



5. “Strategic Account Management: A Realm Looking To Step Beyond Its Horizon”

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ABSTRACT

With the vagaries of the IT industry changing every day, there is a dire need to collaborate multiple non-operational roles in the organization with the operational side of the organization. The industry has already recognized collaboration as a means to success in this fast-changing world however that is more from the external side of it. It is the right time to have collaboration internally too among various roles, which at times have been kept disconnected with each other. The reason being that this could not only streamline many processes but also could reduce the client level conflicts due to the tussle of internal ineffective processes and can ameliorate the business decision making. One such role is Strategic Account Management which has been perennially associated with CRM and sales domain. However, in this paper, I am going to discuss and analyse about what this role has to offer and how it can assist in the operational domain of an organization or company.

Keywords: Collaborate, Strategic account management, CRM – client relationship management, Operations

Introduction

Strategic account management (SAM), a domain often circumscribed in the realms of client relationship management (CRM) and perceived as having limited impact on the business decision making, can catapult itself beyond its range and could leap into the arena of operations of a company. Strategic account management has remained an integral part of how the modern client relationship management works but my objective while writing this paper is to introduce this domain in the field of operations of a company and give it a new facet as a role. However, the question must have risen in your mind by now that how will this exactly happen. To answer that or rather discuss that, firstly we need to get acquainted with what this role has to offer as of now and how is it different from the conventional account management.

Objective

- To bring new dimensions to the role of Strategic Account Manager
- To increase the effectiveness in the domain of Strategic Account Management
- To bring more inclusiveness in the organization by integrating this role with the operations of the company

Strategic Account Management: Comprehending the realm

It is critical to understand that SAM (Strategic account management) is not just a domain but also a programme which is implemented for some strategic clients to build long lasting relationships with them. This long-lasting relationship is to ensure that the goals of clients are met and as a result the organization can achieve its own goals too. Apart from this, strategic account manager renders training and implementation support for the product provided to the client and pitches them the right practices to optimize their efficiency of using the product. However, SAM differs because it targets only the accounts which are to be provided a strategic treatment for achieving the common goals of the organization and the client.

Hence the major part of the SAMs (Strategic account manager) role is to decide what kind of client account is going to receive such treatment. Because not every client account will deserve nor value this kind of treatment due to their limited scope of growth.

So, the step one for a SAMs role is to decide which account will come under the purview of this programme. This decision will be different from business to business however from an IT



software industry point of view, below could be the few generic reasons:

- 1) A client who is opting for a pilot batch of a product.
- 2) A client who is providing higher base of a particular genre of customers through his/her experience of using the product.
- 3) A client who has high net worth in terms of his reputation in the market which can help the organization to promote itself through word of mouth or any other medium among the target audience of the product.

Now after this first step, let us concentrate on the key responsibility areas (KRA) under this role:

However, it is important to note here that the KRA that I am referring here may vary from process to process of an organization. Here, I am taking the basic scenario of a Client-Account manager workflow in an IT or ITES(IT enabled services) based organization and the inputs are based on my experience in this role. Also, the product being referred here could range from a software system to a hardware too which has been provided to the client. So, the KRA's will be as follows:

- 1) Once the right account is identified, one needs to find the goals of the client that he/she wishes to achieve by using the product. And then try to analyse how as an organization we will be able to assist the client in achieving those goals.
- 2) Once the goals are identified, the time is to do a KYC (know your customer) of the client in detail. KYC is nothing but a process of knowing the client background information in detail. After a thorough KYC, one needs to prepare the SWOT (Strength, Weakness, Opportunity, Threat) analysis of the client to prepare a strategy for achieving the client's goals in parallel with the organization's objective from the client side for which the client is being included in this program.
- 3) In the SWOT analysis, it is important to note that generally the strengths and weakness is from the client side and the opportunity and threat is from an

