



**RICHARDSON
SALES
PERFORMANCE**

Growth, simplified

Growing Strategic Accounts Through Customer Co-Creation

A RICHARDSON SALES PERFORMANCE EBOOK



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Introduction

It's common for sales leaders (and salespeople themselves) to look to their large, strategic customers year after year to sustain or drive increased revenue performance. However, the availability of options, decreasing customer loyalty, higher expectations and constant competitive threats are making forecasted business from your best customers anything but a certainty. All too often, account growth strategies and plans are isolated events and are missing one critical component - the buyer.



01 Why a Collaborative Approach to Account Development Creates Better Outcomes

An enterprise-wide, customer-centric approach to working with strategic accounts is a mainstay of sales organizations that understand that markets change but that customers are always relevant.

Because the business environment in which your customers operate has become more challenging, salespeople need to increase their proficiency in identifying and meeting needs to have credibility as a trusted advisor, one who helps the customer decide how to buy and doesn't just sell.

FOUR MAJOR CHALLENGES ARE EMERGING FOR MOST BUSINESSES:

RENEWED EMPHASIS ON PRICE — Price has always been important in business. In today's environment, funding is scrutinized. Customers feel like they should look longer and harder to justify why they are buying a particular solution at a specific price. As pricing pressures increase, more and more firms find customers trying to “commoditize” the solutions that suppliers offer.

GREATER COMPLEXITY — The business environment has become increasingly complex. An IBM study of more than 1,500 CEOs cited increasing complexity as a major challenge to the managerial and leadership ranks of most companies. Most of the CEOs in the study did not feel confident that their organizations had the ability to successfully adapt and respond to this complexity.

HIGHER LEVELS OF AMBIGUITY — Ironically, as access to information has proliferated, the level of ambiguity in the business environment has increased. This uncertainty makes it hard to determine what long-term strategies and short-term tactics will be most effective in reaching business goals and even whether those goals are still relevant. High levels of ambiguity create a tendency

to preserve the status quo, although this is rarely an effective means of increasing revenue, saving on cost, or proactively managing risk.

DECREASING CUSTOMER LOYALTY — The last decade has seen a divergence between customer satisfaction and customer loyalty. It used to be that when a salesperson checked with a customer and the customer said they were satisfied, this meant they would pick them over their competitors. Now, a customer may say that they are satisfied or even very satisfied and still switch to a competitor. Long-term customer loyalty is eroding.

What is the result of these forces on how salespeople sell to large accounts? Customers take time to weigh value vs. price, which puts an emphasis on being able to quantify the value that a salesperson brings to the relationship. Customers are struggling with complexity, so trusted business advisors are needed to help them organize that complexity and, whenever possible, simplify rather than add to it. Higher levels of ambiguity mean that most buying decisions are now made by consensus. This involves many more stakeholders than before, and salespeople need to develop coalitions in favor of changing the status quo. The decrease in customer loyalty means that salespeople need to be continuously bringing new insights and ideas about how to help stakeholders improve their business performance and gain recognition from those stakeholders for the value created.

Collaborative account development helps salespeople look at their customer's needs from the point of view of the customer while bringing in an outside objectivity. The traditional account planning process - where you plan once per year - needs to be replaced by an ongoing process and approach where salespeople co-create value with customer stakeholders, resulting in a deeper understanding of their customer's business and increased alignment between their own and their customer's organization. Your salespeople will be able to elevate the level of your relationships with specific customers to have a “seat at the table” as their trusted business advisors. Customers don't care about a salesperson's latest product or your industry-leading service if it is not relevant to their goals, objectives, and business challenges. What your customers want are ways to better manage their businesses, which is what a trusted business advisor does. By consistently following this process of understanding a customer's business intimately, aligning your account team with the client, and engaging stakeholders to validate and modify opportunities to work collaboratively together, you create value for that customer and earn a place in their decision-making process. ■

02 Shift From a Response Mode of Selling to Shape and Create mode

Opportunities to grow your business with a major account come in three different modes: Respond, Shape, and Create.

When salespeople respond to an opportunity, the customer has already identified the issue, the solution, and the expected outcomes. Now, a provider is sought. This is the most reactive style of account development. The scope and budget are usually already set. Pressures on both price and competition are often high. By no means should a salesperson ignore such opportunities. Flexibility is a key element of business. Salespeople should be able to respond as well as initiate. However, responding is not the best way to develop and grow a business relationship.

GROWING STRATEGIC ACCOUNTS THROUGH CUSTOMER CO-CREATION

High-performing sales professionals tend to focus more on shaping opportunities. This is where salespeople help the customer in defining the issue, the most likely outcomes, and even possible unintended consequences. This is a much more proactive style of account management — one where salespeople may be able to preempt the competition. And even though some opportunities might initially appear to be “respond” situations, if you have a different opinion or broader view, you might be able to shape a respond opportunity in new ways.

