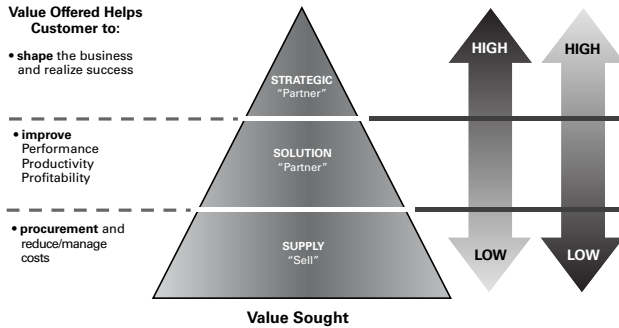
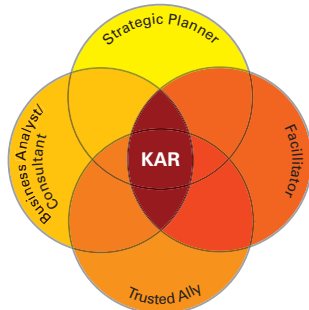


VALUE PYRAMID



KEY ACCOUNT REPRESENTATIVE ROLES



STRATEGIC PLANNER

- sophisticated business savvy and strategic thinking skills
- works for both organizations
- visionary
- in touch with the industries, customers, markets and economy of both organizations
- forecasting/projections

TRUSTED ALLY

- long-time supporter
- friend
- confidante
- known by many, liked by all
- optimal trust
- operates in the client's best interests

FACILITATOR

- makes things happen
- oversees/ensures all aspects of implementation
- handles problems
- "facilitates"

BUSINESS ANALYST/CONSULTANT

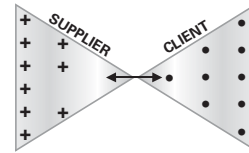
- knowledge, know ledge, know ledge
- experience, experience, experience
- focused on improving the bottom line of both organizations
- driven by results and metrics
- analysis, analysis, analysis (quantitative/qualitative)

R.O.T.I. - RETURN-ON-TIME-INVESTED

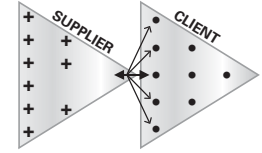
THE FORMULA:

$$R.O.T.I. = \frac{GROSS PROFIT}{TIME INVESTMENT}$$

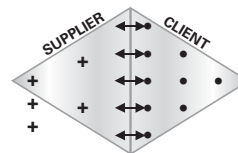
PARTNERSHIP EVOLUTION



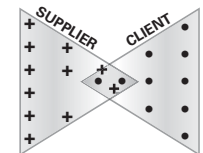
- single primary point of contact in both organizations
- primary contact supported by internal personnel & operations
- all planning & strategy development done autonomously within each organization
- typically more of an adversarial nature
- "supplier" relationship with transactional foundation



- single contact in one organization interfacing with multiple contacts in the other organization
- coordinated planning & strategy development in one organization
- may indicate stronger relationships, but not necessarily
- transactional foundation & "supply" orientation likely still exist



- multiple contacts interfacing between organizations (often based on job-function)
- multiple contacts are supported by fewer resources (they are up-front, rather than behind-the-scenes)
- both organizations are aligned with mutual objectives
- collaborative nature
- consultative value becomes more important than the product itself



- multiple contacts from both organizations work as a team to drive both businesses
- select representatives from the supplier organization contribute at the strategic planning level within the client (and often vice versa)
- both organizations operate as an integrated entity in specific areas
- the core "strategic unit" is supported by select resources and operations within both organizations
- strategic value is the most important part of the relationship — the products and solutions become an assumed, fundamental component of the client's business processes and value chain



PUTTING R.O.T.I. TO WORK

- 1) Set minimum R.O.T.I. standards on a daily, weekly, or monthly basis for the following:
 - your overall territory
 - existing accounts, new accounts, and prospective accounts
 - big accounts, medium accounts, and small accounts
 - accounts in certain geographical areas
 - individual product lines
- 2) Manage current customer relationships to maximize R.O.T.I. Find ways to reduce time spent on the account or increase sales volume in the same amount of selling time. Alternatively, look for opportunities to improve selling prices.
- 3) Maximize R.O.T.I. with each new or prospective customer. Determine minimum selling prices based on desired R.O.T.I. and the time required to secure the customer. Or, in competitive pricing situations, establish amount of time available to secure the customer, based on minimum expected R.O.T.I.
- 4) Determine which prospects offer best financial viability. Some prospects may not yield a desirable R.O.T.I., possibly because they require too much time to secure and maintain a small volume of business or because they are demanding too low a price.
- 5) Ask yourself, "How is what I'm doing right now directly tied to revenue generation, and how is it helping me to improve my R.O.T.I. or profitability?"



