THE BROOKS GROUP

Strategic Account Management

Best Practices to Grow and Retain High-Value Customers

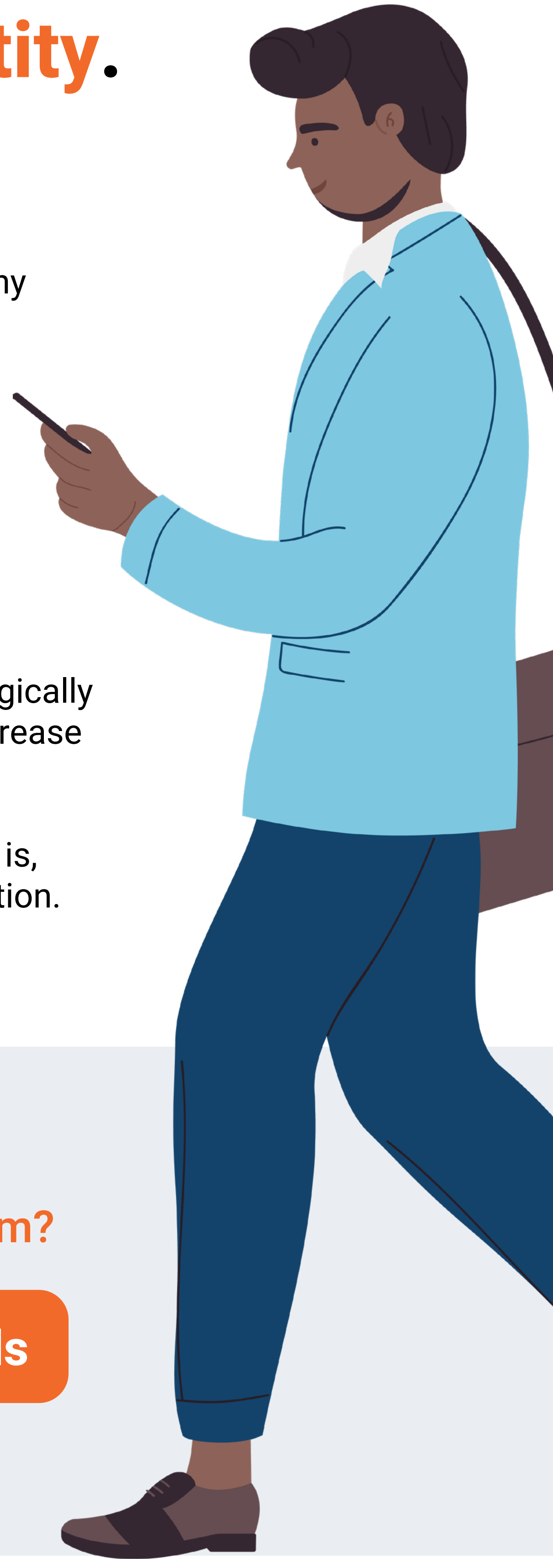
When it comes to sales, it's not just about quantity. It's about quality.

One of the best ways to drive revenue for your company is to develop long-lasting relationships with your customers. Yet, too often, companies don't have a defined process to nurture their most important business connections.

The best way to avoid a costly breakup with your most valuable customers is with **strategic account management.**

Giving your team the tools to manage accounts strategically will reduce sales cycles, improve customer loyalty, increase overall sales, and drive growth.

Read on to learn what strategic account management is, how to do it well, and how it can benefit your organization.



Ready to train your team?

Get Program Details

What Is Strategic Account Management?

Strategic account management is the process of building long-term mutually beneficial partnerships with key customers.

