

## **Ensuring SAM is a business wide initiative not just a sales initiative.**

Embrace strategic account management (SAM) as a way to improve the overall performance of the entire business and not, as is common, just as a sales initiative. Everyone, not just sales, needs to own the strategic account. If other departments just see account management only as a sales initiative, the sales department and account managers are likely to have a very difficult and frustrating struggle.

The other departments need to be on board because the sales department almost never delivers the offering. It depends on the other functions committed and coordinated efforts to create and deliver value.

The game of business has changed dramatically in the last decade. 10 years ago companies could function like a golf pennant team – a group of talented individuals, each hell bent on winning. Nowadays companies must respond to markets and customers more like a basketball team with everyone working together to win the game. To respond as rapidly as market and customer conditions change usually requires much greater interdependence – both within the organisation and between the organisation and its strategic account customers.

We have often seen sales ask other departments to expend a great deal of effort - often with no reward and possibly penalties – to meet the strategic accounts' needs. When those departments have not been part of creating the strategic account program or its goals they may resist, or even refuse, the sales department's request.

When the sales team promises customers a dramatically reduced delivery time for a small custom order, that lowers the entire manufacturing operations line utilisation and slows other critical production runs (both of which were major components in manufacturing's compensation) you can understand when those in manufacturing say "the sales department's dream is our worst nightmare".

The sales team must realise that other departments may have good reasons for resisting a sales mandate – even if the proposal would generate increased short term sales revenue. If the program is going to succeed the entire organisation must understand and align with the account selling program goals. It is imperative that we must systematically identify and work with the departments on whom we and the customers will rely.

One successful way to do this is to create a cross functional executive leadership group that can deal with any issues and help to create and communicate the urgency that ensures organisation wide commitment.



In many cases, these executives make the financial case for serving strategic accounts differently and then working with the other functional executives to create clear account management goals and objectives.

These cross functional meetings help sales and other departments arrive at shared priorities, delivery schedules and service levels. Some companies even adjust their reward and recognition programs to recognise the departments outside sales for participating in account management.

Another way to make sure that SAM is a business wide initiative is to align around the account customer's business challenges and make this the NO 1 priority for everyone! The focus shifts from internal efficiencies to external effectiveness. This is particularly challenging as in many companies most employees have inward focussed performance measures and only about 30-40% ever interact with customers.

How long does it take to understand the customer business challenges in depth, well enough to co-create value and sell strategic solutions? We know a strategic account manager at an industrial packaging company who spent 6 months learning the business of a large pet food company. At the end of that time, she was able to uncover several processes that could achieve significant cost savings with more efficient packaging.

She then worked with her internal manufacturing people to design and create containers that the customer required. The account manager then developed a detailed proposal that included cost and quantified value offered and approached the customer's decision makers who quickly accepted her proposal.

So, to realise the potential of a strategic account management program it is imperative that you approach it as a business wide initiative and not just a sales initiative. If, as the African proverb goes, it takes a whole village to raise a child, it takes an entire organisation to own and manage a strategic account.