

BENCHMARK REPORT

# Top Performance in Strategic Account Management

by Mike Schultz, Mary Flaherty, Ago Cluytens, & Mike Jones

# Contents

<b>01</b>	<b>Top Performance in Strategic Account Management: An Introduction</b>
01	Top Priority
01	Greatest Difference between Top Performers and the Rest
02	Why a Top-Performance Study?
02	Defining Top Performance
<b>04</b>	<b>Executive Summary</b>
<b>05</b>	<b>Team and Skills</b>
05	6 Strategic Account Management Roles
<b>08</b>	<b>Process Insights</b>
<b>08</b>	Maturity
09	Differences in Various Process Maturities
<b>10</b>	<b>Driving Strategic Sales Opportunities</b>
10	Where Buyers Get Ideas for Purchases
10	Driving New Business and Client Satisfaction
12	Ability to Create New Business Opportunities
<b>14</b>	<b>Strategic Account Planning and Driving Value</b>
14	Account Planning Process and Execution
15	Value Process
16	Better Value Focus, Better Results
<b>17</b>	<b>Final Thoughts</b>
<b>18</b>	<b>Research Background, Method, and Demographics</b>
<b>19</b>	<b>Sales Training to Transform Your Team</b>
<b>20</b>	<b>About RAIN Group</b>

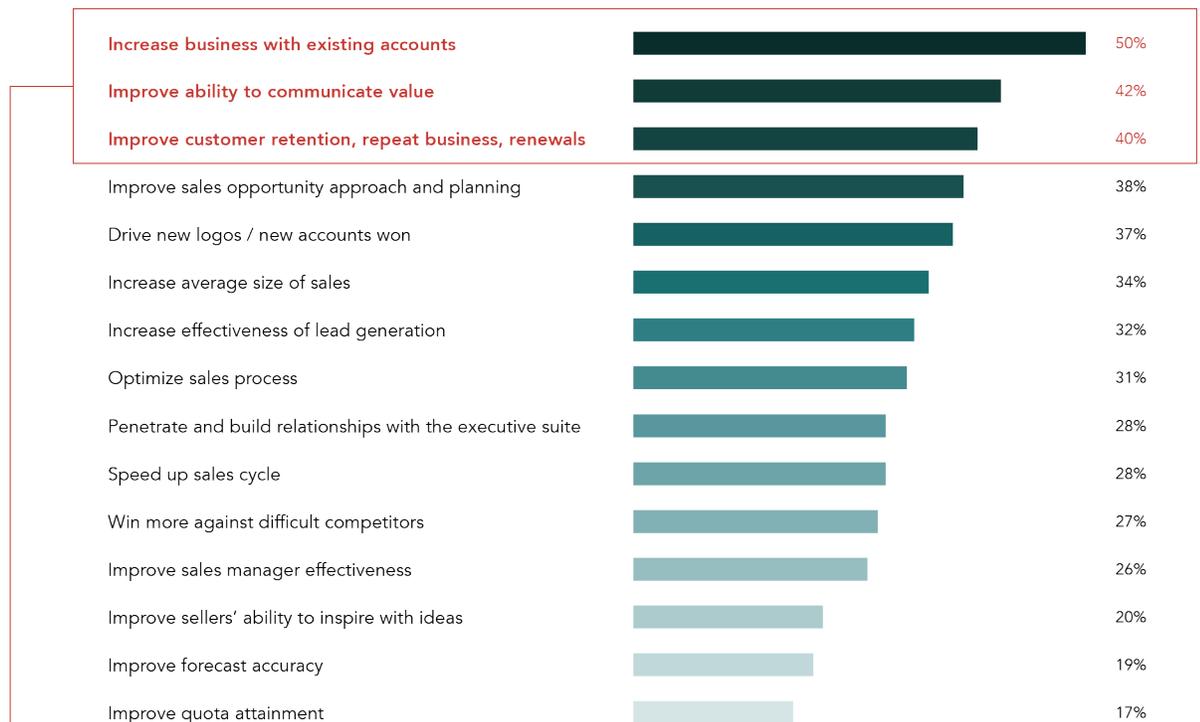
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# Top Performance in Strategic Account Management: An Introduction

## Top Priority

In RAIN Group's research that culminated in our benchmark report, *The Top-Performing Sales Organization*, we asked sales leaders about their top priorities for the coming year. Here are the 15 (of 20) that garnered at least 15% research participant votes as a top priority.

Figure 1. Top Sales Priorities



As you can see, the top three priorities all center around concepts related to strategic account management.

## Greatest Difference between Top Performers and The Rest

We also learned from this 2015 study that the greatest difference between Top Performers and The Rest was "Our sales organization is effective at maximizing sales to existing accounts" (29 percentage-point difference). The factor with the least difference between Top Performers and The Rest was "The potential for revenue growth in our current offering set is exceptional" (3 percentage-point difference). Sales leaders agree that there is huge untapped opportunity in their strategic accounts, and thus are prioritizing capturing that opportunity. However, some organizations are much better at it than others.

## Why a Top-Performance Study?

We found this fascinating. Companies that performed the best in sales were much better at driving sales to existing accounts, yet the potential revenue growth in their offering sets between performer groups was the same.<sup>1</sup> The question we wanted to answer became: **what sets apart the companies that are best at growing their strategic accounts?**

We initially studied this topic in 2012. This study is a follow up, with additional rigor and focus on finding out what sets apart Top Performers.

For this report, we studied responses from 397 participants with formal strategic account management groups at their organizations. We included 26 industries (Professional/Business Services, Financial, Technology, and others) with the following demographics (for full demographics, see page 18):

### What Didn't Matter

Companies were no more likely to be Top Performers based on: geography, company size, account size, or industry.



