

## The 9 Crucial Elements of Sales Account Planning:

All strategic plans include the goal of achieving a certain level of revenue. During the 2000-2002 business down turn a Washington corporation set its revenue goals and at the same time they implemented a sales account planning strategy. During that period, one of the worst U.S. business climates, they increased their customer base 70% in 12 months while increasing their profits from \$895K to \$5.6M in the same 12 months. By creating sales account plans they were able to intelligently align their sales efforts for their most profitable clients, their most profitable products and their most profitable services.

A sales account plan is your strategic plan for selling to each of your key clients and for gaining new clients. The crucial elements of sales account planning are:

1. Identifying your sales channels, divisions, products, etc.
2. Identifying your top current clients for each channel, division, product, etc.
3. Create a sales account plan for each of your top current client
4. Identify target clients that you want to win in the upcoming year
5. Create a sales account plan for each of your target clients
6. Confirm the reality of your sales goals
7. Achieve your sales goals by executing your sales plans
8. Revise your compensation programs to match with your sales account plans.
9. Mitigate the single point of failure

*Note: A sample account plan template that you can utilize is located on my website in the "Articles" section. Click the link below:*

[http://www.ceo-services.com/articles/Sample\\_sales\\_account\\_plan.pdf](http://www.ceo-services.com/articles/Sample_sales_account_plan.pdf)

## The 9 Crucial Elements of Sales Account Planning:

Sales account planning can help your company increase its market share, revenues, clients and profits by focusing your sales and new business development efforts on profitable clients, products and services. Successful account planning requires more than just filling out a form. It requires strategic thinking and a clear understanding of what your client needs.

Protect your current clients and gain new clients by completing sales account plans immediately. Sales account planning provides your sales team with a strategy on how to meet the demands and expectations of your current clients so that you can retain their revenues each year. Having an account plan for your key clients also helps protect them from your competitors. If 80% of your annual revenues come from your current clients what are you doing to protect them? The other 20% of your company's revenue have to come from sales that you take away from your competitors. How are you going to accomplish that? Sales account planning answers those two questions.

*"The enthusiasm I have for creating Customer Account Plans, is because they enable both our Account Managers (outside sales) and the Customer Service Representatives (inside sales) to focus their combined efforts on the individual customer needs and the opportunities that are available to us, i.e. team work. I see this program as being essential to securing our future growth." H. Austin Kravik, CEO EF Bailey Company*

*"It is obvious to me that, especially in these economic times, every organization would be best served to create formal account business plans. Taking a strategic, systematic, proactive approach to marketing to existing and new clients will be the key to any organization's efforts to succeed in this down-cycle." David O'Brien, Director of Operations for CollinsWoerman*

Here are the 9 crucial elements of sales account planning:

1: Identify your sales channels, divisions, etc.

Review your past two year's sales records and sort your sales by areas and by year for each distinct sales group. Distinct sales groups could be:

Product line or product category

Geographic sales area or sales region such as US, Canada, Europe or East Coast (US)  
West Coast (US)

Customer type such as commercial, government, retail, etc

Divisions such as manufactured goods, distributed goods, etc

## 2: Identify the top 20% of your current clients for each channel

Within each of your distinct sales channels complete another review of your most recent year sales records and sort them by total sales for the year for each of your current clients. Most businesses today generate approximately 80% of their profits from the top 20%-25% of their clients.

## 3: Create a sales account plan for each current client

Based upon the sales history you collected you can now create a unique sales account plan for each of your key clients.

The basic elements of an account plan include: *(see the template on my website "articles")*

1. Identification of the sales team responsible for your client
2. Historical sales information for that client
3. Estimates of new year revenues for that client
  - a. By product line, region, if appropriate for your company
  - b. Estimates of any projects that will carry over from your current year into your next year such as booked orders or signed contracts
4. Identify any business development opportunities within the client
  - a. By product line, region, etc if appropriate for your company
  - b. Ask your client. They really like to know that you are interested in how to serve them better.
5. Create business strategies that you will utilize to preserve current sales and generate new revenue opportunities from your client in the upcoming year.
6. Create an action item plan that details the steps and timing of each step that you will take to realize the revenue goals for that client
  - a. List them with dates and who will be responsible for completing the action item

- b. Identify expected outcome of each action item

#### 4: Identify target clients that you want to win in the current year

You cannot survive long-term with just your current client base. You need to add new clients.