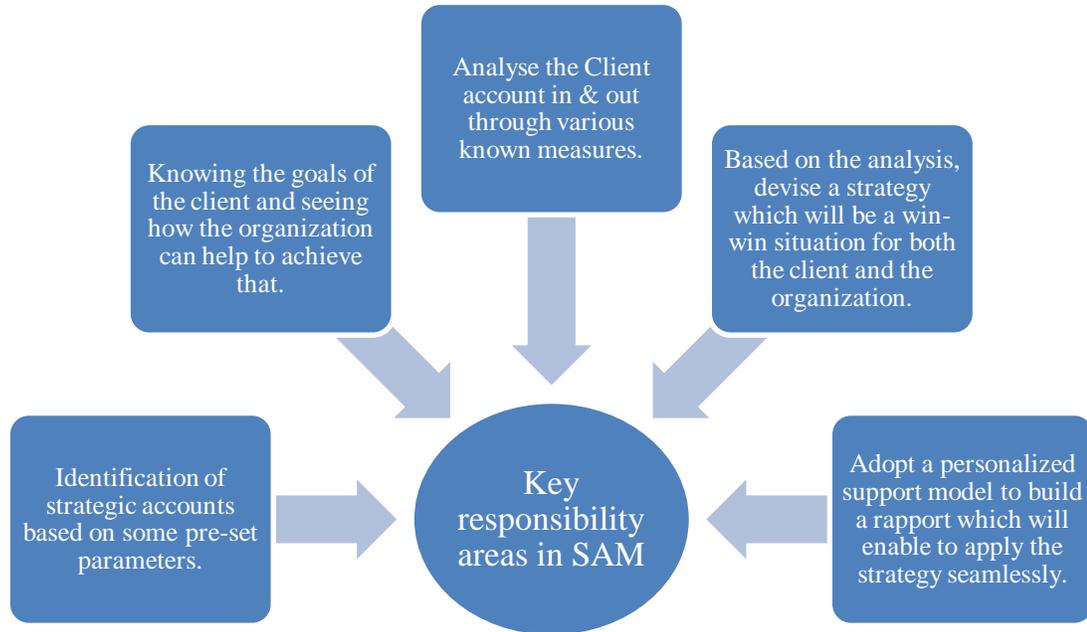
organization's side. Hence after the SWOT analysis, one needs to cogitate further on how the weakness from the client side can be turned into an opportunity for the organization and how the risk factor of losing the client can be mitigated. In regard to the strength of the client, it needs to be analysed how those strength can be optimized with some kind of integration with another product of the organization.

- 4) After this, a strategy should be devised which is in sync with the analysis mentioned in the previous point. The crucial thing while devising a strategy is to create a win-win situation for both the client and the organization. This is because if you give the right client the right things, one will get the right results. The idea is to make sure that the SAMs role is not being made tantamount to sales since that would be the last thing one would wish to happen.
- 5) Lastly, the support that is going to be provided to the client in terms of the product has to be personalized to the extent of bringing the trust level of the client in respect to the organization on a high scale. This will help to work over the goals of the client and organization simultaneously by encashing on the rapport that has been made through this personalization of support. I will give an example of personalization. Let us take a case in which the client is not able to understand the software although training had been provided to him/her initially during the implementation of the product, then there is no harm in providing some additional training for free which in other case would have been a chargeable task. Also, a strategic account manager continuously needs to optimize, monitor and evaluate the performance of the client in terms of using the product. In case of any inefficiency, he/she is responsible to inform the client about the right

workflow which can make their day to day life easy.

Below diagram gives a pictorial representation of the five points we discussed above.

Figure 1: Pictorial representation of important KRA in SAM



Source: Author's contribution

The impact of the role on the company growth

- Now, after understanding the role of a strategic account manager, it is important to know how it impacts the business growth. To discuss that, we will take the help of some statistics provided by a study carried out by Ferrazi Greenlight who works with Fortune 500 companies which elicited some interesting responses which are as below:

