because the status

quo is short-lived how customers buy, what they buy, and what they are willing to pay for it are all constantly changing.

On the selling side of the equation, the sales process is long, involves multiple players on both sides of the table, and almost always involves a competitive threat.

Because of all of this, **top performance is not just doing something “faster or better” than what constitutes success in territorial accounts. It is about doing something different.** These differences impact all aspects of the sales process: from whom you sell to, to whom is doing the selling, to how you sell, to the nature and importance of sales strategy.

Defining Account Strategy. There are almost as many definitions of sales strategy as there are books about sales. Here the fundamental distinction needing highlighting is the difference between a sales strategy for an entire company that would be developed by the sales leadership about how to go-to-market and a sales strategy developed by a salesperson for an account or an individual opportunity within an account. The focus of this white paper is the account level – not how to go-to-market.

A strategy for an account is a plan of action for getting to the right person, at the right time, with the right message. It is all about thinking and acting strategically throughout the entire sales process.

The importance of selling strategically is a theme echoed time and time again – the larger and more complex the sale, the louder the advice. However, advising someone to sell strategically is somewhat akin to suggesting they “sell smart”– a great idea, but a little vague unless you can provide some specifics about the how to.

In this white paper we will examine the specifics of **developing business in major accounts** from two perspectives – what it takes to develop an account strategy and what it takes to execute it.

STRATEGY FORMULATION

When thinking about what it takes to formulate a winning sales strategy in a major account, a good starting point is remembering that you are dealing with a *complex buying environment*. Many decision-makers and influencers are involved, the needs and issues are multi-layered and often conflicting, and the solution configuration and implementation management is likely to be complex and sophisticated.

In major accounts, one-size-does-not-fit-all is a cornerstone proposition. Major accounts have no generic customers; hence there are no winning generic account strategies – each customer is unique and each major account strategy must take that uniqueness into consideration.

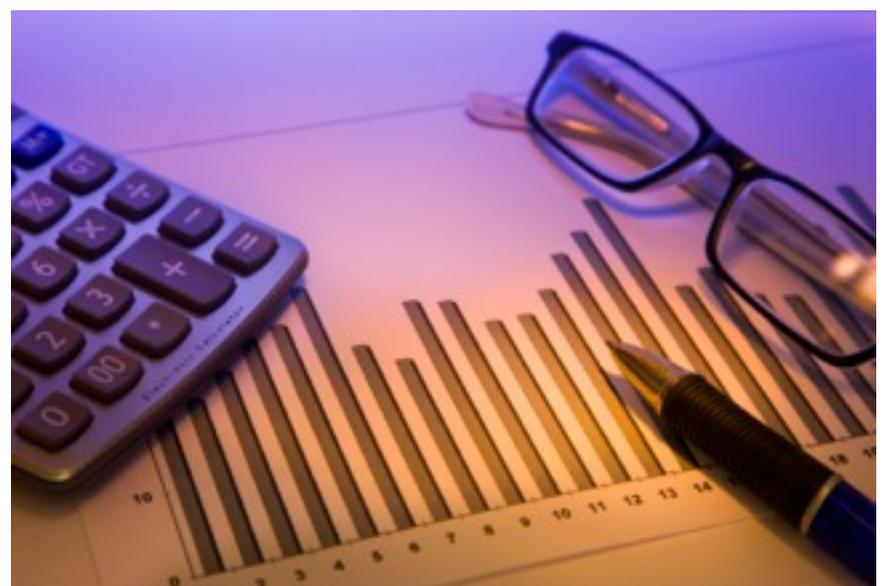
Given this situation let's explore how to develop a winning account strategy from two perspectives.

- First, we will take a look at some things not to do – pitfalls that will make success less likely.
- Second, we will examine some things that should be done – best practices that will increase the probability of success.

Pitfalls

Underestimating the Importance of Information. Collecting, analyzing, and utilizing information about the customer is the starting point to develop any effective plan of action for getting to the right person, at the right time, with the right message. And, getting that right requires the recognition that *breadth comes before depth*.

There is neither the need nor the time to find out everything about everything all at once. It's important to get a broad information base about the customer early in the sales cycle. This provides the foundation for formulating an initial strategy and provides guidance as to where and how to get in-depth information.



The trap is getting a lot of information about the wrong things from the wrong people.