S.M.A.R.T. GOALS

Specific.

What is the exact result you want to achieve? The more detail the better. Goals that are too broad or big or vague are difficult to achieve and don't motivate behaviour.

Measurable.

How will you know when you've achieved it? Goals must be defined in a manner that is quantifiable.

Achievable.

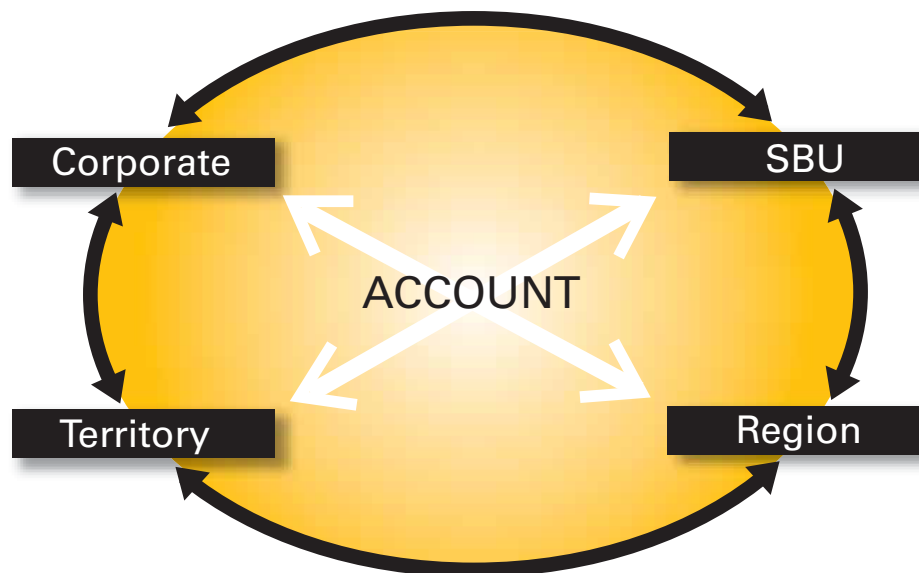
Can it be done? Goals must be viable. If they are impossible, they can actually de-motivate people.

Relevant.

Consistent with your other interests and capabilities? The goals must "fit" with you personally, with your role at work, and with the company culture. If they don't, you will feel internal conflict, and won't be inclined to pursue them.

Time-bound

When does it have to be realized? Effective goals must have a timeline. We must know "by when" the goal is to be achieved.



POTENTIAL BUYING CENTERS

Quota® identifies 4 categories of clients:

- 1) **N** = New Accounts
- 2) **NBC** = New Buying Centers
- 3) **SBC** = Same Buying Centers (Wallet Share)
- 4) **CBC** = Competitive Buying Centers

} **Pre-qualified**

REALISTIC FORECASTING

Company	Client	Product	Revenue	Prob.	Timing												Total
					Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	
ACME	Bill	SPSG	\$20,000	0.4		4,000					4,000						\$ 8,000
Widget	Mary	SPMG	\$10,000	0.3			3,000										\$ 3,000
L&M	Carl	GFM	\$30,000	0.7	21,000												\$21,000
Micro	Anita	SPSG	\$ 5,500	1.0	5,500												\$ 5,500
Zapp	Rafael	SPMG	\$70,000	0.1							7,000						\$ 7,000
SDDC	Wissam	RPPV	\$ 9,000	0.6		5,400											\$ 5,400
Fuji	Taka	SPMG	\$40,000	0.9			36,000										\$36,000
Forecast			\$184,500	Avg.	26,500	9,400	39,000	N/A	N/A	11,000	N/A	N/A	N/A	N/A	N/A	N/A	\$85,900

GLOBAL TIME ALLOCATION

CATEGORY	HISTORICALLY		NEW TARGET	
	%	HRS	%	HRS
REVENUE	100	1,880	100	1,880
N				
NBC				
SBC				
CBC				



MARKET/INDUSTRY ANALYSIS

1) Total Size/Potential

In order to build an effective strategic territory plan, it is important to be conscious of the size of the potential prize. Specifically, we should be able to quantify:

- How big is the market (units, dollars, customers, etc.)?
- Future trends of the market size (growth/ decline on all levels)?
- How big can it be for us? What is the overall potential value of the market for us?

