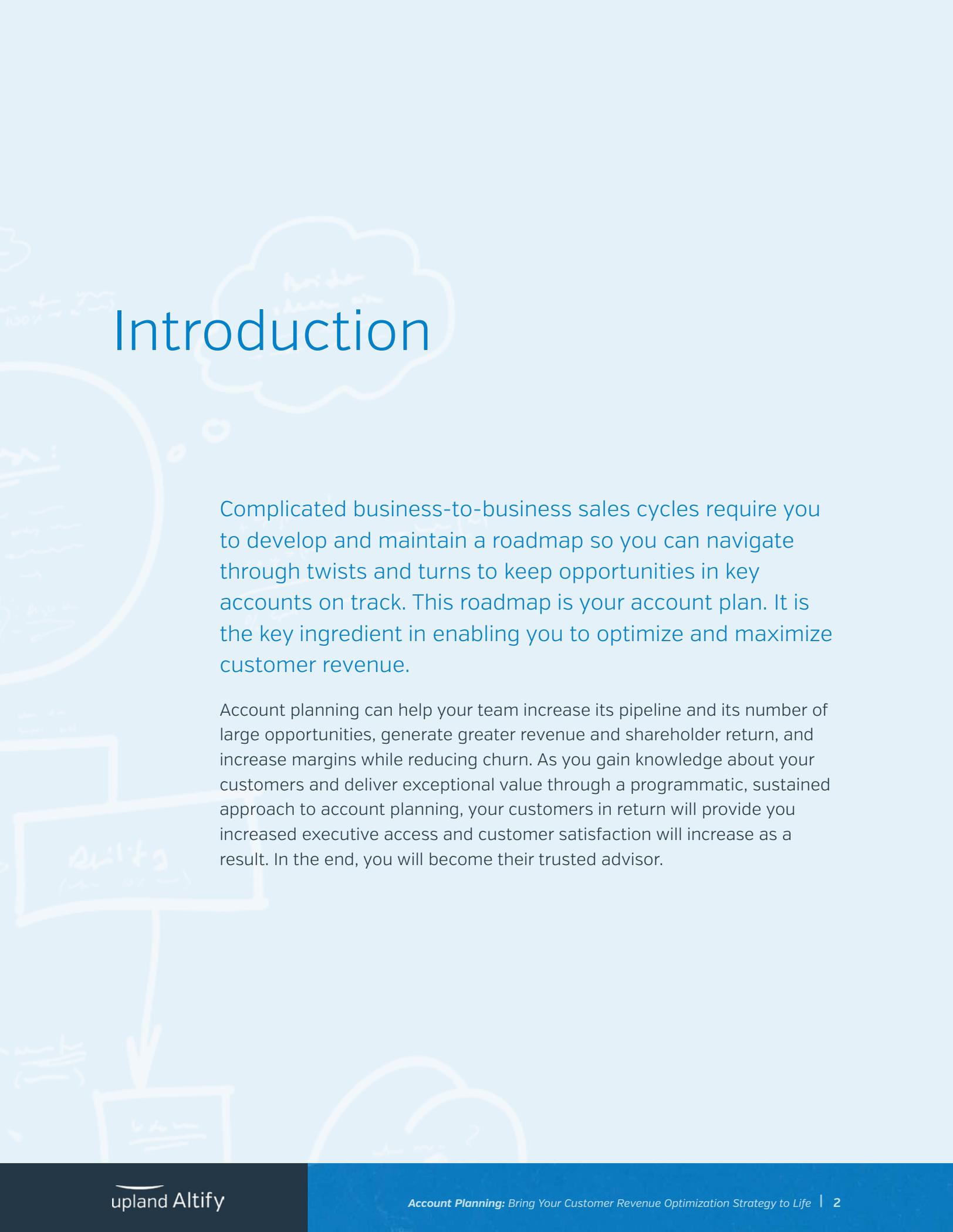


Account Planning

Bring Your
Customer Revenue
Optimization
Strategy to Life





Introduction

Complicated business-to-business sales cycles require you to develop and maintain a roadmap so you can navigate through twists and turns to keep opportunities in key accounts on track. This roadmap is your account plan. It is the key ingredient in enabling you to optimize and maximize customer revenue.

