



How Are You Managing Your Key Accounts?

How do you manage your key accounts? Do you have a single person directly responsible? Do you have a complete profile of each key account? Do you have an Account Plan for every key account including SWOT and Value Added Search? Do your senior executives have relationships with theirs? Do you participate in joint planning meetings? Do you have key relationships at all levels of their organisation and have you developed a "Relationship Matrix"? Do you have monthly account review meetings with the senior executives of your company to discuss key accounts? Do you have well-developed forecasts of sales for each account and compare the forecasts against actual sales month-to-month and year-to-year every month? Do you investigate thoroughly every significant deviation from your sales forecast for the customer? If you answered yes to these questions, you very likely have a good management system for key accounts.

It is important to have a single person responsible and accountable for each key account. Even if there are several others within your company that interface with the customer, one person should be accountable for managing the interfaces and relationships. Someone must be responsible to see that every aspect of every interface with the customer goes smoothly with no loose ends. Many key accounts are eventually lost when there are several contact points and no single point of transaction and relationship management.

I have asked many clients to see an organisation chart for each of their key accounts. Most don't have them. Who are the key influencers on decisions within the account? Most don't know. These are only two of many things required for good account management. The reporting structure and decision chain for each key account should be documented. You should keep up-to-date on the latest press releases. You should know each key account's ranking within its industry and its competitive position. For example, how does a manufacturing plant rate in the cost structure of its plant family within its organisation and within the industry? I could go on and on telling about information that is critical to key account management. The more you know, the more likely you are to successfully keep the account and turn it into a true virtual partnership rather than a customer/supplier relationship.

Engaging a team from the key account management ranks in a planning meeting with your senior team to talk about future plans, wants, needs, and expectations is a great idea. This creates more of a collaborative partnership. Much will be learned that will result in more value added for you and the key account.

Have management from your organisation develop relationships at various levels and in various departments of theirs. If a problem occurs with the account, it is more difficult for them to just leave you. One relationship can salvage another if needed in many cases.



Develop detailed forecasts and have monthly executive review meetings of key accounts to engage your senior management in the account management process. Executives should know most details about all key accounts, since these are the main drivers of the revenue stream. Check out any significant deviations in sales from forecasts. The customer will appreciate your interest, and you may find something critical to keeping the account or increasing sales.

What about the skills of the account manager? Planning, solution selling, negotiation, presentation, influencing, leadership and high level communication skills are just some of the many skills sets needed to be an effective account manager. The account manager is responsible for a critically important income stream – they need specialist training and, ideally, on going coaching and support.

Key account management is crucial and should be a primary focus of senior management, not just the account executive assigned or the marketing and sales people. There needs to be a comprehensive account plan written and a system to obtain and manage detailed information on each key account, including a relationship development and maintenance plan.



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