2) Your Positive Share

The next thing to consider in conducting a market/ industry analysis is “positioning” and “share.”

KARs should be very clear on how their organization is positioned in the marketplace. Secondly, it’s important to be aware of their current and desired market share.

3) Segmentation

Segmentation is a process by which organizations break up their overall marketplace into logical categories or groups of highest potential market segments.

This process allows organizations to:

- determine market direction and understanding of trends and customer behaviour
- determine realistic and obtainable marketing and sales objectives
- classify total markets/ customers into logical groups
- improve decision making
- improve effectiveness of sales and marketing plans, by building unique approaches to each element of the marketing mix (product, price, promotion, place)

HOW TO SEGMENT?

The process of segmentation involves asking several key questions about your customers, commonly known as the “5 W’s and an 2 H’s”:

- Who buys your products?
- What do they buy?
- Where do they buy?
- When do they buy?
- Why do they buy?
- How and How much do they buy?



TRENDS

- Who buys our product?
- What do they buy?
- Where do they buy?
- When do they buy?
- How do they buy?
- How much do they buy?

DEMOGRAPHICS

- Customer Type:
- Vertical Market Sector:
- Industry Type (S.I.C.):
- Geography:
- Customer Size (revenue):
- Customer Size (locations):
- No. of Employees
- Postal Code:
- Types of products used:
- Who buys our product?
- Who buys our product?

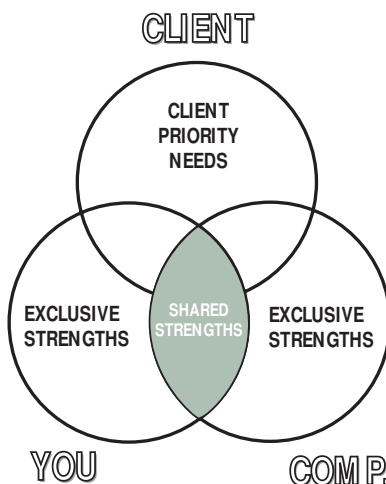
S.W.O.T. ANALYSIS

S trengths
W eaknesses
O pportunities
T hreats

	YOUR ORGANIZATION	THE COMPETITION	THE MARKETPLACE
S STRENGTHS	Your organization's specific strengths in the marketplace (products, selling strategies, service, the company) • new product pipeline • new technology	The competition's specific strengths in the marketplace • prices are lower than ours	Specific marketplace conditions that can help you expanding target market, new applications or selling channels) • economy is growing rapidly • disposable income is on the rise
W WEAKNESSES	Your company's specific weaknesses in the marketplace (high price, slow delivery, etc.) • FSD doesn't mesh with marketing	The competition's specific weaknesses in the marketplace • they have a smaller sales force than ours	Marketplace weaknesses that can hinder your ability to maximize profitability • the rate of Cdn dollar is dropping
O OPPORTUNITIES	Specific opportunities that exist within your company (new products, aggressive advertising, plant location) • brand new product that allows for new market segments	Specific opportunities you have in relation to competition's weaknesses • we can see more customers, therefore we have stronger relationships	Specific marketplace opportunities open to you and to the competition • dropping interest rates allow us to get customers to buy more inventory
T THREATS	Specific things, people, strategies, policies, and circumstances within your organization that threaten your ability to produce profitable sales • brand new VP of Marketing wants to change the direction of the markets we go after	Specific threats you face from the competition • customer has just launched new aggressive pricing strategy	Specific marketplace considerations that pose a threat to making profitable sales • customers are becoming more powerful

CONTEXT	DEFINITION
Social/Cultural	The ways people interact, and their opinions and activities. Examples here are increased desire for speed and convenience, fascination with the internet, and the move toward casualness in the workplace.
Economic	The timing and magnitude of local, national and international economic fluctuations and business cycles. Individual factors include interest rates, unemployment, industrial production, profits, inflation and consumer income.
Technological	The tools used for production, changes to those tools, and their impact on productivity, work patterns and product offerings.
Political/Legal	Existing and proposed government legislation, treaties, by-laws and court decisions.
Company	Corporate goals, policies and developments.
Industry	Structure of and changes to your industry, and their impact on market segments.
Service/Product	The features of our products/services, and corresponding benefits to various segments. Also product/service developments and concerns.
Segment	The individual segments or target markets of the organization.
Competition	The competitive landscape in the territory.