Account planning can help your team increase its pipeline and its number of large opportunities, generate greater revenue and shareholder return, and increase margins while reducing churn. As you gain knowledge about your customers and deliver exceptional value through a programmatic, sustained approach to account planning, your customers in return will provide you increased executive access and customer satisfaction will increase as a result. In the end, you will become their trusted advisor.

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Account Planning Overview

The Lifeblood and Operating System of Best-in-Class B2B Account Teams

Business-to-business sales is sophisticated and challenging. The days of unilateral top-down purchasing decisions are gone. Your prospects often have as many as six to ten decision-makers at the table, according to global research and advisory firm Gartner.¹

Despite what some of us would like to think, we aren't one-man shows either. We rely on the revenue team of account managers, sales engineers, business development representatives, customer success managers, partners, and other executives to help us close deals.

Sales cycles run months and years, and prospects have a wealth of information from digital channels before we ever get in front of them.

"Customers only spend 17 percent of the sales cycle in meetings with potential suppliers."

—Gartner



"Any one team might get only 5-6 percent of the sales cycle to make their case if there are multiple suppliers involved."

—Gartner



To effectively meet the B2B sales challenge requires a strategic approach to unlocking opportunities. It requires account planning.

1. www.gartner.com/en/sales-service/insights/b2b-buying-journey

Optimizing Revenue Capture in Existing Customers

While account planning can help you maximize revenues from prospect accounts, it holds even greater value in maximizing the potential of the accounts you have already closed.

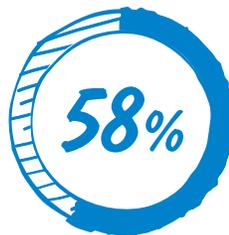
Everyone learned in Business 101 that it's easier to sell to an existing customer than to win a new customer. In fact, marketing researchers say you have a 60 to 70 percent likelihood to sell to an existing customer, compared to a 5 to 20 percent likelihood to sell to a new prospect.²

Still, many companies place a premium on adding customer logos rather than revenue from those customers.



Companies

are not achieving their cross-sell and upsell goals.³



Respondents

see existing customers as a major source of revenue growth.⁴



Executives & Sales Leaders

said revenue growth is their top priority.⁴

Account planning is critical in achieving that priority. However, most organizations fail to execute on account planning for three primary reasons:

- The organization is not clear on the desired goals and outcomes of an account planning program. They aren't clear on the value for their organization or their customers.
- There is no methodology or process for account planning. Account planning doesn't work if everyone doesn't speak the same language, follow the same process, and engage in a collaborative approach that delivers value to customers.
- Sales organizations don't instrument and operationalize metrics, programs, and cadence to deliver sustained results.

2. www.amazon.com/dp/B0031AI0VC/ref=dp-kindle-redirect?_encoding=UTF8&btkr=1

3. www.gartner.com/en/sales/insights/trending-topics/account-management-and-growth

4. Upland Altify's Customer Revenue Optimization Benchmark Study 2019.

Account Planning

The Case for Account Planning

The main goal of account planning is to develop a deep understanding of our accounts so we can establish a perspective that allows us to position and deliver unique business value. Typically, account planning starts with the largest customers where we expect to be able to uncover the greatest opportunity to deliver significant value. Naming conventions may vary organization to organization—top accounts, key account management, client planning, and strategic planning are all commonly used to refer to account planning—but the main goal remains the same. Performed correctly in an operationalized, sustained manner, account planning can provide many benefits.

Increased Pipeline and Larger Opportunities

By taking a strategic view of an account, all its business units, and the stakeholders within and above those units, rather than looking at one-off opportunities, you can develop a deeper understanding that enables you to position more solutions to provide maximum value. This process, often referred to as “finding the whitespace,” allows teams to focus and target their explorations to discover needs and develop more pipeline.

