



## SAM2Win Period 4 Feedback

### **Feedback on Period 4**

You are now 18 months into your contract and should now be more confident about thinking and acting strategically. Those early days of uncertainty should be behind you now as you get more experience acting in your new role.

Unfortunately, fate is not on your side and you are now supplying an account that is quite different to the one that greeted you. Still, sailing your ship through these stormy, competitive seas and learning the lessons from your successes and failures will help you become a great strategic account leader yet!

So, who will be getting a nice end of year bonus and who will be getting a nasty ear bashing from their Strategic Accounts Director? Let's review the situation again.

**Read the tips below that are relevant to your current overall profit ranking (you can work this out from the Gross Profits in the Account Totals screen).**

### **Feedback for the teams with the *highest or second highest gross profits***

| Issue                      | Tips for Improvement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <b>Spend</b>               | Great results! You now need to ensure that you have a strong plan for the final year. If your sales grew then your new annual budget may be larger. Use it wisely and now is the time to plan your final moves to claim victory in this game. You should assume that this will be a tough year with more change at Globalman and stronger competition, so work hard and do not celebrate yet!                                                                                                                                       |
| <b>Customer Insight</b>    | After 18 months dealing with this account, it looks like you have developed a great understanding of the account needs – well done! Look carefully at how that understanding can be exploited further to get some clear blue water between you and your competitors. The account continues to evolve and there may be new opportunities for you to get involved in. Make sure that you understand how the account will change, the areas of growing importance and those which are falling. Add any key ideas to your Account Plan. |
| <b>Strategic Alignment</b> | The results are great but what is the level of risk from your account strategy being misaligned with the account's procurement strategy? You would not be the first big supplier ever to be struck off for strategic misalignment! Make sure there are no hidden risks to this crucial year ahead. De-risk your future profits by adding any necessary actions to the Account Plan.                                                                                                                                                 |
| <b>Superior Value</b>      | You are clearly positioned successfully in some sales opportunities with a good value Ranking. Review how you are doing in the others sales opportunities and decide what to do about it. It may be these other opportunities that are a dead weight on your overall performance. Take a look at the Value Maps to get a better idea of your value                                                                                                                                                                                  |

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|                       | to Globalman. Capture any key actions in the Account Plan.                                                                                                                                                                                                                                                                                        |
| <b>Teamwork</b>       | Norming: Team-members should be more comfortable with their roles now. You should be experiencing a more harmonious working environment. Ensure actions are clear and followed through. Establish fun incentives for each team member to deliver their stated objectives. Ensure the team is acting as one cohesive unit around the Account Plan. |
| <b>Final Comments</b> | <b>You are in a good position as we enter the final year. Expect this year to be turbulent with a dynamic Globalman and increased competition. You now need to defend your lead with increased professionalism. Expect the worst but plan for the best.</b>                                                                                       |

**Feedback for the teams with the *third highest gross profits***

| <b>Issue</b>               | <b>Tips for Improvement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <b>Spend</b>               | This is the start of a crucial year for you. Indeed, this could be the year where you break out from the middle ground and seize victory! Think about your risk appetite. Have you been playing safe up to now and is this the year where you take some calculated risks? As they say, “who dares, wins!” Do you need to fully exit one or two of your worst opportunities?                                                                                                                                                                                              |
| <b>Customer Insight</b>    | After 18 months dealing with this account, it looks like you have a good understanding of the account needs but do you understand its behaviour fully? What do you need to understand better and how can you exploit your understanding to improve the value you deliver to this account? The account has changed significantly and will continue to do so. Try to understand these changes and build a strategy around what you expect to happen this year. How can you exploit these developing areas before your competitors? Add any key ideas to your Account Plan. |
| <b>Strategic Alignment</b> | The account has changed significantly. How can this help you to generate further profit growth and close the gap on the leaders? Review how much of your business is in growing spend areas and how much is in shrinking areas. The shrinking areas may be due to Procurement reducing the total spend and could become fiercely fought watering holes. It is too late to make massive course adjustments but maybe you can make some low-risk mid-flight adjustments. Capture any key actions in the Account Plan.                                                      |
| <b>Superior Value</b>      | Your value propositions are not bad but there is certainly room for improvement and now is the year to do it! Review every sales opportunity and set a Ranking Objective. Aim to move some of those #3 and #2 Rankings up a notch. For the other opportunities, set objectives to either improve the Ranking or reduce the spend (or both). Take a look at the Value Maps to get a better idea of your value to Globalman. Capture any key actions in the Account Plan.                                                                                                  |
| <b>Teamwork</b>            | Norming: Your team should be understanding their roles well now. This is a good time to assess who is on which task and whether you need to reallocate team members, based on workloads or other commitments. Ensure actions are clear and followed through. If necessary, agree a voting system to make decisions more quickly and to keep or change the team leader. Establish fun incentives for each team member to deliver their stated objectives. Ensure the team is acting as one cohesive unit around the Account Plan.                                         |
| <b>Final Comments</b>      | <b>This must be the breakthrough year. Look at all options to quickly grow your profits with this account in both this Period and the next. Then write the best option into the Account Plan and get working on it.</b>                                                                                                                                                                                                                                                                                                                                                  |

