Increase Sales By More Than 30% Through The Introduction Of Key Account Management & Optimising Selling Time

Before

- *8 Sales Executives*
- *10 Sales Support Staff*
- *Sales Revenue: $120M*

After

- *6 Sales Executives*
- *6 Key Account Managers*
- *4 Sales Support Staff*
- *Sales Revenue: $156M*

Impact

- *25% Increase in the selling time of sales executives*
- *30% Increase in sales revenue within 6 months*
- *No increase in operating costs*

THE BUSINESS CHALLENGE

In many sales organisations, sales executives are expected to both find and win new business as well as manage and maintain existing customer relationships to maximise share of wallet and minimise attrition. They are effectively asked to be both hunter and farmer. Whilst this is common practice, it is also generally accepted that is rare to find a sales executive who is equally effective at both types of activity, because the skills, competences and behaviours required for each are quite unique.

In practice this means that these organisations are not getting the most out of their sales people and are unlikely to be managing their key strategic relationships and accounts in a manner that will ensure their growth and retention.

One of our clients had a B2B sales team, in which the sales executives were asked to drive business development to acquire new customers and top line growth as well as manage and maintain their key account relationships. They were supported by a team of sales support staff who were frustrated at their lack of career development and the lack of challenge in their role. In summary, the sales executives had reached capacity, and the balance of the team exhibited low morale and relatively high attrition.

We were asked to work with the sales leadership team to help them achieve three things:

1. Increase current top line sales revenue by 25-30%
2. Reduce the attrition rate within the sales support team by at least 50%
3. Enhance their key account management skills to maintain and grow SOW

THE APPROACH

Firstly we worked with the sales executives to determine what percentage of their time they were spending on key account management and non-sales, administrative activities as opposed to pure business development. We found that on average across the team, they were spending just over 30% of their total available time on these two activities.

We then conducted a skills assessment of the sales support team in order to identify who within the team had the potential to be developed in to a Key Account Manager. Of the team of 10, it was agreed that 6 had the potential and desire to take on key account management accountabilities.

The roles of the remaining 4 sales support staff were redesigned to absorb as much of the administrative tasks undertaken by the sales executives as possible. They were provided with enhanced training, processes and tools to enable them to cope with the additional workload.

Next we developed and implemented a set of nine account management best practices, ranging from key account prioritisation scorecards to formal account development planning templates

THE FINDINGS

The nine best practices were developed and deployed using the following five discrete steps:

1. Train the team in the rationale and structure of each of the best practices
2. Guide the team through the process and critiquing and customising each best practices for their business, including the design of any templates or checklists.
3. Have the team complete each best practice for 2-3 of their key accounts as a test case
4. Provide one-on-one feedback on each best practice to optimise utilisation
5. Provide on-going coaching and support to embed the best practices in to normal practice

As a suite of best practices they enable an account manager to answer four critical questions and provide a framework, guidelines and process to address the challenges faced:

- Of all the accounts that I have been assigned, which ones should I prioritise?
- What is the best way for me to invest my time with my assigned accounts and on what activities?
- What can I do to develop the strength and depth of my relationships with the key stakeholders in the key accounts?
- How can I best engage with the stakeholders in these key accounts to grow both their business and our business?

Once, customised, trained and deployed within the business, we then worked with the sales leader to design and develop a sustainable operating rhythm for their key account management activities.

The 9 Key Account Management Best Practices

1. Account Prioritisation Scorecard
2. Account Engagement Guidelines
3. Stakeholder Map & Role Priorities
4. Relationship Building Options
5. Account Engagement Style Guide
6. Account Performance Dashboard
7. Account Development Plan Template
8. Account Manager Operating Rhythm
9. Account Handover Process

THE BUSINESS IMPACT

As a result of the creation of the new key account management team and the development and implementation of the nine best practices, the business was able to report the following benefits after just 6 months:

- The Sales Executives were able to handover all account management activities to the new KAM team and as a result achieved an average 25% increase in selling time which flowed through to a 30% increase in sales within 6 months, when the market was growing at less than 10% p.a..
- Deal cycle times significantly improved because the sales executives were no longer a bottleneck in the sales process and were able to focus on what it took to progress deals.
- The new team of account managers were able to take accountability for 65% of the total sales revenue targets for the business and significantly raise the level of service and engagement.
- The new account managers were also able to start conducting joint account development planning reviews with the key accounts to maximise share-of-wallet and satisfaction.
- Employee engagement and satisfaction within the team, as measured by the annual employee satisfaction survey, went from an all time low to an all time high, within 6 months, as a result of the personal develop and role enhancement that was offered .

All of this was achieved with no increase in operating costs, since two of the sales executive positions were not filled and the budget was reallocated to fund the new account managers.

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