"When CenturyLink introduced account planning in its top 40 strategic accounts, it increased pipeline by 350 percent in just 60 days."

—Mat Singer,
Former Senior Sales Director, CenturyLink



Improved Business Results and Shareholder Return

“The five-year compound annual growth rate [CAGR] of total returns to shareholders for digital leaders is almost double that of all other firms” when they undertake a digitally focused account planning strategy, according to management consulting firm McKinsey & Company.⁵

The impressive CAGR is based on three primary factors, according to McKinsey.

Sellers who excel at account planning are able to:

- Provide the right level of support for their customers
- Personalize their messaging and approach
- Work more efficiently with better tools

Enhanced Sales Strategy and Execution

Revenue teams execute as much as 40 percent of sales meetings without a clear plan for success, according to Upland Altify's Customer Revenue Optimization Benchmark Study 2019. Revenue outcomes require consistent processes, organizational alignment and clear execution plans. Revenue teams clearly need to do more work to better understand how the customer buys and to gain better access to key decision makers.

5. www.mckinsey.com/business-functions/marketing-and-sales/our-insights/how-digital-is-powering-the-next-wave-of-growth-in-key-account-management

Increased Customer Satisfaction

By developing a deeper understanding of client needs through account planning, and further building relationships based on your plan, you will generate both more sales and greater value along with improved relationships and customer satisfaction.

Most organizations now track Net Promoter Scores or some other measure of customer satisfaction as a core business metric. And research has shown there is a clear correlation between increased customer satisfaction and execution against account plans that connect the entire revenue team.

"If you can increase customer retention rates by 5 percent, you will see an increase in profits of 25 to 95 percent"⁶

—Bain & Company

Improved Customer Retention and Margin Capture

Multiple surveys across industries point to increased competitive pressure making it mission-critical to retain customers. A sustained account planning program will drive reductions in customer churn, which can have a big impact on the top and bottom lines.

6. www2.bain.com/Images/BB_Prescription_cutting_costs.pdf



Account Planning In Action: **Developing a Strategy and Actionable Outcomes for Successful Account Planning**

It should be clear by now that account planning can have a dramatic effect on your organization and the value you deliver to customers. So the question is, how do we put account planning into action?

In this section, we will cover the critical steps required to develop, stick to, and evolve account plans that will help you close more of the right business in your key accounts and build your status to become a trusted advisor.

Identifying the Ideal Customer Profile

Account planning often starts with the most strategic and largest accounts, where you either suspect or have already identified significant opportunities. In this initial stage, it's important to develop your ideal customer profile. You need to understand the profile of the customer to whom you can deliver the most positive impact, then concentrate your efforts on those customers whose needs mirror the advantages and benefits you offer.

There are a few simple questions that will help you start to build your ideal customer profile:

- Firmographics: Is the company in your sweet spot?
- Customer Business Problem: Are they likely to have problems that you can solve?
- Positive Impact Potential: Are they likely to be successful with your product?

By doing the homework on these questions, you can identify the right accounts and the right business units in those accounts where you can deliver the greatest mutual value. The ideal customer profile will help you identify opportunities where the investment by the customer and your organization are aligned, and there is the potential to create extraordinary value.

FIRMOGRAPHICS

ATTRIBUTE	IDEAL CUSTOMER	CAUTION	OFF STRATEGY
Industry	High-tech, High-end manufacturing, Communications and media, Bio-tech, Professional services, Healthcare	Financial services [requires complex customer engagement]	Retail, Pharma, All B2C, Legal
Size	Between 100 and 5,000 sellers	More than 5,000 sellers	Fewer than 100 sellers
Geography	North America, United Kingdom, Ireland, Australia, New Zealand	Companies in EMEA or CALA whose primary business language is English, but are remote from support centers	All other countries, and non-english speaking companies
Job Titles	Both VP Sales, VP Sales Operations (or similar) required		
Business Maturity	Growth, Maturity		Start-up, Decline