#### Geography

- 61% Americas
- 24% EMEA
- 14% APAC



#### Revenue

- 58% less than \$50M
- 25% \$50M to \$1B
- 17% \$1B or more

## Defining Top Performance

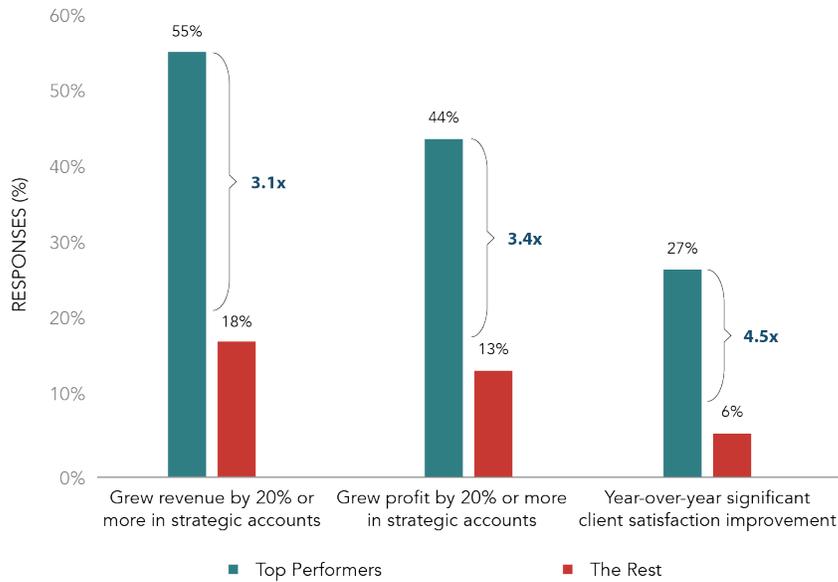
We categorized respondents into two groups: Top Performers, representing 13% of respondents, and The Rest, representing the remaining 87%.

	Top Performers top 13% of respondents	The Rest
Annual revenue in strategic accounts	Increased	Those who didn't meet the Top Performer criteria
Annual profit in strategic accounts	Increased	
Client satisfaction in strategic accounts	Same or better year-over-year	
Overall strategic account management success	Excellent or very good	

<sup>1</sup> It's worth noting that the smallest gap between the Top Performers and The Rest relates to the potential revenue growth of their offerings (with practically no difference—#72 of 72 factors studied). So it's not like the Top Performers simply have better products and services to sell. The difference is that they are better at selling.

Using this analysis lens, we found the following:

Figure 2. Top Performers in Strategic Account Management Compared to The Rest



Indeed, **Top Performers in Strategic Account Management have drastically better account growth**, as evidenced by the fact that they were 3.1 times more likely to have grown revenue by 20% or more in their strategic accounts, 3.4 times more likely to have grown profit by 20% or more in their strategic accounts, and 4.5 times more likely to have experienced year-over-year significant client satisfaction improvement.

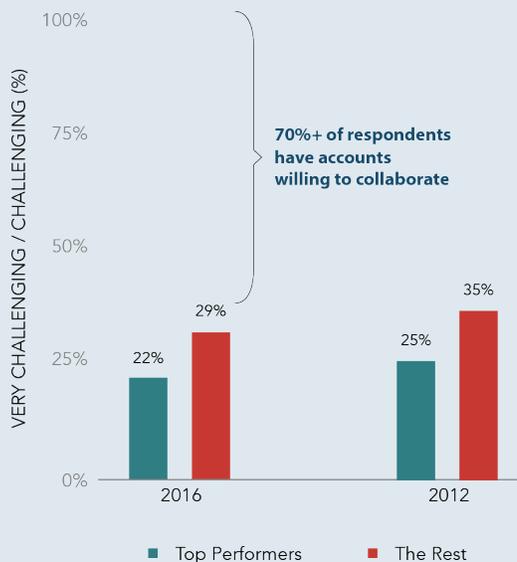
Now, on to the findings.

### Accounts Are Willing to Collaborate

A little less than a quarter of the Top Performers in Strategic Account Management found “Cooperation and willingness to collaborate from our strategic accounts themselves” a challenge. A little more than a quarter of The Rest found the same. This is also roughly what we found in our 2012 study, except it’s gotten somewhat better in the last five years.

**Takeaway: Most companies have accounts willing to collaborate.**

Figure 3. Is the following a challenge: Cooperation and willingness to collaborate from our strategic accounts themselves?



# Executive Summary

## 4 Key Findings from the *Benchmark Report on Top Performance in Strategic Account Management*

**Authors**  
Mike Schultz, Mary Flaherty,  
Ago Cluytens, & Mike Jones

Top Performers in Strategic Account Management are dramatically different than The Rest in a number of key areas, allowing them to grow revenue, profits, and customer satisfaction in named strategic accounts much more than The Rest.

### Right Team and Right Skills

- **75% of purchases are strategic, yet sellers are bringing the ideas only 14% of the time.** When companies have the right team in place, they can develop ideas to drive more value at accounts, drive relationships with executives, and drive and win new opportunities.
- **The strategic account management competencies most separating Top Performers from The Rest are the exact opposite of the most common competencies exhibited across all performer groups.** Skill deficits across roles are killing the strategic account results that companies desire. There is too little focus on the role of the Innovator (generating ideas), Results Driver (pursuing growth), and Project Manager (ensuring planning and execution). Some Relationship Lead skills are also in great deficit among The Rest, including creating new relationships and selling at the enterprise level.
- **Top Performers are much better at training strategic account managers to drive revenue (see fig. 7).**

### Top Performer Criteria

We considered the following when defining Top Performers:

- Increased annual revenue in strategic accounts
- Increased annual profit in strategic accounts
- Somewhat or better year-over-year client satisfaction in strategic accounts
- Excellent or very good overall strategic account management success

The Top Performer group represented 13% of respondents.

### Process Discipline

- Top Performers are significantly more likely to have a more mature process for strategic account management (see fig. 6).
- Top Performers have stronger processes to build account plans, discover untapped value, hold teams accountable, and train in strategic account management skills. Together these processes combine to produce more sales opportunities and revenue growth (see fig. 7).