**Feedback for the teams with the *lowest gross profits (i.e. fourth or more)***

| <b>Issue</b> | <b>Tips for Improvement</b>                                                              |
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| <b>Spend</b> | Now is the time to get realistic. Set some targets that you can achieve this year – that |

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|                            | will be seen as a success. Maybe you just want to have your first year of sales growth or win some choice opportunities? You could also decide to spend more of your Annual budget in this Period and less in the next Period to give yourself a boost. You could also switch more spend from People to Promotion if you want faster results. Be aware though of possible long-term damage due to agreeing to short-term pressure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Customer Insight</b>    | After 18 months dealing with this account, it looks like you still have gaps in understanding the account needs. Are you clear as to why and how the account needs are changing and how they will look for the rest of this year? Think about what procurement would like to do, what they are able to do and how that will affect the needs of the account. Look for new opportunities in this account and assess whether these offer realistic prospects of profitability in the next twelve months. You also have the opportunity to engage with Procurement. Assess how their needs may be different and therefore how you can demonstrate value to them. Add any key ideas to your Account Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Strategic Alignment</b> | The account has changed and will change significantly. New opportunities exist which, if exploited well, offer good growth opportunities. Threats also exist to existing opportunities, both in steadily reducing spend and in dramatic shifts in spend. Make sure you are betting on good opportunities and not exposed to bad ones. In other words, try to get a good alignment between your account strategy and Globalman's procurement strategy. It is too late to make massive course adjustments but maybe you can make some low-risk mid-flight adjustments. Capture any key actions in the Account Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Superior Value</b>      | Your value propositions may be good or OK in some sales opportunities but they are bad in too many others. Now is the year to get rid of the dead wood! Review every sales opportunity and set a Ranking Objective. Aim to move some of those #3 and #2 Rankings up a notch. For the other opportunities, set objectives to either improve the Ranking or reduce the spend (or both). Take a look at the Value Maps to get a better idea of your value to Globalman. Check also for any zero scores on any points of value. These need to be lifted off the floor. You are likely to have a smaller budget than some of your competitors, so it is important to identify a realistic number of opportunities where you can demonstrate value to the account. Be ruthless in your assessments. If you can cut money from unattractive opportunities, and those where you are unable to compete, you can invest these in more important opportunities. Try to understand where you are uncompetitive. Are you too expensive, or are you struggling with quality? Address these issues as your priority and capture the key actions in the Account Plan. |
| <b>Teamwork</b>            | Norming: Make sure it is not your teamwork that is letting you down. Ensure actions are clearly stated, understood, owned and completed on time. Value everyone's input but also do not debate small issues endlessly. If necessary, agree a voting system to make decisions quickly. You can also vote on keeping or changing the team leader. Establish fun incentives for each team member to deliver their stated objectives. Remember that the final position in the game is not as important as the learning that comes from it! Ensure the team is acting as one cohesive unit around the Account Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Final Comments</b>      | <b>This needs to be the turnaround year. Stabilize the ship in this Period so you can get some reasonable growth in the final Period. Use your Account Plan to help you succeed in this crucial year.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

### **Input for Period 5**

This is the start of your final year in office. Whatever your performance to-date, it is now your opportunity to carve out improved performance from hereon.

At this point, it is worth revisiting your Account Plan.