CUSTOMER BUSINESS PROBLEM

PRESSURE (INDICATOR OF PROBLEM OR OPPORTUNITY)	PROBLEM/OPPORTUNITY
<ul style="list-style-type: none"> Sales expense as percentage of Revenue or of Total Expense growing, or higher than industry average Substantial new Sales hires (due to growth) Change in business model No technology deployed in Sales team 	Sales Productivity
<ul style="list-style-type: none"> Recent M&A Less than 50 percent of Revenue from existing customers New Product introduction New disruptive entrant threatening installed base 	Maximize Revenue in existing accounts
<ul style="list-style-type: none"> New Business Revenue per seller declining or less than industry average New Sales leader 	Suboptimal Win Rate
<ul style="list-style-type: none"> No / few executive case studies / references 	Build relationships
<ul style="list-style-type: none"> Traditional company business shifting to new economy model Commoditization of offering 	Customer First selling
<ul style="list-style-type: none"> High rep turnover Large number of reps per manager 	Balanced Sales rep performance
<ul style="list-style-type: none"> Missed market guidelines Lower than average gross margins 	Inaccurate Sales forecast

POSITIVE IMPACT POTENTIAL

ATTRIBUTE	HOW DO YOU KNOW?
Is there evidence that the company has the requisite internal expertise and competence to adopt your solution successfully?	Company has previously adopted similar solutions successfully.
Does the company have the necessary resources available to deploy and sustain successful use of your product?	Company has learning, project management and change management personnel on staff, and has CRM admin capability on staff, or normally engages a system integrator to support technical implementations.
Where your solution has a technology component (in product or related service) is the customer's technical environment compatible with your offering?	Company uses Salesforce [Enterprise Edition or greater].
Does your offering include the level of support and reliability required by the target customer?	Company has track record of engaging with companies who provide support cover Monday to Friday.
Is the company culturally aligned with yours?	The company culture is not individualistic.

Develop Segments, Prioritize Accounts, and Record the Details in Salesforce

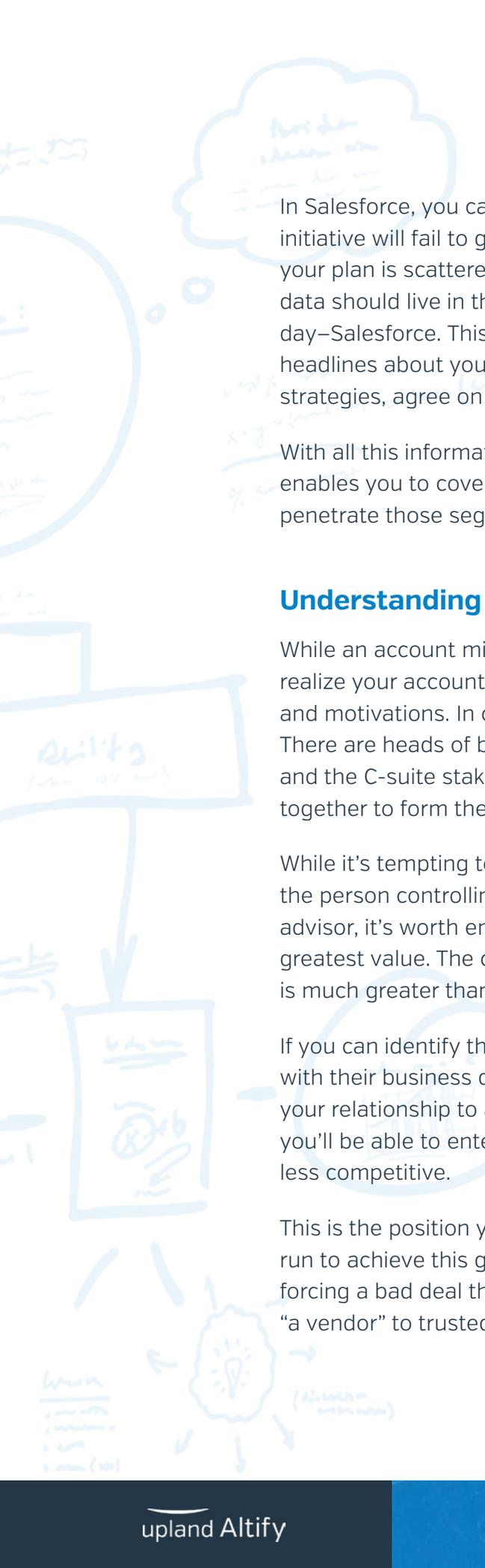
Your existing accounts and territories are a marketplace of opportunity, but it's critical to decide on a segmentation strategy for account planning to be successful. Often this is a combination of top-down planning exercises and bottom-up work performed by reps in their own territories.