Writing vs. Thinking. A common trap is defining strategy formulation as synonymous with “filling out a form.” Yes, you have to write some things down but most of your time needs to be committed to getting the right information, thinking about what needs to be done, and reviewing those ideas with others. Time is the most valuable asset of any salesperson so it needs to be wisely spent – spending most of your time filling in blanks and checking boxes does *not* meet that criterion.

Confusing Goals and Strategy. A list of goals is not a strategy. It’s just a long list of things to do. These lists usually grow out of the need to get something done in a hurry. The answer we often see is embracing the “cut and paste” approach to crafting sales strategy. It does get the task done, but what does the new account strategy look like? Most likely it’s very similar to the account strategy from which you cut and pasted. So the strategy for the new account looks a lot like the one from the last account.

A good account strategy, in contrast, focuses on a few pivotal goals and then delineates the challenges, resources, and actions necessary to achieve a favorable outcome – what needs to be done and how are you going to do it.

A correlated trap is substituting blue-sky goals for pivotal goals using buzzwords like customer-centric that are just some fluffy statement of a desired end state.

Assuming the future looks like the past. We live and sell in a time of “compressed history.” Changes driven by the global market and advances in manufacturing technologies make the past a bad predictor of the future. As a result, competitive advantages that once lasted a long time now disappear quickly. In major accounts, if you want to prosper, assuming what worked in the past will work in the present is a risky assumption.



As noted in the Introduction, many industries are going through transformational changes that are impacting their basic business model. This means that an account strategy that worked well yesterday might fail today.

Best Practices

The best practices for formulating strategy are all about developing an understanding the customer. Top performers develop a comprehensive picture of the customer and average performers develop snapshots. Let’s examine what it takes to develop a comprehensive understanding:

Understanding the Buying Process. *It is hard to sell if you don't know how people buy.* If an effective major account strategy is to be developed you have to know who the players are, what role they will assume in the buying process, what is their opinion of you, and is there consensus among the key decision-makers?

You also need to know what the buying process looks like – for example assuming that it mirrors your selling process is a common mistake. Even the often-held notion that the buying process is linear is at risk in many major accounts. Last, and importantly, you need to find out if budget has been committed.

It is also well to remember that although the number is somewhat notional **approximately 75% of the time, customers make their final decision halfway through the buying process.** This means many salespeople may be doing the right thing but doing it too late. This is one reason why getting a general picture of the buying process early on is a good idea.



Comprehending the Business Environment. Events occur in the business environment that impact – positively and negatively – your probability of capturing the business. Top performers are aware of and manage these events and adjust their strategy accordingly.

These events tend to fall into three categories:

- Business Context – example: a new competitor
- Your Company – example: new product introduction
- Customer – example: your internal champion leaves

In major accounts these types of changes are occurring constantly. This is one of the reasons that account strategies can not be developed and then stored away but instead must be constantly reviewed and updated.

Knowing the Decision Criteria. Competition is almost always present in major accounts; therefore it is important to know the decision criteria the customer will use to decide between you and them and how you stack up compared to the competition.

The first step is determining how you fit against the customer's decision criteria. The fit is a two-way street. You must determine in an objective fashion the degree of fit between the customer's decision criteria and your capabilities. In addition, you must obtain the customer's perception of that fit. It is often the case that the two assessments are not in alignment and a part of your strategy is what to do about the misalignment.

For example, there are times where it is legitimate to help a customer change their point of view. A misperception about one of your capabilities is one example. A second example is when a customer deems a particular decision criterion to be extremely important and it is your experience that priority is misplaced. This, of course, is a road to be walked with care. If the customer would end up making a better decision if they changed their assessment, then that brings value to the customer and to you, and that's legitimate. Obviously, it is not legitimate if the viewpoint shift is strictly in your self-interest.

The second step is obtaining the customer's perception of how the competition fits with their decision criteria. With all that information at hand you can make a good assessment of competitive position as viewed by the customer.



SECTION 2

SALES STRATEGY EXECUTION

Staying on Track. Ask yourself this question: Can I turn on my computer and pull up my sales strategy for developing business in my major accounts? Unfortunately, even among many very senior sales people the answer to that question is often “no”. The answer needs to be “yes”. As just discussed, the *first step for staying on track is to have a track in the first place.*

However, as every experienced salesperson knows the first step is not the most difficult. In today’s market there are a substantial number of time and financial pressures that lead to “cutting corners.” Just as every experienced salesperson knows it’s tough not to cut a corner here and there; they also usually know three or four examples where the corner was cut and the sale was lost.