### Strong Account Plans

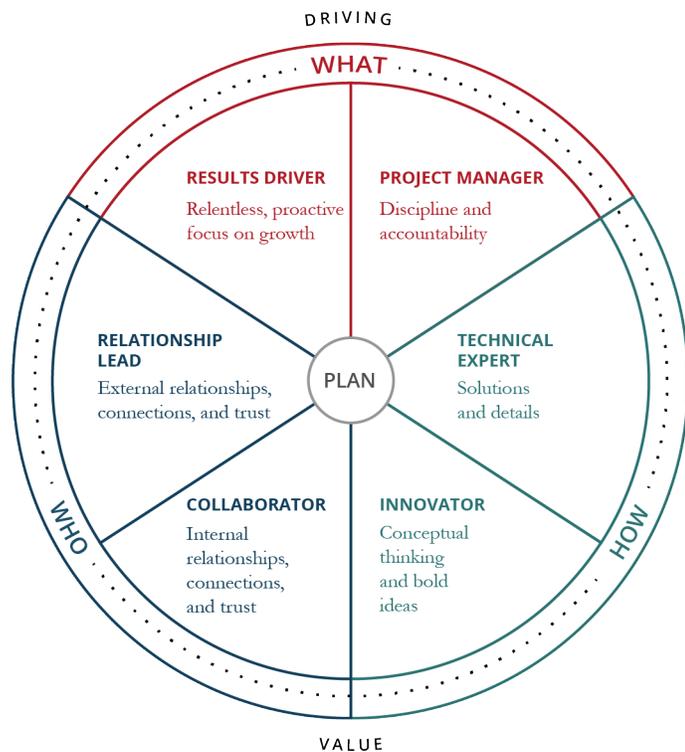
- Top Performers are 2.5 times more likely to have effective processes for building strategic account plans (see fig. 13).
- Top Performers are significantly more likely to execute plans (see fig. 15) and drive new opportunities (see fig. 11) based on plans, and thus more strongly satisfy accounts.

### Accountability

- Top Performers drive significantly more opportunity, but it's not about their offerings: it's about people and process. And they get results: 55% report growing accounts by one-fifth or more in accounts vs. 18% for The Rest (see fig. 2).
- Culture and plans drive expectations and resources. The Results Driver and Project Manager roles that strategic account managers play ensure execution (see page 5).

# Team and Skills

For over a decade, we at RAIN Group have been using our Strategic Account Manager Competency Model to help companies hire, train, and manage the best strategic account managers (SAMs), and to help SAMs develop their skills, knowledge, and attributes.



There are several concepts embedded in the Strategic Account Manager Competency Model:

- **Driving Value:** The core job of a SAM is to drive more value for their accounts. When they can, their accounts grow.
- **How | Who | What:** SAMs must know how they are going to drive value from an action planning perspective, who they are going to drive value for, and what that value might actually look like for these people.
- **Plan:** Accounts are often complex. SAMs must have plans in place in order to drive value.
- **6 Strategic Account Manager Competencies:** There are 6 competencies SAMs must exhibit, or roles they must play, on any given day to drive account growth.

(For a detailed explanation of the model, download a copy of our white paper, *Competencies of Strategic Account Managers*.)

## 6 Strategic Account Management Roles

With the *Benchmark Report on Top Performance in Strategic Account Management*, we now have data on what separates Top Performers from The Rest in this model.

What separates Top Performers from The Rest? Answering this question was the primary objective of our research. When it came to SAM competencies, the results were fascinating.

For both Top Performers and The Rest, the competencies most commonly played well were, in rank order:

1. **Technical Expert:** The person who crafts the solutions, provides technical information, and solves implementation roadblocks.
2. **Relationship Lead:** The embedded player (or players) in the account who creates and strengthens relationships. Typically the lead seller.
3. **Collaborator:** The internal team builder who builds internal bridges and trust, and gets the right people involved at the right times to produce the best outcomes.
4. **Results Driver:** The leader of driving business inside the account.
5. **Innovator:** The person who sees ways to increase value that can be delivered to the account, often in new and creative ways.
6. **Project Manager:** The organizer of the process and teams for growing the account.

What's more interesting, however, is to look at the roles with the greatest competency gaps between Top Performers and The Rest. That is, the degree to which these roles are played *well* by each of these groups. Note that the ranking is completely flipped upside down when compared with the most common competencies across organizations overall.

### Competencies Most Commonly Played across All Organizations

### Competencies Most Separating Top Performers from The Rest

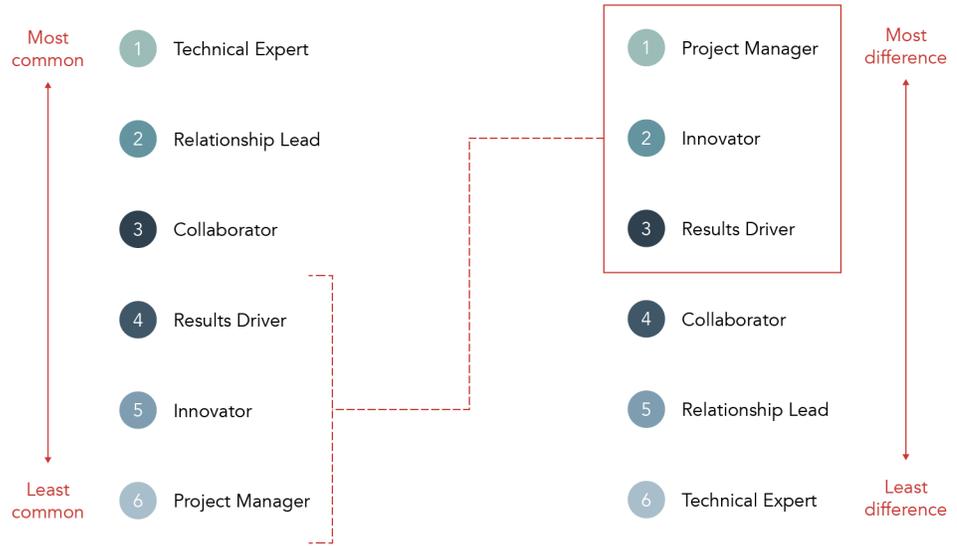
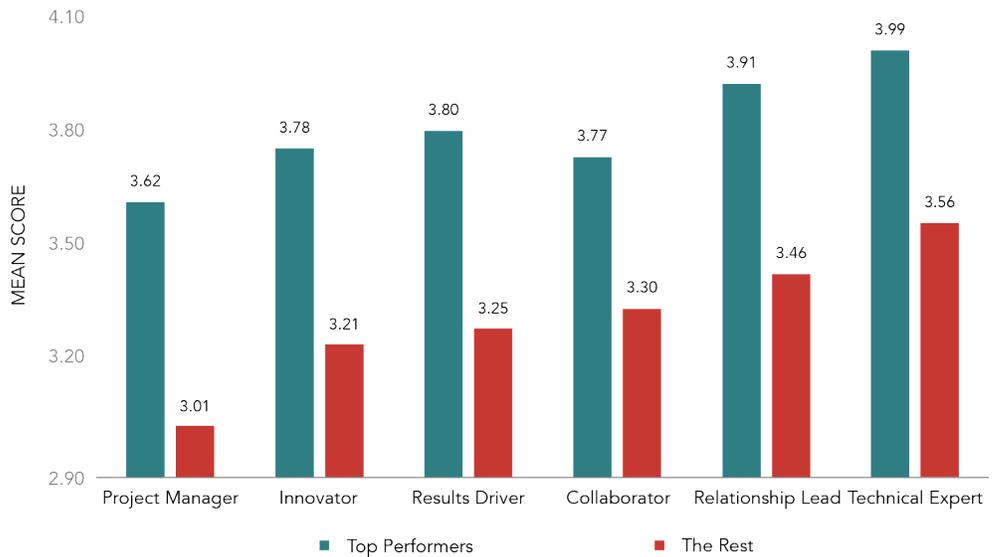