You have a variety of information at your fingertips that can help you segment and prioritize accounts. These include:

- Existing CRM data
- The account team's customer knowledge
- Customer-supplied information
- Supplemental research data from external sources

With so much data about your accounts, and so many others on the revenue team needing to interact with those accounts, including managers, executives, sales engineers, and customer support and success reps, it's important to log it all in one place. This should be your CRM, likely Salesforce.



In Salesforce, you can bring your account data to life. Your account planning initiative will fail to gain traction and scale if the information that supports your plan is scattered in spreadsheets, PowerPoint decks, and emails. The data should live in the environment that your revenue teams work in every day—Salesforce. This way you can collaborate on information, summarize headlines about your accounts, capture both your and the customer's strategies, agree on the white space of opportunities, and track objectives.

With all this information, you can build a segmentation strategy that enables you to cover the segments where the return justifies the effort, then penetrate those segments as deeply as possible.

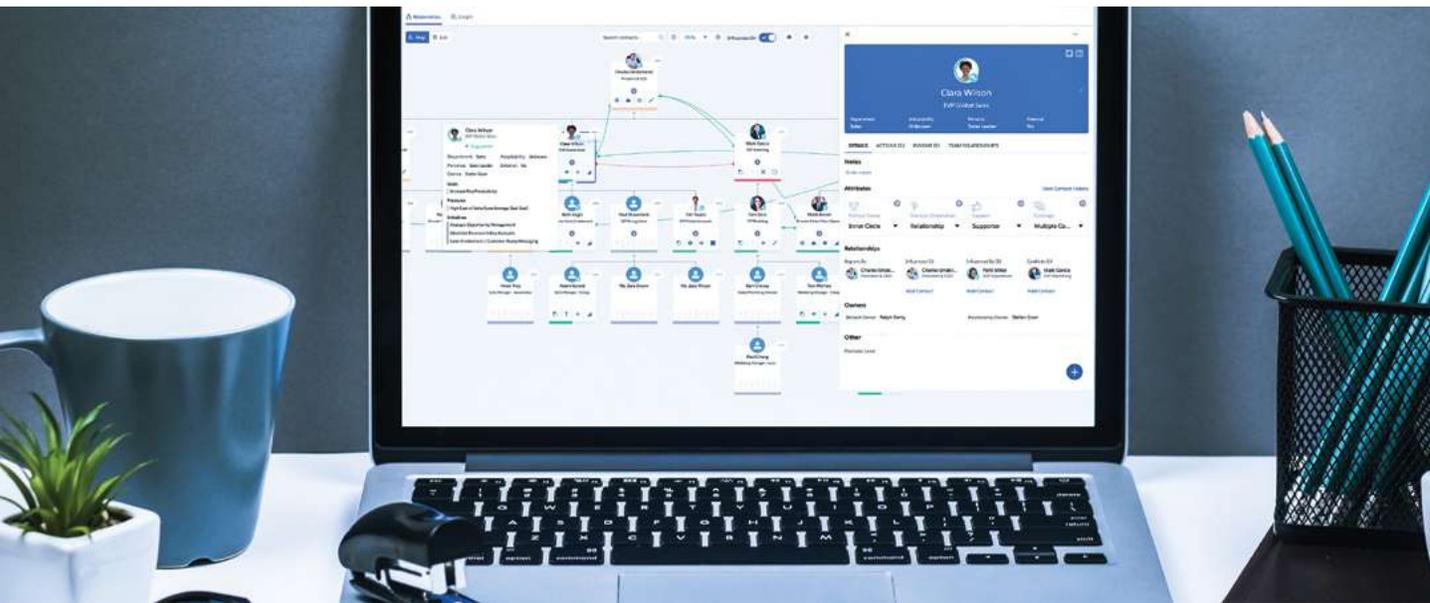
Understanding the People and Problems

While an account might sound like an abstract concept, it's important to realize your accounts are made up of unique individuals with their own goals and motivations. In complex B2B sales, there are multiple stakeholders. There are heads of business units, the influencers they work with every day, and the C-suite stakeholders to whom they answer. All of these people come together to form the account.