COMPETITIVE ANALYSIS



- 1) Define the criteria customers use to judge suppliers (price, service, reputation, etc.).
- 2) Determine the relative importance of each criteria (High, Medium, Low).
- 3) Rate each competitor, including our own organization's shared or exclusive strengths.



SKILL REVIEW GUIDE

module 2 - territory planning

KEY ACCOUNT TARGETING MODEL (KAT)

RATE THE ACCOUNTS		POOR ————— → EXCELLENT				
A) Potential		(circle one)				
Current volume within account	1	2	3	4	5	
Growth potential of consumption	1	2	3	4	5	
Profitability of our solutions	1	2	3	4	5	
Ease of management	1	2	3	4	5	
Strategic value of account	1	2	3	4	5	
		Total A: _____				
B) Strength of Position		(circle one)				
Share of business owned (Share % + 20)	1	2	3	4	5	
Value/importance of our solutions to their core business	1	2	3	4	5	
Relationships with decision influences	1	2	3	4	5	
History with the account	1	2	3	4	5	
Realistic probability of overall success in the account (% + 20)	1	2	3	4	5	
		Total B: _____				
TOTAL ATTRACTIVENESS RATING						
Total Attractiveness Rating						
Total A)		+ Total B)		* Sub-Total		+ 5 = Account Attractiveness
ACCOUNT ATTRACTIVENESS: Value We Can or Do Offer		(circle one)				
Supply Value	1	2	3	4	5	6 7 8 9 10
Solution Value	1	2	3	4	5	6 7 8 9 10
Strategic Value	1	2	3	4	5	6 7 8 9 10

BUILDING YOUR TERRITORY PLAN

#	ANALYSIS TYPE	YOUR ANALYSIS
1	S.M.A.R.T. Goals	Eg. Increase my territory revenue from \$500,000 to \$1,000,000 by December 31
2	Goal Alignment	Eg. Adjust my selling levels to: 30% Corporate, 25% SBU, 40% Region and 25% Territory
3	Market/Industry Analysis	Eg. Total \$5M/Potential = \$20,000,000 Possible share = 4 % = \$800,000 Segmentation = Manufacturing with 5750 Zip Codes and SIC 3000-3500
4	S.W.O.T. Analysis	Eg. S = Product Quality leadership O = New Bundled Products W = Brand Identity T = New Competitor
5	Competitive Analysis	Eg. Shared: We both provide 2 day delivery of materials Their Exclusive: They have full service capabilities Our Exclusive: We provide 24/7 service line
6	Target/Identify Key Accounts	Eg. Targeting General Motors, IBM, Apple and Walmart to Key Accounts
7	Goal Time Allocation	Eg. Adjusting my time activities to: 20% H, 30% HBC, 30% SBC, 10% CBC
8	Reverse Engineering	Eg. Adjust my customer categories to: 20% H, 30% HBC, 40% SBC, 10% CBC
9	Forecast	Eg. Build a Forecast that listed all accounts in my pipeline and identify the Gross Revenue at \$1504,515 and Net Revenue at \$972341
	Territory Plan	Consolidate all information!

CLIENT BUSINESS REVIEW

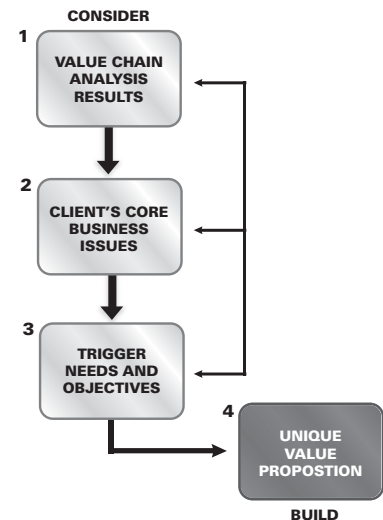


UVP - THE HOOK

UNIQUE VALUE PROPOSITION (UVP)

The following illustration helps to show how a Unique Value Proposition can be built. A UVP must demonstrate how we can help the client address their core business issues, based on the existing trigger need/ objective, given their unique Value Chain, in a manner that cannot be found elsewhere. Moreover, the UVP must be constructed based on where you are in the value pyramid.