The second challenge for staying on track is recognizing that *effective sales strategies require constant updating.* Success cannot be achieved by filing out a form and periodically checking off key milestones. It requires understanding and reacting to the changes occurring constantly in the account and reviewing the responses to those changes with your sales manager and the rest of the sales team on the account.

Networking. *Knowing who’s who and building and sustaining relationships* is an integral part of executing an effective sales strategy. Five best practices are:

- **Remember it’s a Network.** As mentioned in Section 1 – Strategy Formulation – many players are involved in the decision in major accounts. A few are key decision makers. Others are influencers. Still others are gatekeepers who can’t say yes, but can say no. *You must know who is playing which role, the relationship between the players, and what they think about you and your competition.* An average performer has a general understanding. **A top performer has a comprehensive understanding.**

- **Leverage Institutional Resources.** **Major account selling is a team sport.** In addition to the salesperson – support people, technical experts, and senior managers are involved at various times during the sales cycle. In building and maintaining the network, *top sales performers are good at leveraging internal resources* – whether those resources are people or internal systems. Yes, of course



salespeople have to work hard, but the question is: Are they working smart by leveraging all the resources at their disposal?

- **Develop and Rehearse Internal Champions.** It's always a good idea to develop an **internal champion** but in major accounts it's a must do. Because the network of those involved in the buying process is substantial and complex, a lot of "selling" in major accounts is going on when the salesperson is not there.

Salespeople need someone there to "tell their story" because most of the time they're not there.

Remember, developing internal champions is resource consuming. So

salespeople must avoid the trap of spending

time developing people who are "willing" but are not "able" to tell their story. Although this may sound like an easy task, in the middle of the chase it is sometimes difficult to distinguish unbridled enthusiasm from competent support.



- **Document Good News.** Particularly in existing accounts, the reality is good and bad stuff happens. The troubling part is bad news documents itself – good news doesn't. Everyone can remember a horror story where something went wrong with an implementation and "all of a sudden" the bad news was broadcasted far and wide. In many cases salespeople may not be able to do much to stop the bad news. So what can they do? The answer is – get the focus back to the good news. *Since good news doesn't document itself – the salesperson must take responsibility for making sure everyone involved in the buying process knows the good news story.* This is one of those situations where it's okay to toot your own horn.
- **Be Proactive.** The buying processes in many companies are going through significant changes – and in some industries, like health care, the changes are transformational. From a managing the network perspective, this means that *Public Enemy #1 is complacency. There is no room for mindsets such as: "The business is ours to lose" or "Sure there have been a few changes but we are still number one" or "Our competitor is still on the outside looking in."* Even a few changes in the customer organization can have significant ripple effects. The moral of the story is – be proactive.

Managing the Competition. As the old saying goes – "you have to keep your eye on the ball" and the ball is the customer when it comes to executing an effective sales strategy. It is easy to take your eye off the ball and fall prey to the trap of getting in a defensive mode by reacting to the competition. It is critical to *stay focused on the customer's needs, challenges and concerns. Top performers focus on the customer and manage the competition.*

If you focus on the customer and can answer these four questions about the competitor you can probably execute a sales strategy where you win and they come in second:

- **Capacity.** What is your competitor's major capabilities and limitations?
- **Assessment.** What does the customer think about the competitor in regard to the present opportunity?
- **Performance.** What is the competition presently doing exceptionally well and poorly and why?
- **Strategy.** What is their strategy for the account?

There are three additional best practices for managing the competition that are helpful for executing a more effective sales strategy in major accounts:

- **Dealing with Passive Competition.** Sometimes the most challenging competition is the customer "doing nothing." In those situations one needs a strategy for overcoming the no-decision momentum.
- **Broadening the Definition of Competition.** Often the competition is not for a similar product or service but a "competition for dollars." The competitor is selling an entirely different product but you are competing for the same budget dollars.
- **Differentiating on Added Value.** Your core product or service and the competitor's may not be significantly different. It is then critical to differentiate yourself by profiling the value of all the other services and assistance you extend the customer.

Selling to the C-Suite. In major account sales the *probability of capturing the business is significantly reduced if you cannot successfully sell at the senior level*. If the competition has that access and you don't, there is a significant limitation on your ability to differentiate yourself.