While it's tempting to focus the revenue team on only the decision-maker or the person controlling the purse strings, if you intend to become a trusted advisor, it's worth engaging all the players to whom you can deliver the greatest value. The cost for the customer of making a bad purchase decision is much greater than the cost to you of not winning a deal.

If you can identify the customer's challenges—with their help—along with their business drivers and critical success factors, you can build on your relationship to attain the status of trusted advisor. In this position, you'll be able to enter deals earlier in the cycle, and those deals will be less competitive.

This is the position you want to get to. It's much more profitable in the long run to achieve this goal by understanding all parties' goals rather than forcing a bad deal through early on. It requires account planning to go from "a vendor" to trusted advisor.



Navigating the Organization

Account planning not only forces you to assess the individuals in your accounts, it also provides you the time to understand the organization overall.

There are four basic types of cultures you'll find in the organizations in your accounts: bureaucratic, entrepreneurial, collaborative, and individualistic. Each type of culture requires you to take a different approach to selling, so it's important to understand this up front when building your account plan.

In bureaucratic cultures, power is centralized and structure reigns. You should focus on the person who dictates policies and procedures for the most success.

In entrepreneurial cultures, decisions are quickly made by a visionary leader. It's important to align with this leader to have a chance at winning business in these accounts.

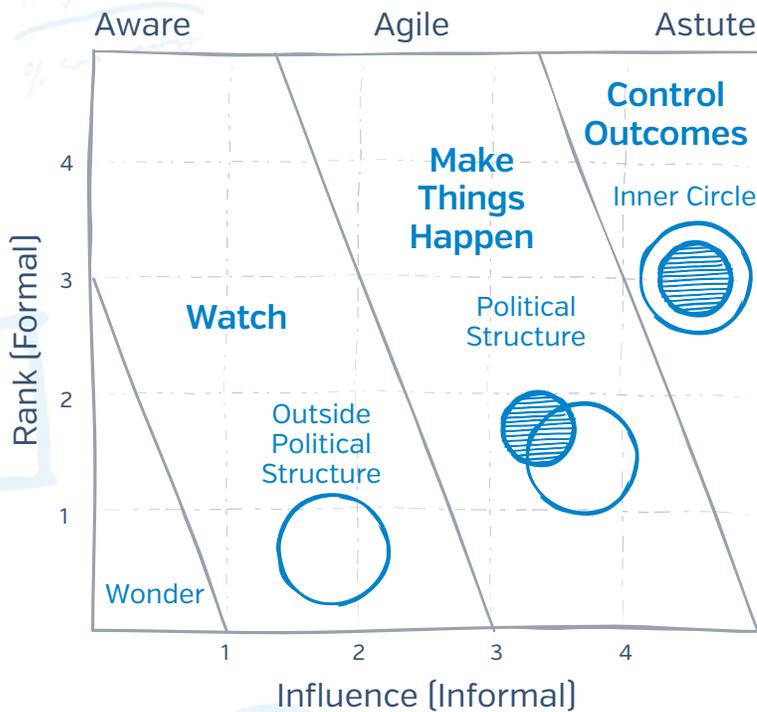
Collaborative cultures make decisions by committee. They seldom happen in isolation. Here, you'll need to respect the team's processes and align with those who initiate projects.

