

# Discovering gold with a winning customer management plan

**By Tom Hodson**

*Executive Vice President,  
Optimé International*

**A** strategic customer management plan is an invaluable tool for developing a thorough, evolving picture of your customer and understanding how the customer thinks, acts and operates. If the goal of an account manager is to get inside the customer's head, then the strategic customer management plan is the main vehicle for doing so and the best way to discover gold in unlikely places.

The development of a strategic customer management plan requires an appreciation of business strategy and a tactical mindset coupled with a commitment to thorough implementation. Creation of a strategic customer management plan involves 10 steps. The first four focus on strategy, the final six on execution. (See Figure 1.)

First, you must be clear on your own goals. If you're not, then you are liable to make promises or commitments the company can't deliver on. As a strategic account manager of a large

retailer for a major consumer packaged goods company, I had three goals one year: increase volume by 10 percent, grow market share in our top six categories and exceed new product launch targets by 25 percent. With this in mind, my next step was to understand my customer's agenda and to ensure that I obtained the right information from the right person.

The difference between assumption and fact can make or break your relationship with a customer. When you play back the information learned from listening to your customer, you clarify – in the company's language – its needs, independent of any assumptions you may have. The better you can articulate what the company wants, the stronger your ability to work with it strategically.

I learned from my customer's CEO, CFO and CMO that they had four objectives: get back to basics (in their case, re-focus on pharmaceutical and beauty care); increase profits by 12 percent and volume by 3 percent; devise a plan to replace \$120 million a year in lost volume due to a new tobacco law prohibiting the company from selling cigarettes; and improve centralization of store operation and decision making. My customer's need to replace \$120 million a year in lost tobacco sales rang in my ears. This was information I would not have learned if I hadn't engaged in an open dialogue with the company to determine its strategies, priorities, current situation and value proposition going forward. And the uncovering of this information would prove invaluable to me. It had the potential to be a gold mine.

Once I knew my goals and had a clear understanding of my customer's goals, I moved to the next step of strategic alignment. It was time to find common ground between my goals

**Figure 1. Building the strategic customer management plan**

<b>Step 1:</b> Understand your company's qualitative priorities and quantitative goals.
<b>Step 2:</b> Articulate the customer's strategies, priorities, current situation and value proposition.
<b>Step 3:</b> Find points of linkage between your goals and priorities and those of the customer.
<b>Step 4:</b> Define the agenda for success and outline how you will deliver mutual achievement over a defined period.
<b>Step 5:</b> Identify champions on both sides.
<b>Step 6:</b> Create the relationship map.
<b>Step 7:</b> Devise the call plan.
<b>Step 8:</b> Put the plan through an internal filter.
<b>Step 9:</b> Put the plan through an external filter.
<b>Step 10:</b> Present the plan.

## IT WAS TIME TO FIND COMMON GROUND BETWEEN MY GOALS AND THE GOALS OF MY CUSTOMER.

and the goals of my customer. It also meant finding the areas of nonalignment. During this stage, it is important to zero in on the areas of alignment and highlight them to the customer. Don't expend time and energy trying to squeeze out extra revenue from the customer based on your own needs. Instead, take some time to stand in the customer's shoes, and new options will open up.

It was clear to me that there were two points of alignment. My organization was a major supplier to this customer, so I could help the company offset the \$120 million deficit as well as assist the business in getting back to basics. By helping it solve one of its major problems (making up for \$120 million in losses), I immediately had a point of alignment and a value proposition for the customer, and I met my own goal by growing my market share with the company by 30 percent. Once you develop points of alignment, you can move into the strategy phase or the creation of an agenda for success. You must determine the right people within your customer's organization and yours to push this plan along.

Even the most compelling plan will not work unless both the suppliers and customers push it. Find people in the customer's company who can move the agenda forward. Complete the same process within your own company. Look at every level of both organizations—key championing teams often contain unlikely people. Our agenda was large and enterprise-wide; I needed a champion at a very high level. We were able to bring on board the chief operating officer for this multibillion-dollar company. He put the full breadth of his support behind us, and it made all the difference.




You must now create the relationship map. It identifies who is involved in the overall project, the specific customer touchpoints to hit and how each touchpoint takes your effort to the next level. In my case, I had 80 touchpoints within the customer organization. This should be typical if you are managing a large national account. Once the map is complete, you can devise your call plan. You must now determine who you need to see, when to see them and what to discuss. Once you pinpoint who you need to see, you must ensure that your plan makes sense for your company by putting the plan through an internal filter. Address four critical questions: What are the required resources? What is the financial benefit? What is the internal value? What is the probability of success?

During this stage, my team and I agreed there was a tremendous opportunity for my company to help our customer recover half of the \$120 million yearly loss from tobacco sales. We illustrated how we could recover the money for our customer. We did so by creating a plan to introduce new products to the customer and increase the volume of existing products—both key goals of ours. In addition, we created a national pilot program for this customer to help its retailers maintain a consistent look and feel across the country—another key customer goal.

Our final step was to put the plan through an external filter to ensure that it fit the goals of the customer. Within the external filter we looked at five specific factors:

1. Strategic alignment between the customer's current configuration and the proposed agenda, plus the extent to which the customer's current systems and policies will need to be modified so the agenda can be realized.
2. Whether the customer need for the proposed agenda is high, medium or low.
3. The level of trust and credibility within the customer relationship.
4. The customer's financial capability and whether its level of willing investment matches the agenda for success.
5. Whether an alternative plan exists—in other words, if the customer doesn't go with our offering, can the customer get by on its own? Can it use a competitor?

Development of the strategic customer management plan culminates when you present the plan to the customer. No amount of research or examination is useful unless the plan is delivered in the right way, at the right time, by the right people to the right people. My process culminated with a successful presentation to my customer's CEO. The 10 steps had taken three months, but it was time well spent. In the meeting with the CEO, I was able to show how my company could help him meet his objectives while meeting my objectives at the same time. The end result: a 500 percent increase in real growth versus historical levels. This was a breakthrough. Like I said in the beginning, you discover gold in unlikely places when you ask the right questions and listen intently to the answers. 

*Tom Hodson is co-author of *Championship Selling: A Blueprint for Winning With Today's Customer*. He also is Executive Vice President of *Optimé International*, a leading North American consulting firm that specializes in developing high-performance sales organizations. Hodson spearheads the company's strategic consulting practice.*