Create a profile for your “ideal client”. Identify target clients for each sales area that you want to win in the current year.

#### 5: Create sales account plans for each target client

After you have identified target clients that you want to add to your client list in the upcoming year you need to complete a sales account plan for each of those target clients. The basic elements of a new business sales account plan include:

1. Identification of your sales team responsible for the targeted client
2. Historical purchasing the target client makes from your competitors
  - a. Call their purchasing department
  - b. Find out how they make buying decisions
  - c. Find out who makes the buying decisions and who influences the buying decisions
  - d. Create a “buying decision” organization chart of the target client
3. Identify any business development opportunities within the client
  - a. By product line, region, etc
  - b. Create business strategies that you will utilize to generate new sales opportunities from the target client in the upcoming year.
  - c. Ask the targeted client. They really like to know that you are interested in the best way to serve them. If you can do it cheaper, better or faster, they will want to know.
4. Create an action plan that details the steps and date of each step that you will take to realize the revenue goals for that client

- a. List them with dates and who will be responsible for completing the action item
- b. Identify expected outcome of each action item
- c. Coordinate your sales efforts with your marketing department and website team to maximize your presentation and branding to your targeted clients.

#### 6: Confirm the reality of your sales goals

One of the final tests that I have my clients complete is to have them gather up all of your sales account plans. I have them add up all of the revenues from their current client and target client sales account plans. We then account for the sales that come from their smaller customers for whom they have not completed a sales account plan. Do the collective sales account plan goals meet your sales goals? If yes, then they can execute their plans. If not, they review the plans again and/or revise their sales goals to match their account plans. This is a great way to confirm the reality of the revenue goals.

#### 7: Achieve your sales goals by executing the sales account plans

Review the plans every week with your sales team. Confirm that they are completing the action items on a timely basis and that they are getting the expected results from each of their efforts. Centrally file electronic copies of your sales account plans on your company's secured servers. Provide your "outside" sales teams with access to the sales account plans while they are out making contact with your clients. They can update and store information in those plans that can be reviewed by your sales management team leaders on a regular basis.

#### 8: Revise your compensation programs to match with your sales account plans

Many of my clients start the sales account planning process in order to correct their antiquated incentive compensation systems. You can reset your incentive, bonus or commission programs to coincide with your teams and/or individuals achievement of your sales account plan goals. Pay your sales team for achieving your revenue goals and executing your sales account plans.

#### 9: Mitigate the single point of failure: the lack of substance and creativity in your plans

When I review sales account plans created by my clients I always look for substance. Substance to me is defined as a well thought out strategy that is client focused and creative. It is obvious to

me when an account plan has been completed with the attitude that it is just another paper-pushing task. The easiest way to test your plan is to think about how you would approach your client if you were in the place of your competitor. What would you do to steal your own client? More importantly, some of the most successful sales account plans that I have seen involved discussions and planning sessions with the client. How can you know what they need if you don't ask them? The process of creating sales account plans helps you understand what your customer needs and how you can deliver it to them.

Sales Account Planning is a critical effort for your company to complete. It requires time, dedication and focused resources. The rewards are huge. When you have your sales team focused on the delivery of your sales plans you will meet your revenue goals while you are retaining your customers and gaining new ones.

I have found that companies who have never done sales account planning before will need help. Experienced coaching and leadership will enable you to complete the process quickly and effectively. Successful account planning requires more than just filling out a form. It requires strategic, creative thinking and a clear understanding of what your client needs. I would be happy to help guide you and your sales team quickly through the process of creating strategic sales account plans.

*Barry MacKechnie*

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