Figure 4. Competencies Most Separating Top Performers from The Rest



Think of it like this: you need Technical Experts and Relationship Leads to get a seat at the table, and get opportunities to drive conversations and sales. Without these roles played well, you'll be disqualified from competing. These are the price of entry.

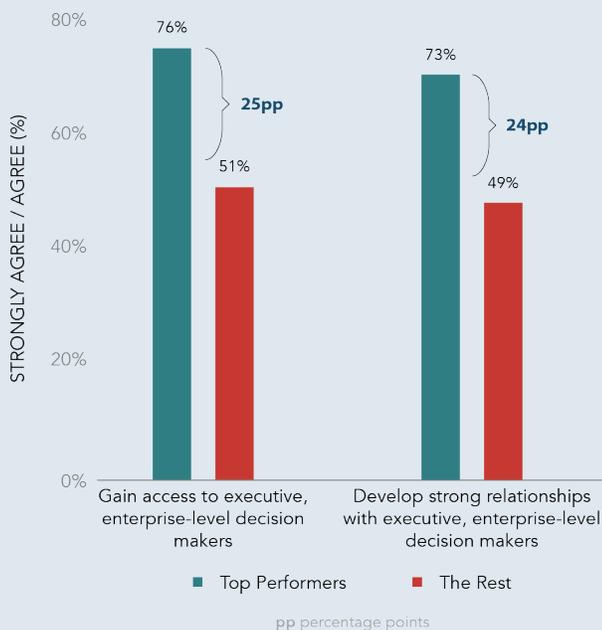
If you want to drive the greatest account growth, make sure the roles of Project Manager, Innovator, Results Driver, and (internal) Collaborator are played well. When you do, you'll create compelling strategic account plans, and use the plans as guides to execute and drive results with hustle, passion, intensity...and accountability.

**Takeaway: Competencies separating Top Performers are the exact opposite of the most commonly found competencies.**

## Noteworthy Relationship Lead Differences

Top Performers and The Rest similarly believe they have good Relationship Leads on their account teams, meaning they believe their customer-facing sellers do similarly well. However, while they seem to be similar in their skills for maintaining their existing relationships, there are two areas of stark difference between Top Performers and The Rest.

Figure 5. Top Performers Are More Likely to...



Top Performers are much more likely to:

- Gain access to executive, enterprise-level decision makers
- Develop strong relationships with executive, enterprise-level decision makers

Also, the number three (out of 23) top challenge of The Rest was "Having the skills to penetrate deeper into other buying centers in our accounts" (47% challenging/very challenging). On the other hand, only 33% of Top Performers were challenged by this.

This indicates Relationship Leads are **more proactive, have better prospecting skills, and have sellers with the attributes that allow them to connect with executives.** When they do connect, they're better able to win sales by developing the strongest relationships with a buying role we call the Domino. The Domino is the person in an account that, if he or she says "let's do this," then everyone else gets in line to make a purchase happen. The Domino may have only brief or tangential involvement, but if you get the ear of the Domino and they want something, sales often move quickly.

To learn more about the Domino and other buying roles, read the blog post, "5 Decision Roles in Every Sale."

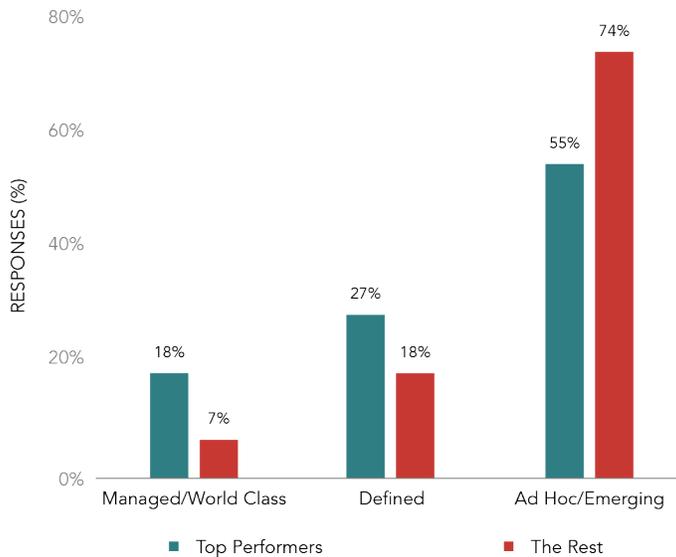
## Maturity

We asked respondents, “How would you describe the organization’s process for sellers to maximize sales, profit, and retention at existing accounts?” For answer choices, we gave them the following:

1. **Ad Hoc (Chaos):** No consistent process
2. **Emerging:** Some norms, some consistency, still work to do to standardize and make complete
3. **Defined:** We have a defined approach for strategic account management, major actions and outcomes are defined
4. **Managed (Adoptive):** Number 3, plus it’s easy to use
5. **World-Class (Adaptive):** Number 4, plus it’s always being measured and improved

The question being, “Does process matter?” We found that the more mature the process for SAM, the more likely the organization was to be a Top Performer.

