

Key Account Selling *

* Based on the book *Major Account Sales Strategy*, Neil Rackham, Harper Business, 1991

Key Account Selling

- Purpose
 - To focus on developing new business.
 - To focus on selling **important, large** new accounts.
- Goals
 - To teach you that key account selling techniques are different from old-fashioned transactional selling.
 - To teach you these new selling techniques.

Key Account Selling

- Benefits

- You will develop new business from large accounts.
- You will learn a skill in great demand in today's business climate (no more loyalty).
- You will keep your job and get promoted.
 - List jockeys are out.

Key Account Selling Seminar

- Take notes
- Ask questions
- Give examples, participate

Purpose

- What is the **purpose** of your business?
- To create a customer
 - Customers come first; without them there is no revenue, no profit.
 - Customers' needs come first.

Objectives

- What are your sales **objectives**?
 - 1 To get results for customers
 - 2 To develop new business
 - 3 To retain and increase current business
 - Presell
 - Upsell
 - 4 To increase customer loyalty

Strategies

- What are your sales **strategies**?
 - 1 To sell solutions to advertising and marketing problems
 - Complete customer focus
 - 2 To reinforce the value of advertising and of your medium

Strategies

3 To create value for your product

4 To become the preferred supplier

- To establish, maintain, and improve relationships at all levels of the client and agency (keep agency informed)
- To provide the best research, information, and advice
- To be customers' marketing consultant by providing solutions

Strategies

5 To innovate

- New packages, new products, new promotions
- New creative approaches
- New technology
- “The only functions of an enterprise: marketing and innovation.” Peter Drucker

Functions

What are a salesperson's key **functions**?

1 To position your product to have a differential competitive advantage

2 To manage relationships and build trust

- To create rapport
- To empathize
- To persuade
- To cooperate
- To build consensus

Key Functions

3 To solve problems

- Creativity
- Get results

4 To create a sense of urgency

5 To communicate effectively up, down, and across

- Keep your management and coordinator informed
- From the street, bring back market and competitor knowledge

Key Account Selling

- People buy for their reasons, not yours.
 - Key account selling is different. Large accounts have different reasons to buying.
 - Old selling techniques are based on small, single-transaction selling:
 - Prospecting
 - Qualifying
 - Presenting

Understanding Buying Decisions

- Phases of the buying process:
 - Recognition of needs:
 - Prospects are no longer satisfied.
 - Evaluation of options:
 - Begins with confusing array of choices.
 - As options narrow, choices become clearer.
 - Clear preference emerges.

Understanding Buying Decisions

- Resolution of concerns
 - Most complex stage in major account selling
 - Made over a period of time rather than on a single call.
 - There are competing alternatives to choose from.
 - There are penalties and risks if a bad decision is made.
 - Concerns are often hidden--expressed in terms of price.
- Implementation

Account Entry Strategy - With Defined Purchasing Channel

- Meet gatekeepers:
 - Their job is to filter vendors.
 - They influence access decisions, not purchase decisions.
- Meet influencers
 - Cannot make purchasing decisions.
 - Have significant influence on decisions.
 - Gatekeepers and influencers claim much more authority than they have.

Account Entry Strategy - With Defined Purchasing Channel

- Meet decision makers
 - Those who have the power to give you an order.

Account Entry Strategy - Without Defined Channel

- Seek a sponsor within the organization in one of three different areas of focus:
 - The focus of receptivity
 - The focus of dissatisfaction
 - The focus of power

Account Entry Strategy - Without Defined Channel

- Seek a sponsor within the organization:
 - At the focus of receptivity
 - At the focus of dissatisfaction
 - At the focus of power

Account Entry Strategy - Without Defined Channel

- The dangers of receptivity
 - Distraction
 - Misrepresentation
 - No presentation
 - Goal is to gain access to decision makers.

The Focus Of Dissatisfaction

- Uncover and develop dissatisfaction.
 - Most important elements of key account selling (requires great listening skills).
 - Your best friend is the person who is the most dissatisfied (requires great empathy).
 - Develop dissatisfaction to the point where action is an imperative (requires great questioning skills).
 - Gain access to decision maker (requires patience).

Effective Listening

- Adopt the proper attitude
 - Optimistic, open, confident, trusting, respecting and vulnerable
- Shut up and listen. The best sellers are the best listeners, not the best talkers.
- Listen actively: nod, use gestures, smile (responsive feedback).
- Concentrate on the speaker.

Effective Listening

- Do not step on sentences.
- Do not respond to negatives too quickly.
- Do not think of a rebuttal.
- Respect the other side's statements.
- Listen for themes.
- Listen for emotions (non-verbal clues).
- Listen in synchronization--don't mimic.

Selling At The Focus Of Power

- Never waste access by making these mistakes:
 - Failure to do homework
 - Don't ask stupid questions
 - Failure to take control
 - No chit-chat. "I know how busy you are, so I want to use your time efficiently. If you agree, I'd like to propose three specific solutions in the next twenty minutes."

Mistakes (Cont'd)

- Premature meetings
 - Have solutions first.
- Inappropriate expectations
 - Don't get inflated expectations about a fast, unilateral decision.

Selling At The Focus Of Power

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Summary

- What have we learned so far?

