Case study: Prescription for success

By Dennis J. Chapman Sr.

president and CEO,
The Chapman Group

When a client recently conducted a corporate reorganization, it decided strategic account managers (SAMs) would play a critical part in the new structure. Until that point, for years the company had account managers – often spread across the globe in remote areas – do their own thing. This had resulted in account managers working endless hours to hit their sales numbers. So how would this new SAM focus change things?

The first difference was making SAM a priority. The organization established additional performance benchmarks, including key performance indicators (KPIs), to measure and recognize key responsibilities that, when accomplished, would bring successful outcomes. The company also recognized that the senior management team needed to adapt to new ways of thinking – strategic versus tactical – which alone would cause culture shock.

The most noticeable strain existed around the culture of measuring sales results (immediate, current and pending), as well as the measurement of important strategic initiatives. So we led an analysis (see the figure) of the expectations, main challenges and expected results / paybacks associated with SAM. Everyone realized that this needed to be understood and approved by senior management before the program could have a reasonable chance of success.

The output from this exercise included one significant revelation: The SAM was now much more than an account manager. He needed to be a leader, manager and coach, guiding many more diverse resources and accomplishing many more accountabilities and responsibilities than ever.

Dennis J. Chapman Sr. is president and founder of sales consulting firm The Chapman Group. Clients include many Fortune 500 companies as well as a diverse portfolio of mid-tier accounts. He can be reached at www.ChapmanHQ.com or 800-755-1905 Ext.16.

Prescription for success

New expectations for SAMs	Key challenges	Expected results / paybacks	Required timeline*
Build, develop, lead, manage, coach and motivate team	• Skills • Team member buy-in • Authority levels	• Optimization of internal resources • Exponential financial gains	60 days
Involve senior management—both ours and client's	• Skills of internal senior management team • Willingness to be involved • Available time / resources	• Greater company knowledge of challenges • Authority involvement to make things happen • Senior management part of solution	60 days
Deliver strategic account plan	• Simplicity • Collaborative effort • Include account's input • Tangible results	• Exponential financial gains • More aligned to account • Driver for long-term business stability	60 days
Produce required immediate sales results	• Commitment to strategy • Other performance measurements • Time and resources	• Fund new program • Maintain liquidity • Minimize additional investment	60 days
Manage sales operating ratios	• Stay within budgets • Improve account services while establishing declining ratios	• Maintain profit margins • Resource management • Add financial discipline to teams	Ongoing
Engage cross-functional team with account's team	• Establish value for account • Obtain internal direct management support • Prioritization of accountabilities and responsibilities	• More timely problem-solving • Optimization of internal resources • Engage other team members with account	90 days
Influence and work through maze of internal hierarchy	• Level of authority • Corporate acceptance of program • Institutionalized senior management support	• Create informal work processes • Add level of creativity to problem-solving • Break down silos	Immediate

* Required timelines are subject to change and variation based on where an existing account management program is today and how able and ready it is to move to the next level of effectiveness.