Figure 6. Strategic Account Management Process Maturity

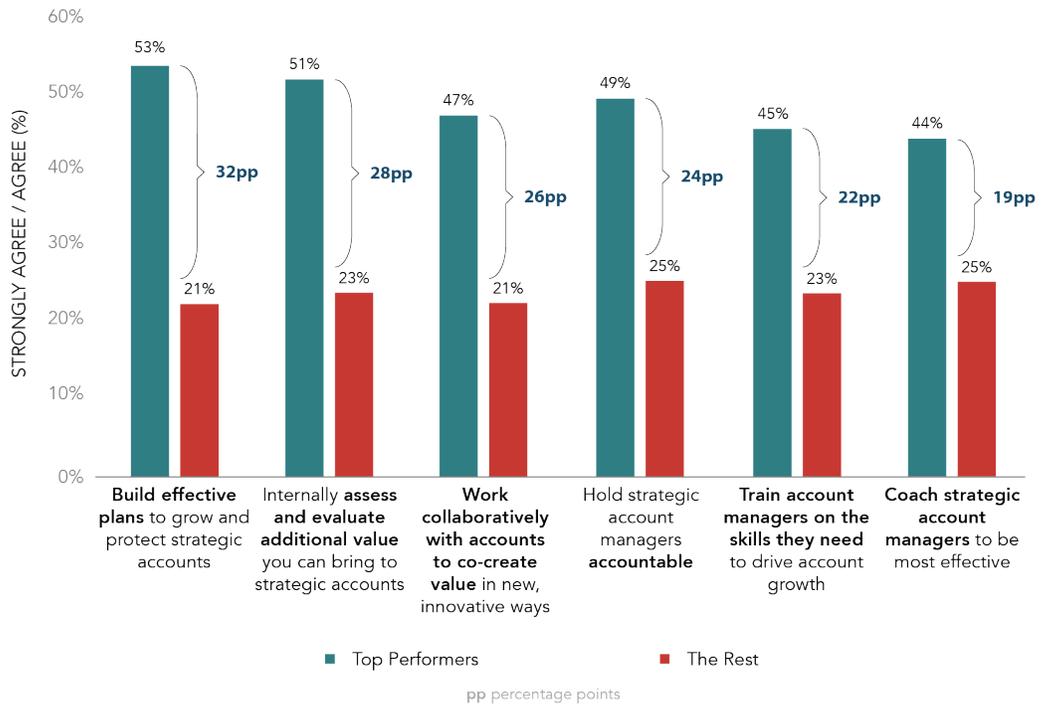


Of particular note, the greatest difference in challenges expressed by Top Performers and The Rest was, “Having an effective strategic account management process.” 41% of The Rest found this challenging or very challenging versus only 14% of Top Performers.

## Differences in Various Process Maturities

Along with studying the overall process companies have for driving account growth, we studied six other discrete processes to see if they, too, correlated with Top Performance. It turns out they do.

Figure 7. Effectiveness of Company Process to...



What can we learn from this? Top Performers:

- Have significantly more mature strategic account management processes overall
- Have a systematic approach to building account plans
- Regularly and systematically run value discovery processes both internally to figure out how to drive more account value, and externally to do so with accounts themselves
- Hold strategic account managers accountable
- Train strategic account managers on the skills they need to drive account growth
- Coach strategic account managers to be most effective when selling

**Takeaway: If you want to grow strategic accounts, you can't be ad hoc about it. Process matters. Be systematic.**

# Driving Strategic Sales Opportunities

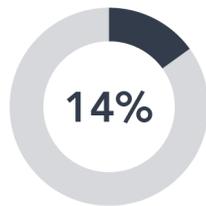
## Where Buyers Get Ideas for Purchases

The most common goal for strategic account management is to grow accounts. In basic terms, this means SAMs must prospect inside of accounts to make new sales. Or, in other words, they must be proactive and, thus, drive strategic sales opportunities, versus simply reacting to what buyers bring up.

The opportunity to do this for SAMs is tremendous. In a previous RAIN Group Center for Sales Research study, we learned that buyers view 75% of purchases as “strategic opportunities,” meaning the buyer isn’t required to buy, but is making a purchase as an investment. Yet, only 14% of buyers report discovering these strategic opportunities from sellers versus other people and personal research.<sup>2</sup>



75% of purchases buyers view as “strategic opportunities,” meaning the buyer isn’t required to buy, but is making a purchase as an investment.



Yet, only 14% of buyers report discovering these strategic opportunities from the seller vs. other people and personal research.

This means that **buyers are looking for ideas to drive strategic initiatives that include purchases, but few sellers are bringing them the ideas.** Put simply, buyers want sellers to bring new ideas to the table and proactively reach out. A stark contrast with many sellers’ fears of being seen as pushy and salesy.

## Driving New Business and Client Satisfaction

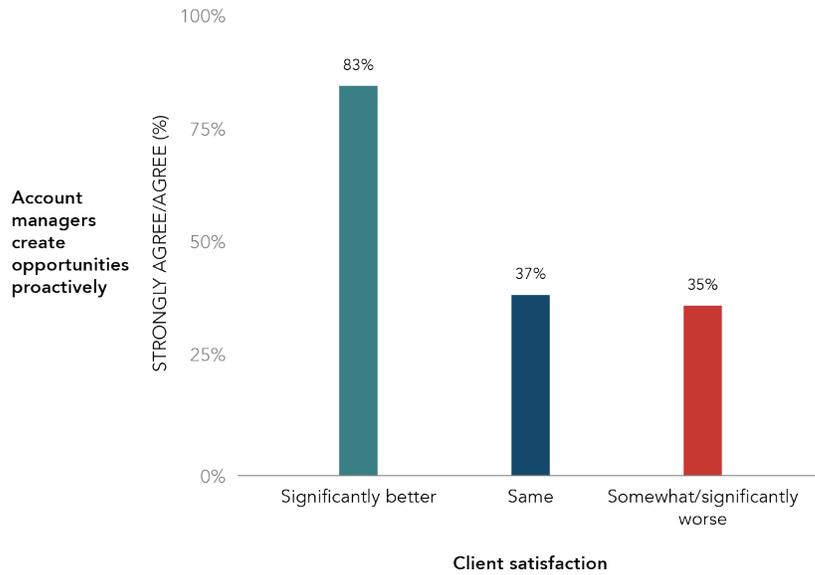
When we speak to sellers, they give all sorts of excuses for why they don’t reach out to their existing relationships to get them to buy more. Aside from the “I have no time for that” excuse, the most common one we hear is that they don’t want their buyers to perceive them as self-interested sellers. If they reach out proactively to their longstanding buyers, sellers tell us, it might hurt their relationship and trust.