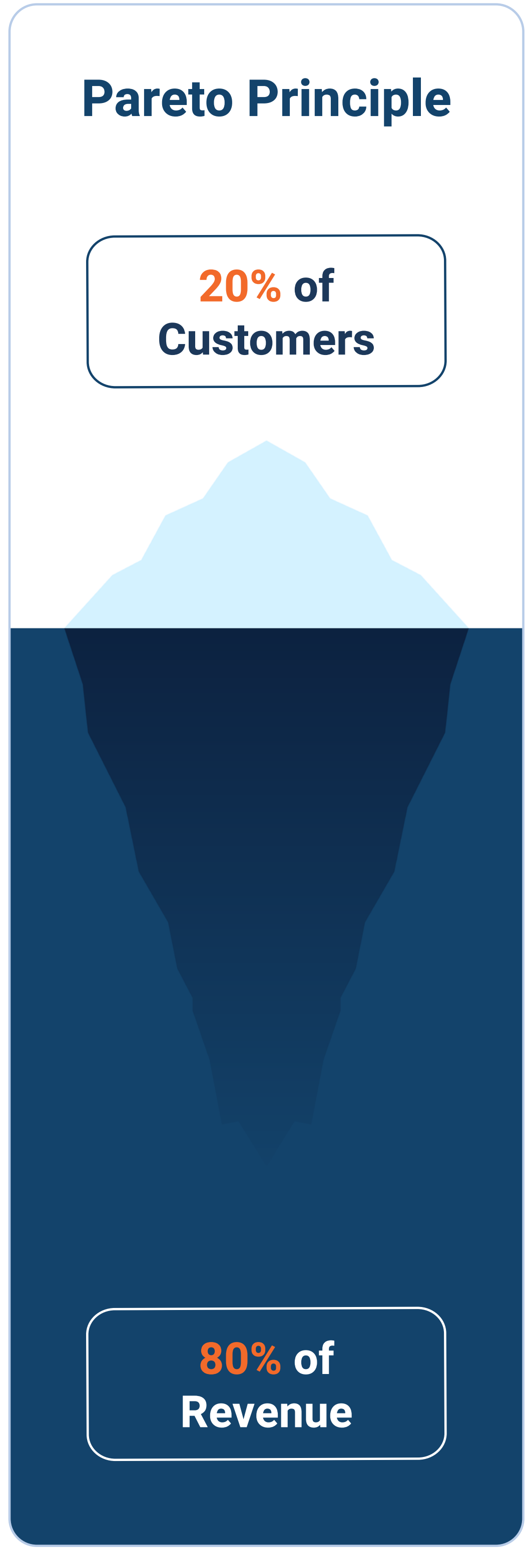
Typically, the main focus of a sales organization is acquiring as many new customers as possible. While this is certainly important, it's not necessarily the most efficient method of increasing revenue.

If the Pareto principle—also known as the 80/20 rule—holds true for your business, it means that 80% of your revenue is being generated by 20% of your customers. If you can define that 20%, you can focus sales efforts efficiently.

Strategic account management allows you to tap into that revenue stream and nurture customers with the most potential. This means identifying accounts most likely to buy from your company (and to make more lucrative purchases), then working to build long-lasting relationships with those customers.

It also requires aligning your approach with where a customer is in their buying journey to ensure each interaction creates value and builds momentum.

The emphasis is on expanding relationships higher into executive levels, wider across departments, deeper within teams, a strategy known as "Higher, Wider, Deeper." This approach enables sellers to strengthen account coverage, uncover new opportunities, and reinforce strategic positioning.



The Role of a Strategic Account Manager

For many companies, strategic account management is becoming an increasingly important part of their sales approach. More organizations now employ a strategic account manager to spearhead those initiatives.

Key skills for a strategic account manager include strong communication, leadership, strategic thinking, problem-solving, and account management abilities. Additionally, analytical skills, sales experience, and the ability to build and maintain customer relationships are crucial.

Through in-depth research and assessment, strategic account managers find opportunities to drive value for their customers by identifying problems, offering creative solutions, and moving both organizations toward their strategic goals.

The manager is someone who knows their own company and their customers' companies inside and out. They're skilled communicators and problem solvers, and they understand business and financial strategy. Their job is to forge those relationships that will become the bedrock of your sales strategy.

The "extra attention" they provide can mean different things depending on your company. Examples might include special exclusive discounts, access to certain company resources, and other perks. It could also be as simple as sending a customer a valuable article or piece of industry research that relates to their challenge.

To do this effectively, account managers must be able to tailor their communication to individual stakeholder preferences and behavior styles, using tools like DISC to guide the way they build rapport and trust.

Benefits of Strategic Account Management

Strategic account management requires more energy and resources than simply selling to a customer and hoping they stick around. Like every sales technique, it's an investment of time, money, personnel, and other resources.

Strategic account management is about directing that investment more efficiently to get a better return. When executed correctly, strategic account management leads to stronger relationships and additional revenue for your organization. These benefits stem from a consistent, strategic process that includes building stakeholder maps, identifying account goals, and proactively creating tailored solutions that align with the customer's evolving needs.

Lower Churn

When you identify and nurture key accounts, they're up to 70% more likely than a new customer to close. They also spend around a third more, have higher satisfaction, and are more likely to refer new customers.

Competitive Edge

Strategic account management can also help you gain an edge over your competitors. As you get closer to a deal, a little extra effort at the right time can help tip the scales in your favor.

Higher Revenue

Profits increase once you begin a strategic account management initiative. Studies show that increasing customer retention by as little as 5% can result in over 25% gains in profit.

Long-Term Relationships

By helping your team manage their key accounts strategically, you can forge bonds of trust that will last for years to come and lead to a sustainable source of revenue.

How Strategic Account Management Differs from New Business Acquisition

Narrow Focus

In new business sales, sellers cast a broad net to reel in as many customers as possible using the same basic techniques. Strategic account management is narrower in focus. Special, individual attention is given to a few high-priority customers.