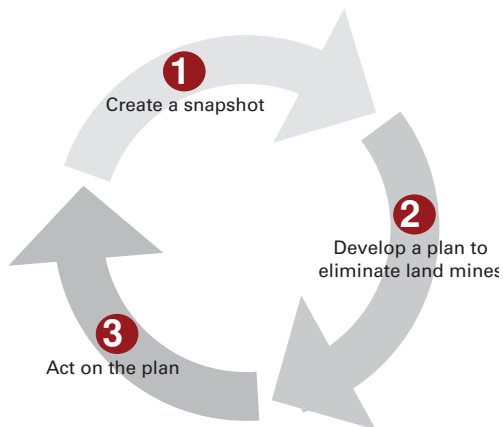
The unique value proposition is typically a brief (2-5 sentences) description of the solution you offer. Then, the balance of your proposal can outline the details of your solution, in support of the UVP.



Introduction

- Salutation.
- Introduce yourself (name and company).
- Provide context for your call.

DECISION INFLUENCE GROUP (DIG)



DECISION INFLUENCES	IDENTIFYING CLUES	FOCUS	ASKS
KDM	<ul style="list-style-type: none"> • Direct access to \$ • Releases \$ • Veto power 	<ul style="list-style-type: none"> • Bottom line • Impact on organization 	"What kind of return will we get on this investment?"
Influencers (≠/-)	<ul style="list-style-type: none"> • Using or supervising use of our product 	<ul style="list-style-type: none"> • The job to be done 	"How will it work for me?"
Users	<ul style="list-style-type: none"> • Assesses measurable and quantifiable data • Often the gatekeeper • Gives advice • Can't say yes • Can say no • Can get bogged down in detail 	<ul style="list-style-type: none"> • Your product 	"Does it meet the specifications?"
Supporters	<ul style="list-style-type: none"> • Has a genuine interest in your success in the account/sale • Can be inside the client, inside your organization, or outside both 	<ul style="list-style-type: none"> • Your success 	"What should you do in this account/sale to succeed?"

Adapted from "Multiple Buying Influences" in Strategic Selling, by Miller and Heiman (1985).



SKILL REVIEW GUIDE

module 3 - strategic account management

ACCOUNT PROFILING

A) COMPANY DETAILS

- Corporate Entity/ Ownership Structure
- Business Units
- Locations
- Contact Names
- Phone Numbers, Addresses, Fax Numbers, E-Mail, Web Address, etc.
- SIC Code

B) CORE BUSINESS

- What do they consider their core business and core competencies?

C) TARGET MARKETS

- What are they?
- Where are they?

D) OFFERINGS

- What are they?
- Primary, Secondary, and Ancillary
- Organized by Business Unit, Region, Division, etc.

E) PURCHASING PROCESSES

- What process will they undertake?
- How is this process different from other purchases/projects?
- What is the progression of involvement from decision influences?
- Build a Flow-Chart

Examples:

- 1) identify need/problem (Line Manager)
- 2) source & screen vendors (Purchasing Agent)
- 3) produce RFP for selected vendors (Purchasing Agent and Line Manager)
- 4) preliminary screening of RFP responses (Purchasing Agent)
- 5) vendor presentations (Purchasing, Line Manager, Engineering, IT, Executive)
- 6) committee selection (Line Management and Executive have most influence)
- 7) implementation (Line Manager)

F) SWOT WITHIN THEIR MARKET

- What are the client's strengths, weaknesses, opportunities and threats within their market?
- Who are their competitors? Positioning?

G) SIZE

- People
- Sites
- Sales Figures

H) SHARE

- Market Share
- Mind Share
- Size, Trends, Targets\

I) FINANCIAL INFORMATION

- Financial Report
- Stock Market Reports
- Financial Performance

J) TRENDS

- Market
- Industry
- Company
- Economy
- Technology
- Global

BUSINESS CASE RATIOS

$$\text{Cost Benefit Ratio} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\text{Return on Investment (ROI)} = \frac{\text{Program Benefits} - \text{Costs}}{\text{Program Costs}}$$

$$\frac{\text{Net Program Benefits}}{\text{Program Costs}} \times 100$$

$$\text{Payback} = \frac{\text{Program Costs}}{\text{Monthly Gross Program Benefits}} = \frac{\text{Program Costs}}{\text{Annual Gross Program Benefits} / 12 \text{ Months}}$$