Yet, perhaps counterintuitively, **when SAMs create opportunities proactively, buyers are more satisfied.** This is consistent with our finding that buyers are looking for ideas.<sup>3</sup> When the buyers get those ideas from sellers, they value the sellers more.

<sup>2</sup> Mike Schultz and John Doerr, *What Sales Winners Do Differently* (RAIN Group, 2013).

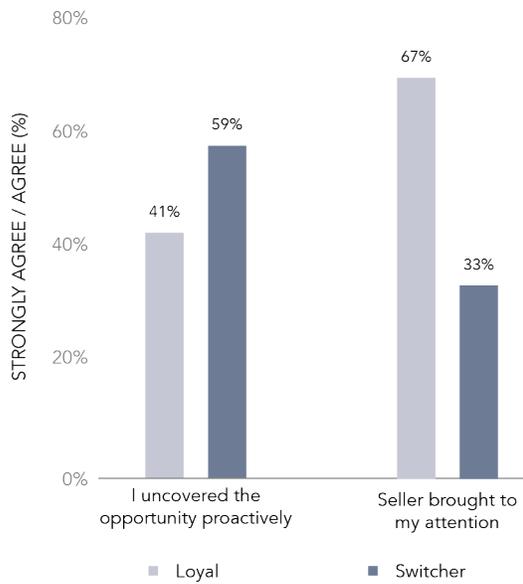
<sup>3</sup> Ibid.

Figure 8. Client Satisfaction When Account Managers Create Opportunities Proactively



Research has proven that loyal customers buy more frequently, at higher rates, and with significantly shorter sales cycles.

Figure 9. Buyer Opportunity Identification by Likelihood to Switch<sup>4</sup>



<sup>4</sup> Ibid.

## Ability to Create New Business Opportunities

How well, however, do SAMs do at providing these ideas and creating new business opportunities? Not very well.

There's a stark difference between Top Performers (76% of SAMs create new business opportunities) and The Rest (47%). Further, Top Performers (66%) are 1.8 times more likely than The Rest (37%) to have new business opportunities come from ideas outlined in their strategic account plans.

Figure 10. Account Managers Create New Business Opportunities

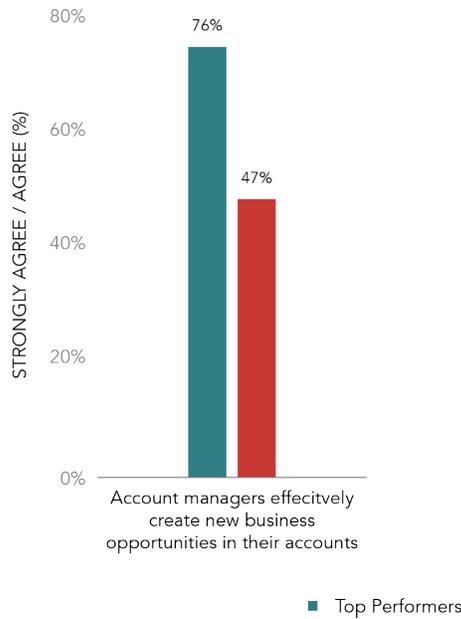
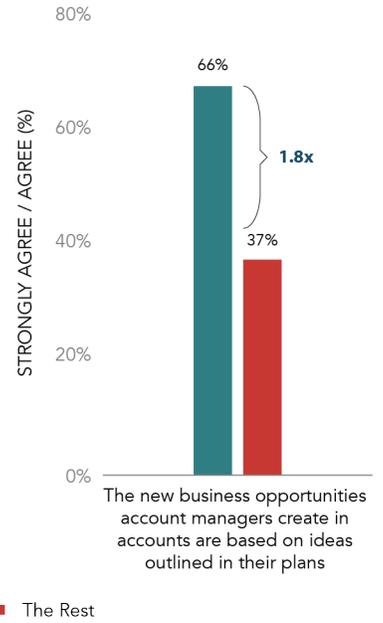


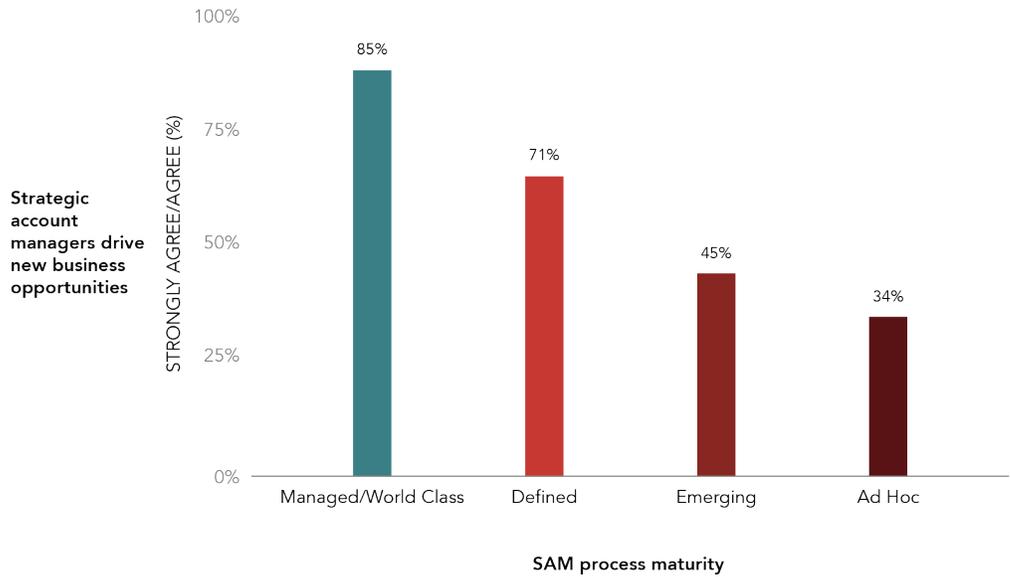
Figure 11. Business Opportunities Driven from Account Plans



This confirmed for us, once again, that Top Performers are more process oriented, having systematic approaches to developing new ideas to add value to accounts, and planning to introduce that value to account stakeholders.

We also looked at whether those SAM organizations that had stronger process did a better job driving new business opportunities within named accounts.

Figure 12. Do Strategic Account Managers Drive New Business Opportunities Within Named Accounts?