Different Skills

There may be multiple team members focused on a particular customer. Depending on the size of your organization, you may have a dedicated account management team, or you may need to train your sales professionals with account management skills.

Strategic Approach

Your team must evaluate their customer base to identify key accounts that show signs of being potentially lucrative. Then they can develop a specific approach for each account: what their needs are, what's important to them, and what they're likely to respond to.

Customer-Centric

Sales meetings often have the theme of, “What can we do to land more customers?” Strategic account management meetings ask, “What can we do to maintain and expand this particular customer?”

Long-Term Focus

Sales is focused on right now: Close and immediately move on to the next prospect. Strategic account management is a long-term partnership. Your team collaborates with the buyer to ensure their needs are met, both now and in the future.

Value-Oriented

Managing accounts strategically is all about adding value over the long term. Not every touchpoint will progress a sale directly. Instead, each communication should provide value to the customer.

Driving Revenue Using Strategic Account Management

Certain aspects of strategic account management may seem counterintuitive at first. Your sellers will narrow their scope, focusing on a few specific customers to increase revenue. But it can be incredibly effective when done correctly. There are four important steps.

Step 1: Identify Key Accounts

The first step of effective account management is to categorize your accounts into segments. Segmenting allows your sellers to evaluate each of their accounts and create plans with specific activities based on relationship strength and revenue potential.

Step 2: Set Goals

Once you've identified key accounts, it's important to outline what you seek to achieve with them. How much is a specific account worth? What kind of return on investment are you expecting, and in what timeframe? This can help you determine just how much energy and resources should be allotted to each account.

Step 3: Develop Strategy

Each key account requires its own tailored strategy for how to do business with them. Do your research. Find out everything you can about that company: what they do, what their goals are, their history, and anything else that may be relevant. It's just as important to research the people in the company. With this information, you can develop a partnership that's beneficial to you and your customer and increases long-term revenue.

Step 4: Re-Evaluate Accounts

Identifying key accounts isn't a one-time event. Re-assess customers who didn't meet your "key account" criteria previously to see if they do so now. You can also make sure strategic accounts still meet your criteria or determine whether the resources you're investing in them aren't productive.

Finally, you should regularly re-evaluate your list of criteria itself, to see if it reflects your company's needs and goals, and update it accordingly.

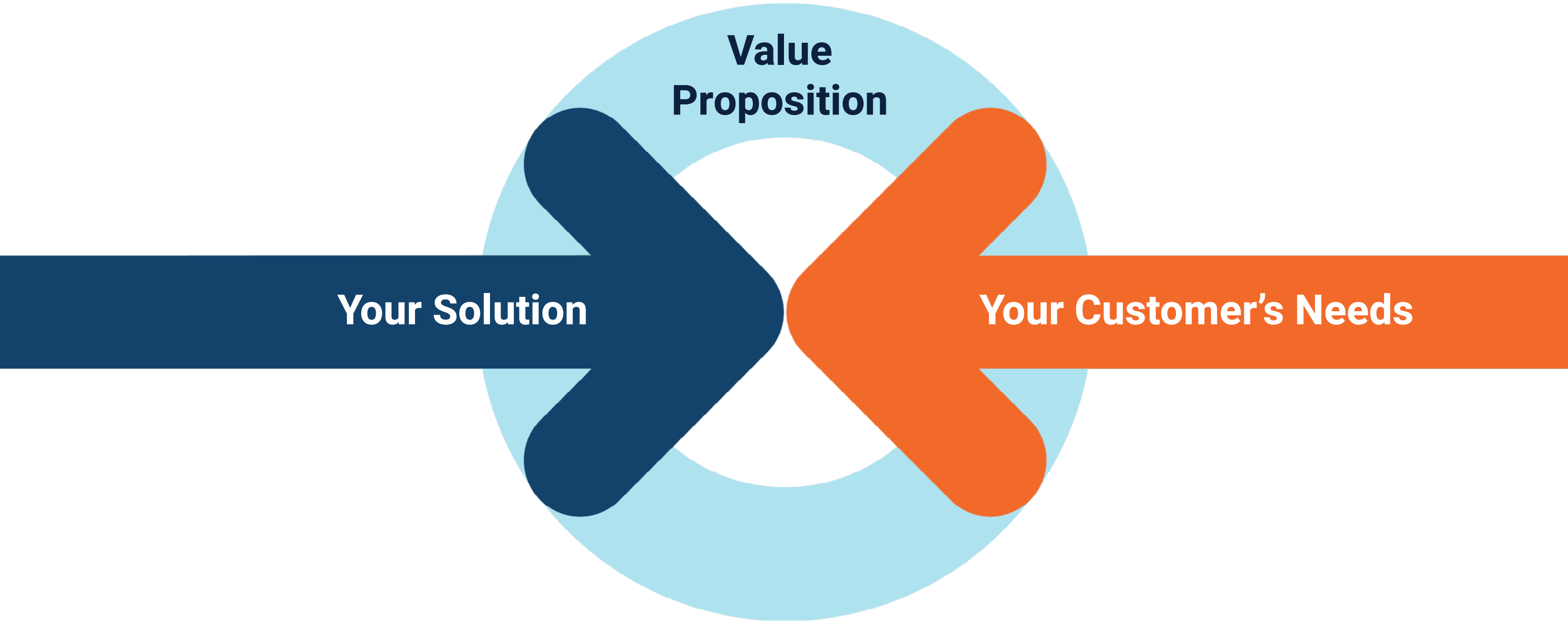
Reducing Sales Cycles Using Strategic Account Management