Can you gain access to the right senior person at the right time? The research is clear and straightforward. *The two most effective approaches for gaining a meeting with a senior person are a recommendation from inside the organization or a relevant referral from the outside.*

So let's assume the first challenge – gaining access is accomplished. How can you differentiate yourself when selling at the senior level?

Most major account salespeople calling at the senior level are experienced and smart and have been there before. If differentiation is the goal, and it should be, *major account sales people need to do something different rather than something better.*

What might that look like? In situations where a different approach is needed, it's always a great idea to seek an answer by starting with getting on the customer's side of the table.

In this case, the person on the other side is an individual that brings a different set of pressures, opportunities, needs, and level of responsibility to the table. They are more concerned about the unknown than the known. They look at the big picture vs. individual snapshots. And, most importantly they are seeking to understand problems that matter.

If that is the person with whom you are about to have a business conversation, how do you stand out from everyone else? How do you bring a piece of value others will not? Let's take a look at what doesn't work, and then explore what might work.



Most people in major sales have been well-schooled in having the discovery conversation. This conversation starts with the salesperson asking questions about a problem they believe the customer is concerned about. It continues with a further exploration of the problem and then a discussion about how the problem can be solved.

If this is the discussion, then successful differentiation is unlikely. Why? First, it is the same set of questions that have been asked by all the other salespeople. Second, and more importantly, the time spent vs. the value received doesn't work out very well. Time is spent on educating the salesperson about a problem the senior executive already understands. This is a quick way to have a short meeting and find yourself having difficulty scheduling a second one.

What's an alternative? One option is the point of view conversation. *The point of view discussion focuses on helping senior level executives gain a new perspective on their challenges and issues and a compelling insight as to how to move forward.*

This approach, of course, requires help for the sales function from others in the organization that can provide the required information. The sales team needs help to carry out these types of conversations.

Making the Business Case. The last few years have produced a number of challenges for those engaged in major account selling. Some of the problems will be temporary and as the

economy continues to improve the challenge will fade. Others will become new permanent fixtures on the landscape. Let's look a scenario that highlights one that falls into the latter category.

Scenario. You have been working with a new potential customer for several months. You have spent a lot of time in the account because it is a significant opportunity. You have talked with all the key players and you and the customer have a shared vision of the problem. You know the competition will be tough so you have spent the time to differentiate yourself from the other two competitors.

Several weeks ago you presented your solution and the feedback was very positive. The key decision-maker told you after the session that your solution was not only responsive but also technically and operationally better than what the competitors had proposed. You have had several subsequent conversations but the sale has stalled – nobody has given any signals about moving ahead.

Dilemma. While this dilemma is not new, it has occurred more often over the last two years and is likely to continue with greater frequency. When *selling in a major account you need to conduct two sales*: the first involves persuading the prospect that they cannot afford not to address the issue. The *second sale involves persuading them that your solution offers the most effective approach to solving the problem*. If you win the “second sale” without bring closure to the first, the most likely outcome is that you will get selected, but you won't close the deal.

*The first sale is about making the **business case**.* It is safe to say that in major accounts it is unlikely the sale will be closed without making a strong business case to prove the financial need to invest in the solution. It involves making a clear connection between the benefits of your solution and the measurable business outcomes that matter to the customer. It includes contrasting the risks associated with your solution vs. the risk of doing nothing. It compares the costs of your solution versus how you are equipping the customer to spend less or sell more.





2

ABOUT SALES MOMENTUM

For more than 30 years [Dr. Richard Ruff](#) and [Dr. Janet Spirer](#) – co-founders of [Sales Momentum](#) – have worked with the Fortune 1000 to design and develop sales training programs that make a difference. By working with companies – such as UPS, Smith & Nephew, Textron, the Center for Creative Leadership, and Robbins & Myers – we have learned that today’s standard for a great sales force significantly differs from yesterday’s picture.

Take a deeper dive into major account selling – download our **FREE ebook and smartphone app** – [Mastering Major Account Selling](#).



You can find a lot more information about major account selling on our blog, the [Sales Training Connection](#).

Comments? Questions? We'd love to hear from you. Contact Richard at rruff@salesmomentum.com, Janet at jspirer@salesmomentum.com, or call us at 480-513-0900.