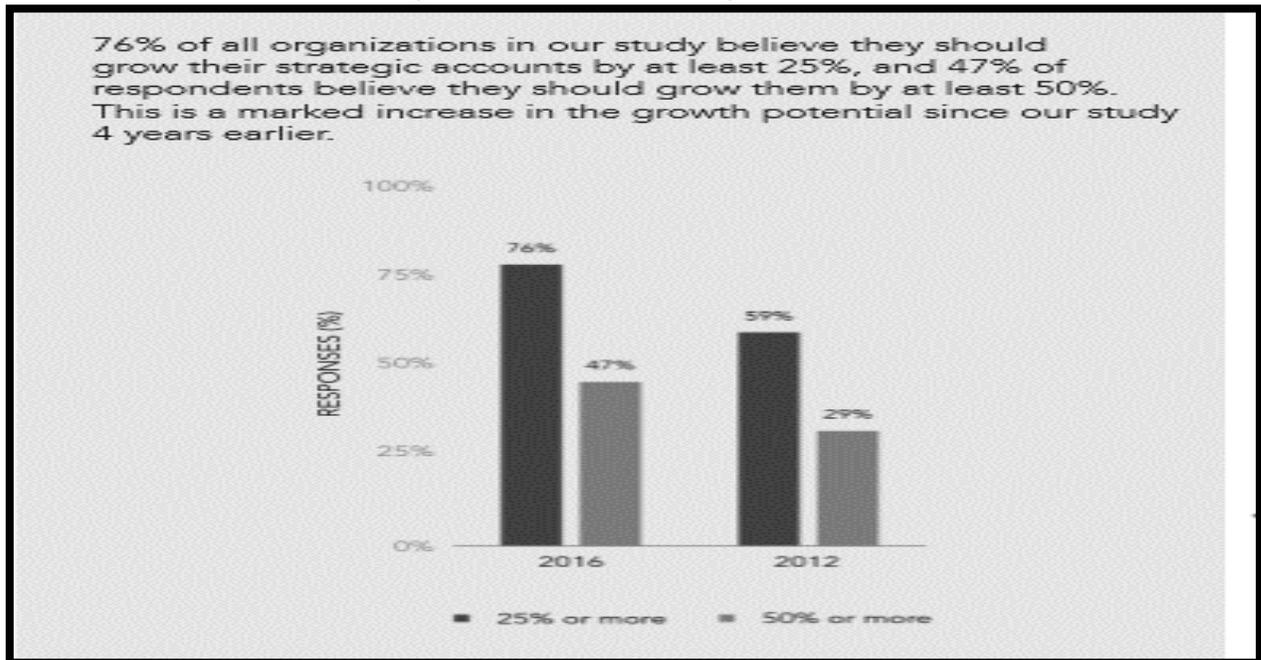
- 1) Siemens experienced three times its average growth rate between 2005 and 2010 with customers driven by strategic account management. And siemens has also incorporated this role in their most of the domains of their various processes.
- 2) Avaya and Nalco expect strategic accounts to yield twice the year on year rate of other accounts.

- 3) Xerox expects double digit revenue growth from strategic accounts.

- 4) Another company, which wanted to keep its identity and figures confidential, said that their revenue from the eight strategic accounts grew at 3-4 times the overall company's growth rate of a particular period.

- Below is one of the quotes by Mr. Martin Flurschuetz, Director, Key account management, Siemens. He says, "Strategic account management exceeds the growth rate of Siemens in total and exceeds the growth rate of the corresponding market...that is why we do it".
- The bar graph shown below is the result of a study done by RAIN group research company, which emphasizes the fact that the companies over the years have realized the potential of working on strategic accounts.

Figure 2: The worth of strategic accounts



Source: RAIN group research document

- This shows how different organizations give importance to the role of SAM in the growth of their respective companies.

Challenges of the role of SAM

As it is said, there are two sides of every coin. Here too, the role of SAM has its own part of challenges apart from being a vibrant and sagacious role with lot of capabilities. The challenges that it faces are:

- 1) At times, the role is impeded in providing superior service to the clients' due to clumsy internal processes which may not be in tune with the client needs and priority of business. This leads to disgruntlement between SAM and other departments.
- 2) Since SAM role has more proclivity towards the functional side of a process, it lacks the wherewithal to manage clients when some technical concern comes into the picture. This seriously affects the rapport building process of a strategic account manager with his/her client since the client's trust level starts evading in this kind of scenario.

- 3) There is lack of active participation of this role in devising the strategy for the internal processes which should not be the case because the internal process will not have a right direction to follow unless the client-side intricacies and needs are not known to them. And these factors will be known to a strategic account manager who can also help in setting the priority of various process as per their criticality in rendering streamline services to the clients without any hiccups.

Once again, the challenges mentioned above may vary from business to business but the one mentioned above are few of the generic ones which a strategic account manager face on day to day basis.

Strategic Account management: Ambling beyond its horizon

- Now I am coming to the second part of our discussion. In the first part, we discussed about the role of SAMs, its potential impact over the growth of a company and the challenges that it faces. In the second part, I will emphasize on how SAM as a domain can go beyond just client relationship management.



Below are the additions that I will like to add in the current repertoire of the role of Strategic Account Management. And whatever points I am going to mention is based on my understanding from my previous experience while working in this domain.

1) The operations of a company will improve based on the feedback of a client and it should be innovated based on the client's needs. Now, the best person to answer these two questions of client feedback and client needs will be a SAM. Hence it is imperative to collaborate the role of SAM with the operational divisions of an organization to find out the gaps in the process and streamline the overall process.