This is another aspect of strategic account management that may seem surprising. Even though sellers focus on the life span of a customer rather than on closing deals immediately, this approach can actually help you reduce sales cycles and get key accounts to buy faster rather than slower.

People buy when they feel a sense of trust with an organization. One of the most effective ways of reducing your sales cycle is by ensuring that your goals and your customer's goals are in alignment. The sooner you can agree, the sooner you can make a sale.

With strategic account management, you've already taken the time to outline a strategy for your customer. If you've done your homework, you know exactly what they're looking for and have a clear plan for how to provide it for them. This can eliminate a lot of back and forth and help you settle on a deal sooner—one that benefits everyone.

One way to accelerate decisions is by crafting strategic value propositions that connect your solution directly to the customer's highest-level objectives. This allows decision makers to clearly see the impact and urgency of the proposed solution.



Increasing Customer Loyalty Using Strategic Account Management

New business sellers focus on closing the deal at hand. Strategic account management is about the next five, 10, even 20 years worth of deals. This depends on building partnerships that are mutually beneficial.

Your sellers foster loyalty by identifying a customer's problem or issue and helping them solve it. But sellers need to be seen as trusted advisors—able to provide advice and solutions above and beyond your product or service.

Creating loyalty also involves continually providing insights, not just information. Sellers must stay informed about customer strategy, challenges, and competitive threats, and translate that intelligence into proactive recommendations and support.

What you offer your key accounts depends on your business and resources. Be creative and come up with extras you can provide that will fit your customers' needs and show them that you care. This is one of the most effective ways of improving customer loyalty and making sure they stay with you for years to come.

Sometimes, the best solution for your customer might not be a product or service your company provides. Transparency and a willingness to look past "personal gain" will show your customer the seller has their best interests in mind.

When your team manages key accounts effectively, they'll not only gain customers' trust and loyalty; they'll also be seen as trusted partners who customers look forward to working with and recommend to friends and colleagues.

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SUCCESS STORY

How Swagelok Builds Strategic Relationships with Key Accounts

In today's competitive marketplace, best-in-class companies understand the need to prioritize customer satisfaction and relationship building to differentiate and stay on top. Focusing on strategic account management is one way they're achieving that goal.

Swagelok, a long-time client of **The Brooks Group**, realized the importance of emphasizing customer focus, and they took action with our Strategic Account Management training program.

The training helped the Swagelok team create account management plans they could successfully implement to build strategic relationships with key customers.

The program received excellent reviews from the participants and company stakeholders, including Director of Sales and Service John Holmes:

"The Brooks Group's **Strategic Account Management program** has helped our sales team build account plans that put the focus where it belongs: on the customer. The Brooks Group spends the time to understand our organization, our customers, and the business environment we operate in, then customizes programs to help our sales team achieve greater success with our customers."

—John Holmes,
Director of Sales and Service, Swagelok

Improving the Way Your Sellers Manage Key Accounts

Strategic account management can be extremely beneficial to your company. But it can be challenging to develop procedures and processes from scratch. It requires dedicated tools, resources, personnel, and a comprehensive knowledge of strategic account management principles and how to best apply them to individual accounts.

The Brooks Group can help. We understand strategic account management and can provide you with the tools and the knowledge you need to identify the key accounts in your organization and manage them effectively.

Our Strategic Account Management training program will help your team build strong customer relationships and maximize the revenue potential of their most profitable accounts.

Sellers learn a highly practical system for developing each of their key accounts in ways that will strengthen the customer relationship—and drive additional sales revenue for your company.

The program introduces sellers to practical frameworks including stakeholder mapping, customer journey alignment, DISC-based communication strategies, and value-based planning tools.

Find Out More

About The Brooks Group

Unlocking sales team potential for over 45 years, The Brooks Group is the leading sales training and development company empowering sales teams. To learn more about our suite of ROI-driven sales training and development programs, best-in-class assessments, and industry-leading reinforcement tools, visit brooksgroup.com.

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