The individualist culture may feel challenging to sell in because there is no clear structure or leader. Here, you may have to sell to multiple small fiefdoms.

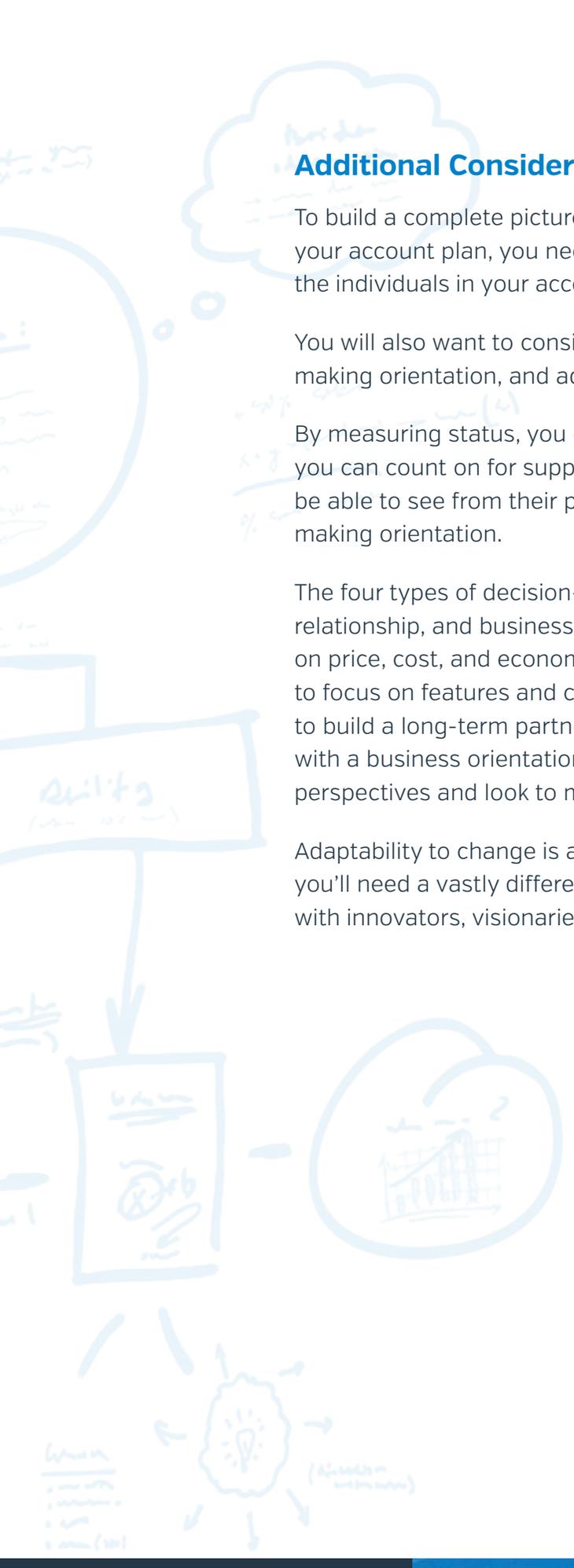
Mapping the Organization

With so many individuals in your account, it's important to map both hierarchy and influence. The person with the most senior title may not always be the one who is the most influential. Rank is formal, but your buyers yield informal influence apart from their rank. To understand the impact a person will have on a purchase decision, you should map both their rank and influence.

THE POLITICAL STATUS MAP



When people join an organization, they are typically just beginning to understand the internal politics. They may eventually watch the politics but not play a very significant role in “how things are done.” Eventually, they will dodge a political conflict, becoming agile. They are now able to anticipate events and quickly respond. Finally, they can enter the inner circle of the political structure, becoming astute to control outcomes.