The Account Plan is a key part of any SAM blueprint. However, its real value lies not in simply filling in the boxes in the plan template, but the discussion that these boxes trigger. As they say, the plan is nothing but the *planning* is everything. In our experience of working with many different clients on their SAM programs, there is an interesting connection between success and the account plan. In summary, our experience is that most successful supplier-account relationships have a great account plan in place and that is because they have a great strategic account manager who takes personal ownership of developing the right strategy - with the relevant stakeholders - and capturing it clearly in the plan. Often, the plan is not just the hymn sheet that the organization plays to but a *business case for change*. That is, if the relationship is not fulfilling its potential, then this is the account manager's opportunity to put the hard business case forward for extra resources. The account manager should work on the financial payoff and be financially literate. If it is switched on in your game, you will see (under the Suppliers button) a Cash Flow Forecast and Net Present Value (NPV) calculations. Understanding NPV and how it works is a great way to justify to the CFO and CEO why using the additional resources for your account is much better than using that same budget elsewhere in the business. You may want to take a quick look at it now.

In SAM2Win we have a small, concise template that has been developed over many years through research and practice. It has some pages missing (e.g. a relationship mapping page) but we have done this deliberately to reduce your workload. If you wish to read up on the importance of the Account Plan, its contents and how to create, assess and implement it, go to the Support Documents and download the 'SAM Plans' document.

If you have not downloaded it already, you can access your Account Plan by clicking on the 'Suppliers' button on the home screen or horizontal menu bar). Use it to clarify your plan for this final year in office. The key items to think about are (in this order):

**a) SWOT Summary**

- Complete all the boxes and in particular, use it to define the Key Issues for this Plan. These issues should be stated as questions that you want the strategy to answer. So, for example, a key issue might be: "How do we speed past Workforce One to achieve the highest profits in Period 6?" Part of your strategy would then involve either a direct Kill Workforce One approach or an indirect vulture approach of attacking the easier smaller competitors. Defining the issue well is critical. A poor diagnosis leads to a poor solution. As Einstein reportedly said, "If I had an hour to solve a problem, I would spent 55 minutes on the defining the question and then only 5 minutes on finding the answer." If you can clearly define the right five issues, ranked in importance, for you to solve, you are much more likely to have a good plan.
- If you want to do a SWOT properly, go to the Support Documents and download the "Using a SWOT to Drive Your Success" presentation. Read the speakers notes at the bottom to get the most out of it. This has been put together to train marketers but the same principles apply to SAM.

**b) Value & Strategy**

- Firstly, update the 4 x 4 Existing/New matrix on the lower right of this page. This tool is based on the Ansoff Matrix of strategic marketing and works well in strategic account management. Each box has different tactics involved and requires different competencies to execute them well. But be careful, no plan should be treated like a tax form where you simply enter information to get to the end. In this case, the author, Igor Ansoff, specifically warns about trying to execute across all four strategies simultaneously and advises that it is far better to be excellent in just one

quadrant, than mediocre in many. Just search online for the Ansoff Matrix to find out more about this tool. There is also a more sophisticated nine-box version with 'Product IME' (improvements, modifications and extensions) as a middle column and 'New Relationships in Existing DMUs' as a middle row.

- Secondly, update the "Our Value Proposition with this Account" box. This should summarize how your value proposition is superior to the competition based on the key buying factors of the customer. Explain key differences across products and DMUs within the account if necessary.
- Thirdly, complete the "Business Strategy" box on the lower left. According to an interesting article in Harvard Business Review, communicating strategy is still one of the most challenging of skills for senior executives. This box is there to summarize your strategy with the account. Try to keep it to under 30 seconds so you can remember it and repeat it (the so-called "elevator pitch").

**c) Account Plan Executive Summary**

- You should now be able to complete the key parts of the Executive Summary, including:
  - Key Facts about our position
  - Key Comments about the relationship
  - Our Mission with this Account
  - Our Strategy
  - Forecasts for This Year (you may also complete the other numbers if you wish)

Make sure you do not waste any more money on battles you will lose. Anticipation and focus are key to strategic selling. Do not get stuck in the past or even the present. Anticipate the future and focus every area of your strategy on making sure you will achieve your desired position within it.

Remember also that strategies should change, based on your position with the account. The strategy of a leading supplier will be different to the strategy of a smaller niche player.

If you would like to evaluate your Account Plan, you can download the *Account Plan Evaluation* guidelines from the Support Documents area in SAM2Win. These are written by Professor Malcolm McDonald based on his 30 years of experience in the Cranfield University KAM Best Practice Club. We have kept this in Microsoft Word so you can edit it and adapt it to your own real situation.

Having reviewed the situation, discussed your strategy and updated the Plan, you can now go the Decision Input screen and start executing it!

Make sure you and your team are more organized than ever and out-execute everyone else.

Good luck!

The Market2Win Team.