2) The in-depth documentation that a strategic account manager does in regard to the analysis of the client should be well documented in a software. This is something mostly all companies do since the advent of ERP and cloud based CRM software. However, the innovation that needs to be brought here is skilling the SAM role in basic Data Analytics too. This will help the SAMs to generate reports of his/her own clients and get statistics involved in the strategy making process. This will also lead to SAMs being able to show the process gaps with the help of data in relation to any process flaw due to which a client is peeved or posing a threat to cancel his/her software contract.

This brings us to a point of making the domain of SAM as much Techno- functional as possible. The functional part has always been there with it however the current need is to blend the technical part with it.

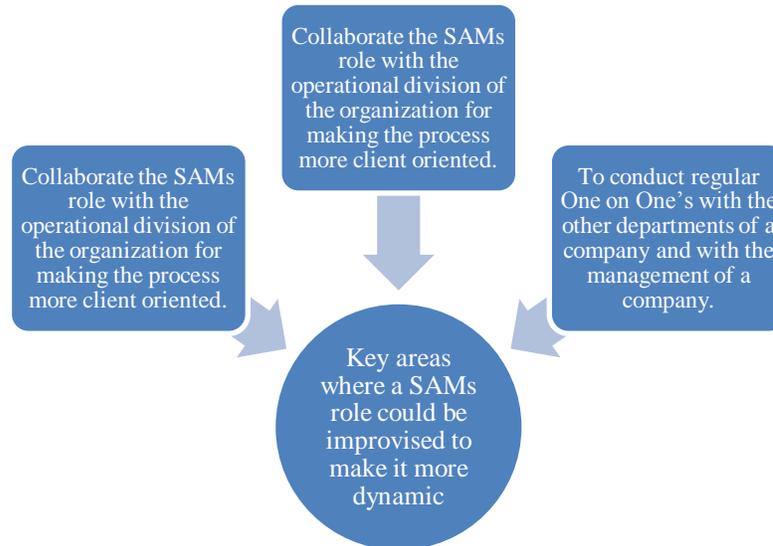
3) On the same lines as the above point, in order to make the role more techno-functional, the Strategic Account Manager must be educated about the basics of the working dynamics of a product from the back end and front end. This will ensure the strategic account manager to be

able to talk intelligently with the client and also will enable him/her to become more involved with the product streamlining part. This is because, for a client, strategic account manager remains a central point of contact apart from technical queries for which support engineer assists the client but if a strategic account manager is able to understand the client needs in a product in terms of customization or some major features, then it will be easier for the organization to understand the pinching points for most of the clients and will help to devise a product with the right kind of priority in the features as per the client needs.

4) To make this role operationally more relevant, there must be the inclusion of the SAMs in the one on one interactions with various operational teams like development team, Quality assurance team, Release check team, Support engineers team etc. The reason being, in the end for whom the product is being created; it is for the client. And Strategic Account Manager being one of the key facets connected with the client, he/she could give enormous amount of inputs in the working of all the operational departments which can make the process and communication between the client and organization more streamlined.

5) This will depend from company to company, but if a company can incorporate a model of 'One on One' of the Strategic Account Manager with the top-level management of the organization then that will also provide a much-needed fillip to the working dynamics of an organization. This will help in the way that the SAMs being the front face of the company in front of the clients can tell the real picture of what the client is actually looking for. The SWOT's of individual clients could be discussed during this one on one and a CAPA (correction analysis & preventive analysis) strategy could be devised for the overall operations of a company.

Figure 3: Pictorial representation of improvisations in a SAMs role



Source: Author's contribution

The Implications of the above additions will be multitude however the major ones will be as below:

- 1) Will broaden the scope of the SAM domain beyond its mundane responsibilities.
- 2) Will give priority and direction to the goals of the organization.
- 3) Provides the true sense of client needs and point of conflicts. And the next product strategy can be made keeping the same in mind.
- 4) The cohesion between various departments will improve drastically which will help in seamless operation among various teams.
- 5) Last but not the least, it will help to find the gaps in the system keeping the client perspective in mind and also the solutions will be framed accordingly.

Conclusion

The improvisations which has been suggested above may have already been implemented at individual level in some or the other organization. However, the idea here is to realize the capabilities of the domain of Strategic Account Management beyond its mundane responsibilities and make it more structured, thoughtful and planned in such a way that it can

make a bigger impact in the decision making and give right direction to the other processes in an organization. Also, the scope of the role of SAMs doesn't end here, the role can be customized as per the demands of a process in an organization so that it can contribute in the streamlining of the overall operations of a company.

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