Additional Considerations

To build a complete picture to help you fluidly navigate the organization with your account plan, you need to think about more than the political status of the individuals in your account.

You will also want to consider personal attributes such as status, decision-making orientation, and adaptability to change.

By measuring status, you can determine whether the individual is someone you can count on for support. To relate to an individual, you need to be able to see from their perspective, or understand their decision-making orientation.

The four types of decision-making orientation are financial, technical, relationship, and business. Financially oriented people make decisions based on price, cost, and economics. People with a technical orientation are likely to focus on features and capabilities. Relationship oriented buyers expect to build a long-term partnership that requires significant trust. Someone with a business orientation will take a broad view that includes all those perspectives and look to make the best decision for the business.

Adaptability to change is also critical. If you are introducing a new solution, you'll need a vastly different approach depending on whether you are dealing with innovators, visionaries, pragmatists, conservatives, or laggards.



Activating the Revenue Team to Execute Against the Plan

Now you have your plan. You've identified the ideal customer profile, segmented and prioritized accounts, and developed a deep understanding of the people involved, their problems, and the layout of the organization. It's time to execute.

But you aren't the only one executing. You'll be working alongside the entire revenue team: account managers, sales engineers, executives, product managers and marketers, and more in many cases.

First, you should develop your objectives and desired outcomes. Write them down and build alignment with your organization. As stated earlier, account planning provides the most value in your accounts with the largest opportunities. You'll want everyone on your ship working toward the same goal when you are hunting the biggest whales.

Next, it's important to establish a regular cadence of account plan reviews. Things can change at any moment in the field. You can't wait until next quarter or next year to adapt plans to reflect changing realities. You should plan regular reviews with your regional leaders and their teams, which should be prepared to share (and ask for help where they need it) during quarterly business reviews and executive briefings.

Remember, sales is a team sport. It takes a complete revenue team to execute an account plan, and there may still be others beyond the team who can offer advice and insights to help you achieve your objectives.

Building for Long-term Success

There are five critical factors for successful account planning that enables you to achieve your desired outcomes. These are calibration, cadence, coaching, communication, and KPIs.



Calibration

The right-size solution, functionality, and activities are required. Also, make sure you leverage the right plan type [e.g. top account, portfolio, and customer success]. Develop business rules to properly support revenue teams.



Cadence

Build an operational cadence to reinforce and refine best practices. Regularly test and improve for portfolio, account plan, and opportunity reviews. Create and publish your calendar.



Coaching

Sales leaders should be trained to model the right behavior. Facilitated Test & Improve sessions will help. A center of excellence can provide tools for continuous improvement.



Communication

Celebrate and socialize successes. Encourage others to adopt account planning by communicating its impact. Share examples of how much sellers can earn by following best practices.



KPIs

Define expectations, target outcomes, and success measures. Start with the critical few. Broadly publish the metrics with Salesforce reports, Upland Altify dashboards, and third-party analytics.

Conclusion

Nothing we have shared in this white paper is revolutionary. Hopefully, you have been pleasantly surprised by how familiar parts of it seem. That's because account planning provides a framework, and an essential one at that, to bring together and coordinate the best practices required for modern B2B sales.

If you have read this far, chances are your revenue teams have already demonstrated some successes, and you are looking to take things to the next level. With a sustained account planning program, you will find the best opportunities with the best chances of success in your most important accounts. Account planning will help you win today and improve your standing in your accounts for tomorrow.

While account planning is indeed a lot of work, there is now software such as Upland Altify's Customer Revenue Optimization solution and the Salesforce CRM that give you a place to track all the critical steps and details and ensure everyone on the revenue team stays on the same page. We can assure you, once you start on this path, it will become your organization's lifeblood and operating system, truly enabling you to bring your customer revenue optimization strategy to life.

For more information, visit Altify.com