**Takeaway: The more mature the strategic account management process, the more likely a company was to have SAMs drive new business opportunities within named accounts.**

# Strategic Account Planning and Driving Value

## Account Planning Process and Execution

We know that Top Performers are much more likely to drive new opportunities, and drive those opportunities from ideas in their plans, than The Rest. How much better, however, are Top Performers at creating the actual plans?

Top Performers are 2.5 times more likely than The Rest to have an effective process for building account plans (fig. 13).

From a skills perspective, Top Performers are light years ahead of The Rest, both when it comes to leading the process to build the plans, and then assuring those plans are executed.

It's worthwhile to note that the #2 most difficult challenge for The Rest, after pressure to focus on short-term versus long-term results, was lack of an effective strategic account planning tool (48% challenging/very challenging). Top Performers were challenged significantly less (29%).

Figure 13. How Effective Is Your Company's Process to Build Effective Plans to Grow and Protect Strategic Accounts?

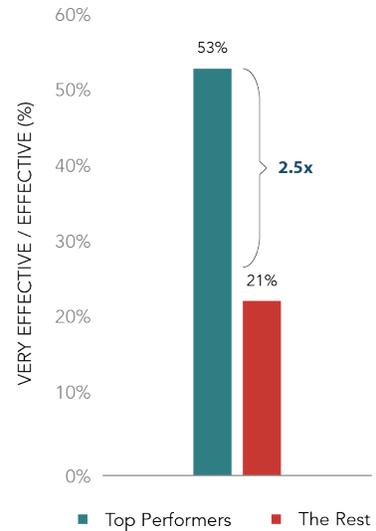


Figure 14. Our Account Managers Lead the Account Planning Process Effectively

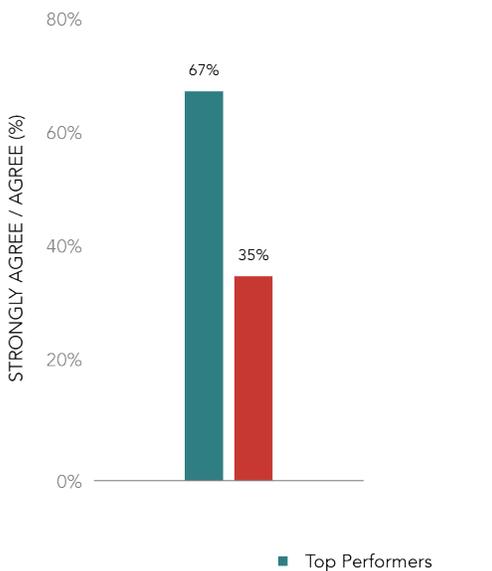
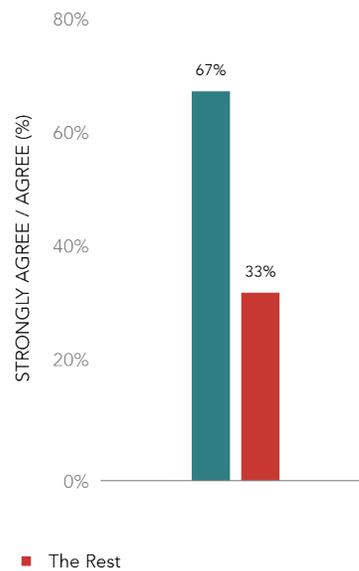


Figure 15. Our Account Managers Ensure the Execution of the Account Plan



Further, while 45% of The Rest reported being challenged by implementation of their strategic account plans after they're built, only 20% of Top Performers were.

**Takeaway: Ultimately, at the center of a strong process is almost always a good strategic account planning tool.**

## Value Process

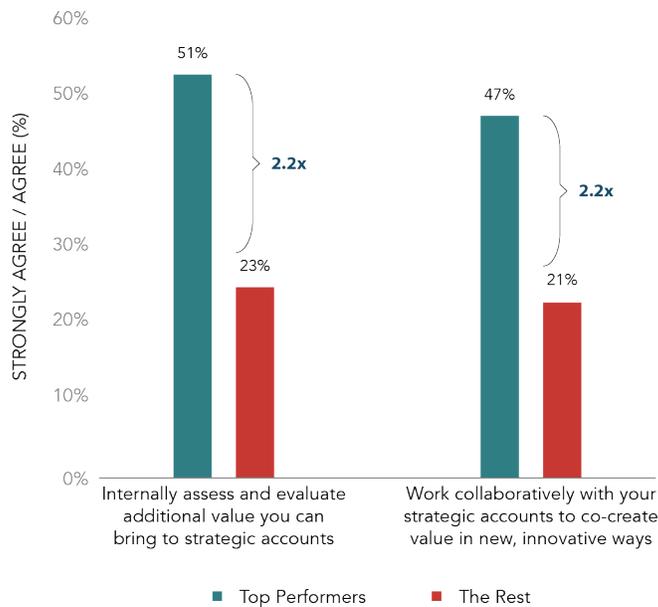
A major component of strategic account planning is defining what more you can or should sell to your accounts that they are not currently buying. At RAIN Group we advocate for companies to do this in the context of value. If you can define how your accounts can benefit from buying more or differently from you, and you can make that case crystal clear to yourself, you have a good chance at making it known to the account stakeholders themselves.

Of course, that naturally raises the question of the effectiveness of a company's process to evaluate the additional value they can provide to accounts. We looked at this in two ways:

1. **Internal:** How a company brainstorms additional value they can bring to accounts with their own staff
2. **External:** How a company collaborates with their account stakeholders to co-create value in new, innovative ways

It turns out, this is another area of stark difference between Top Performers and The Rest.

Figure 16. Effectiveness of Company Process to...