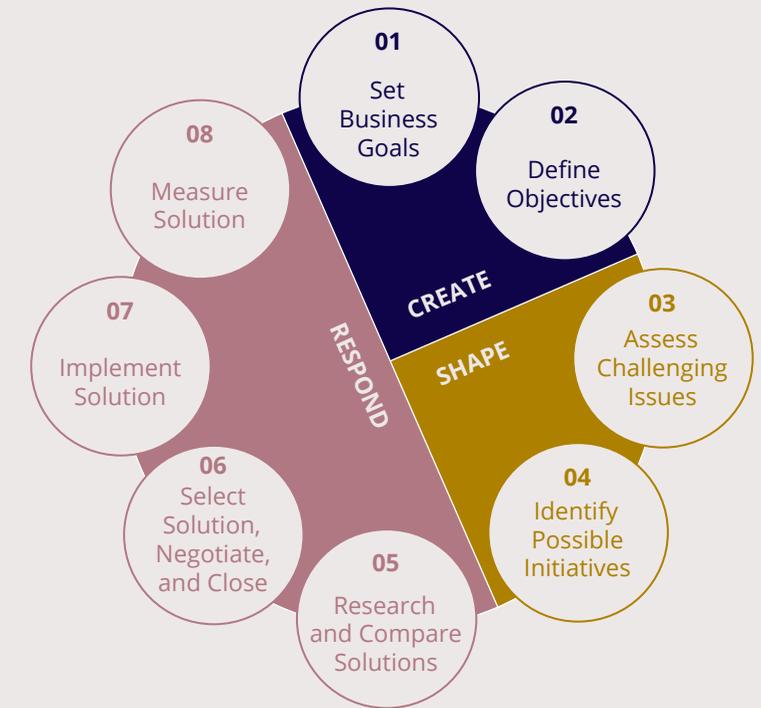
The third selling mode is the most ambitious and creative. Here, salespeople create an opportunity. They bring forward insights to challenging issues that are not even on the customer’s radar but will likely have an impact sometime soon. This is the most proactive style of account development, and it is the most difficult because they are teaching the customer something new and are creating both the need and an opportunity. This allows salespeople to become actively involved in defining the scope and budget. They may even be able to shut out the competition and forestall or lessen price pressure.

Salespeople that consistently provide good ideas establish credibility over time and become a part of their customer’s inner circle. They have the opportunity to develop into a trusted advisor. It is important to understand that an idea does not always need to be fully developed. Instead, providing an idea or point of view provides a starting

point from which a discourse begins and a collaborative discussion can take place. It is through this collaborative process that customers can refine their thinking, establish their own point of view, and determine their course of action.

When a salesperson doesn’t present a point of view, what are the risks to their personal brand? Proactively sharing a point of view is perceived as valuable by a customer. The opposite is also true. When a salesperson consistently doesn’t present a point of view, they risk the perceived value of their brand being diminished. This limits their ability to elevate their relationship into being a trusted advisor, and over time, they risk becoming irrelevant to their client. This opens the door for competitors to fill the void, and if they can consistently provide insight and ideas, they will ultimately win the business, and the salesperson will be replaced.

Selling modes are important because they affect where salespeople enter the customer’s buying cycle. The earlier they enter the buying cycle, the better. ■



03 Value Strategy: The Foundation of Collaborative Account Development

Communicating the value created is the key part of collaborative account development. Many salespeople believe that if they win opportunities in the sales process and their account teams implement the solution for the customer flawlessly, the customer will automatically recognize that value has been created. This is a mistake. Value not communicated is value not perceived by the customer.

Four factors make up a value strategy.

01 IDENTIFY THE BUSINESS ENVIRONMENT AND BUSINESS NEEDS:

There are trends in the customers' industry affecting their business. In addition, the customer has company goals, objectives, and challenging issues. Out of these trends and challenging issues arise opportunities to work together to improve the customer's performance. This includes identifying, and formulating, how the customer defines value.

02 GENERATE NEW IDEAS:

One of the key behaviors of trusted advisors is that they bring new insights and ideas to their customers. These insights and ideas seek to change the status quo to help the customer keep up in a fast-paced

03 COMMUNICATE THE VALUE TO THE CUSTOMER:

How can your company deliver value to the customer? Be sure the customer also is told, and understands, how your salespeople can deliver value to their stakeholder, including the customer's customers.

04 DELIVER:

After your salespeople have worked hard to identify and generate new opportunities, your account team needs to deliver the solutions that deliver value to the customer. This part of the value strategy is largely out of your control as company specialists take the lead in implementing the solution. Remember, though, that high-performing salespeople stay in regular contact with their customers to monitor customer satisfaction and correct any problems that might arise.

YOUR CUSTOMER WILL SEE YOUR SALESPEOPLE AS PROVIDING VALUE TO THE BUSINESS WHEN THEY:

- Help plan proactively for change, threats, and opportunities in the business environment. Understand the industry in which the customer works.
- Have a deep understanding of what the customer's business needs to perform better.
- Build a persuasive business case that gets senior company leaders' attention
- Advocate strongly for customer interests within their company.
- Assemble an expert account team that works well with customer teams
- Make the customer feel they have the authority to make decisions, or at least strongly influence decision making.
- Improve the customer experience with your company.
- Help the customer be more effective and efficient in their business.

- Create a strong sense of urgency to seize opportunities in the customer market or markets.
- Provide an objective, strategic view of customer business that is both accurate and informative.
- Have a compelling vision for how customer and the salesperson's company should collaborate to co-create value.
- Solve problems and issues promptly and fairly.
- Meet and exceed agreed-upon performance requirements on a regular basis.
- Navigate company organizational politics in a way that gets things done.
- Act as a catalyst to create consensus among multiple stakeholders ■





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to learn more about how Richardson Sales Performance's Collaborative Account Development Program can help your sales organizations win more business. Follow us on [LinkedIn](#) for more insights on effective selling.

US: +1-215-940-9255

EMEA: London: +44 (0) 20 7917 1806 Brussels: +322-252-5004

APAC: +61 (0) 8 8376 1667

APAC: +61 (0) 8 8376 1667

CHINA: +86 21 32577032

info@richardsonsalesperformance.com

www.richardson.com