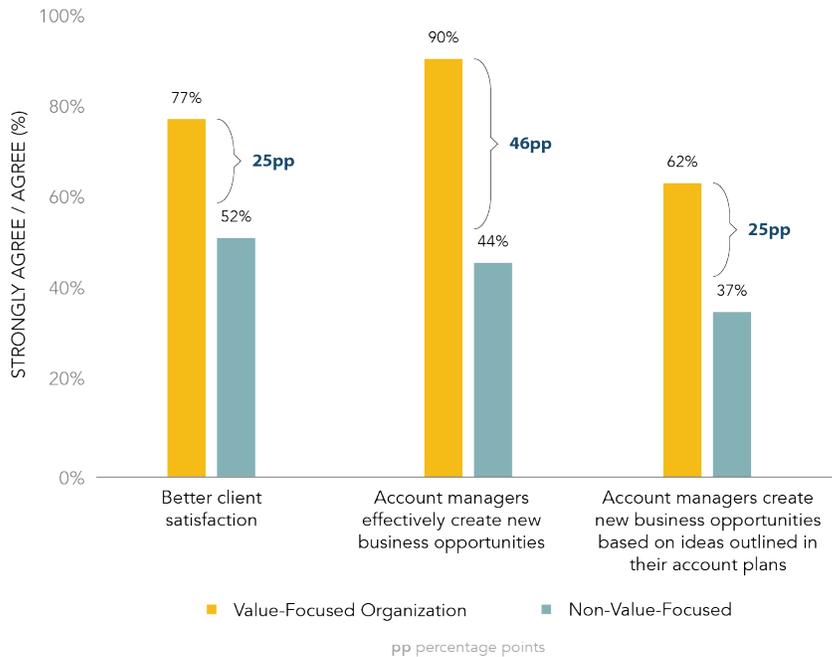
When organizations were effective at both, we labeled them "Value-Focused Organizations."

But does being a Value-Focused Organization matter?

## Better Value Focus, Better Results

It does. In fact, it creates the same category of positive results as good planning, increases client satisfaction, and increases new business opportunities, but to an even greater degree.

Figure 17. Value-Focused Organizations vs. Non-Value-Focused Organizations



Take note of the stark difference in creating new opportunities.

**Takeaway: If you're good at the process of discovering value internally, and can then bring those conversations to buyers, expect your pipeline for new business to go way up.**

# Final Thoughts

If you believe there is untapped growth in your accounts, it's likely you can make significant strides if you focus on the following:

- **People:** Make sure they have the right competencies, focusing on those that separate Top Performers from The Rest.
- **Process:** Process matters. If you ensure that your team knows how to go about strategic account management, you'll see an increase in revenue and fewer missed opportunities.
- **Plan:** Centering strategic account management on excellence in planning is critical. The right plan will define the value you can drive with the account, who will benefit from that value, and how your team needs to take action to bring that value to life.
- **Accountability:** Those organizations where leadership expects and requires excellence in strategic account management, and drives execution of both account planning and account plans, will achieve results head and shoulders above the rest.

# Research Background, Method, and Demographics

The objective of the research was to answer the question: What sets Top Performers, those companies with increased profit growth, revenue growth, and satisfaction in their named accounts, apart in strategic account management? Among areas we examined in the survey were: performance results, strategic account management challenges, process effectiveness, and competencies.

This study was conducted as a follow up to RAIN Group's 2012 *Benchmark Report on High Performance in Strategic Account Management*. Data for the current report was collected from 397 executives, strategic account managers, and sales professionals at organizations with formally named strategic accounts via online survey administered between March and April 2016 to the RAIN Group Center for Sales Research (CSR) Panel and RAIN Group and partner audiences.

Annual Revenue	% of Total
Less than \$50 million	58%
\$50 million to less than \$1 billion	25%
\$1 billion or greater	17%

Note: Respondents were no more likely to fall into a specific range of gross annual sales based on Net Performance (Top Performers versus The Rest).

Industry	% of Total
Professional Services	25%
Technology	21%
Banking, Insurance & Financial Services	7%
Business Services	9%
Other	37%

Geography	% of Total
Americas	61%
Europe, Middle East, Africa	24%
Asia-Pacific	14%

Overall, the average strategic account size was \$4.9 million. For Top Performers, it was \$6.8 million, and \$4.6 million for The Rest.

Top Performers have an average of 20 strategic accounts. The Rest had a statistically similar 23.

The Rest believed they should be generating an average of 60% more revenue from their strategic accounts, significantly more than the Top Performers (36%). However, it's likely that Top Performers are already generating more revenue from accounts, having already captured much of the potential.

# Strategic Account Management Training to Transform Your Team

RAIN Group partners with organizations to deliver a transformational sales training experience purpose-built for adult learners.

Using our behavior change framework, we help you:

1. **Craft** a change strategy to achieve key metrics and tailor the program to your world
2. **Deliver** world-class training that drives immediate application
3. **Enable** training success through ongoing support, coaching, and KPI measurement

With over 70 portable, modular blocks, you can quickly design custom curricula with the strategic and key account management content your team needs to penetrate, expand, and protect your accounts. Content, tools, and cohorts are tailored to your world.

Strategic and Key Account Management modules include:

- Growing Strategic and Key Accounts
- Leading a Value Lab
- Competitor Analysis and Planning
- Succeeding with Account Research
- Analyzing Stakeholders and Decision Making
- Account Mission and KPIs
- Plays and Big Plays to Ensure Account Success
- VC Testing Account Plans
- Filling Your Account Pipeline with New Opportunities
- Selecting Key Accounts for High Pursuit Intensity
- Deepening and Strengthening Relationships

Whether you have a geographically distributed team, multi-language needs, or a complex sales process, we work with you to design a custom solution that drives results.

In addition, with solutions like Train the Trainer and Total Access (subscription-based sales training), you reduce the time out of the field, equip leaders to support sellers, and embed a proven sales method in your organization.

[Click here to request a complimentary consultation](#) →



## RAIN Group Delivers World-Class Sales Training

- Modular, multi-modal, and purpose-built for the **modern learner**.
- Unique approach to driving **behavior change** through training that we call Execution Assurance.
- Focused on driving the **business results** important to you.
- A **transformational experience** that ensures the development, adoption, and implementation of new skills.
- Action-oriented **coaching** prepares sellers for real situations and provides direct feedback.

# RAIN Group Unleashes Sales Potential

We help organizations:

- Develop and improve sales strategy, process, messaging, and talent
- Enhance sales capability with award-winning sales training
- Design and execute strategic account management initiatives
- Increase effectiveness of sales management and coaching

**Best IP:** We study buying and selling relentlessly through the RAIN Group Center for Sales Research. Our research and field work allows us to create industry-leading intellectual property to help our clients achieve the greatest success.

**Best Education System:** We use the best education approaches, methods, and technologies to make training work, stick, and transfer to the job.

**Best Results:** We make it our mission to drive value and achieve the highest client satisfaction through excellence in quality and producing transformational results for our clients.