Phase One: Recognition Of Needs

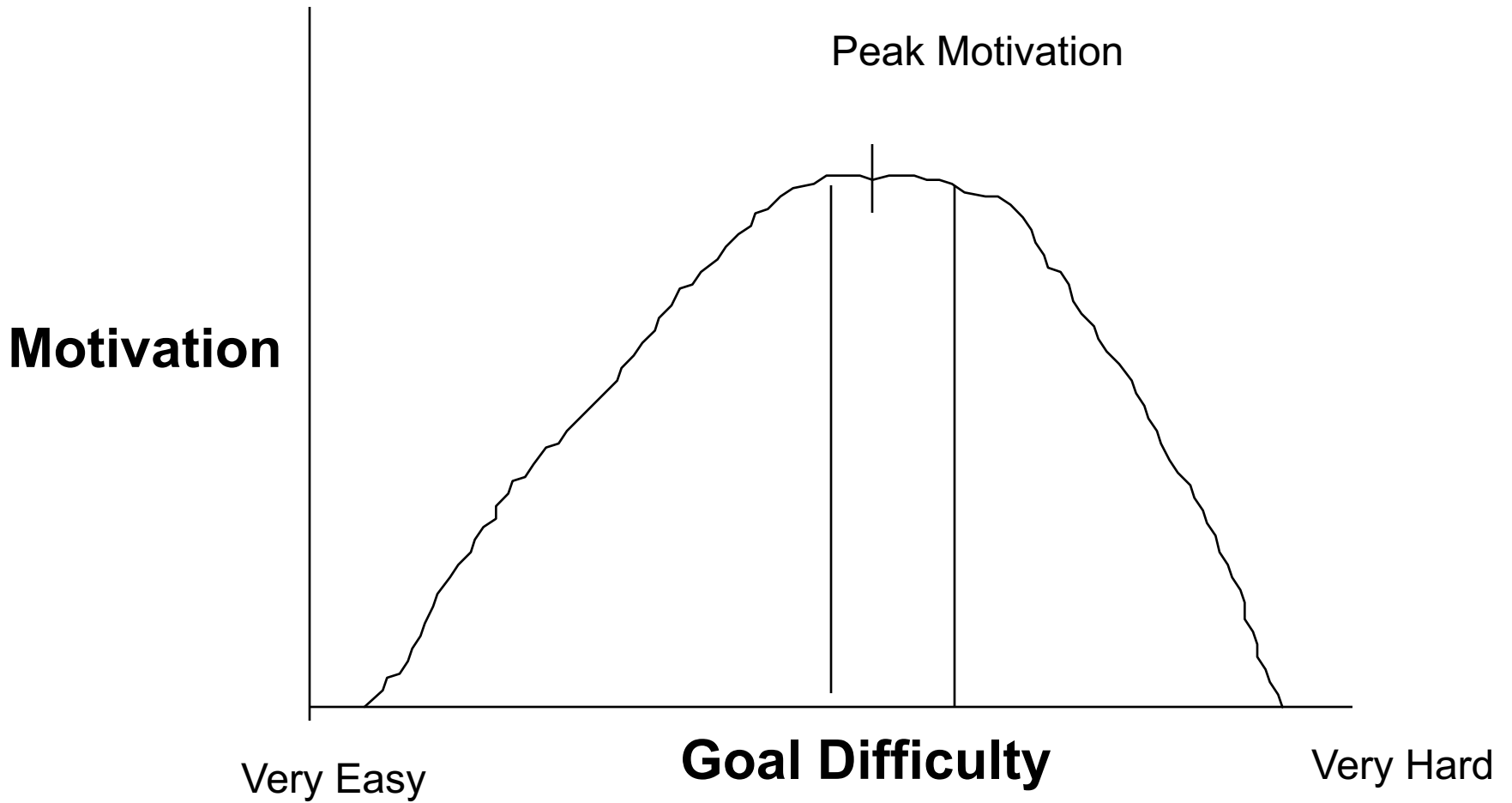
- Uncovering opportunities
 - Most important phase of major account selling. If done right, all else falls into place.
 - At this stage, you're identifying problems.
- Ask the Discovery Questions.
 - See workbook.

Phase One: Recognition Of Needs

- Goals Of This Phase:
 - Uncover dissatisfaction - Without it, no sale.
 - Develop dissatisfaction - Increase dissatisfaction until action is imperative.
 - Selectively channel dissatisfaction - So that people at focus of dissatisfaction or power will feel it in areas where you offer the best solutions.

- Set call objectives: some action that moves the sale along.
 - Not “to build relationships,” too vague.
 - Better: “Get introduction to the marketing department.”
 - Setting call objectives is critical.
 - Must be specific and forward moving.

Goals



Phase Two: Evaluations Of Options

- Positioning for competitive advantage
 - Make sure prospects have passed the Recognition Of Needs Phase.
 - Start creating value for your product/service.
 - Create a killer presentation.
 - See Checklist for Solutions-Based Presentations in workbook.

- Prospects are dissatisfied enough to take action and accept your solutions as good ones.
- Now they ask “How do I make the best choice?”
 - May be important influencers or an evaluation committee.
 - May be a published media strategy or plan.
 - May ask for several presentations. Knowing your competition is essential.

Goals Of Evaluation Of Options Phase

- To uncover decision criteria
 - Find out which criteria prospects intend to use to make choices.
- To influence decision criteria
 - Introduce new criteria prospects may not have considered.
 - Influence relative importance of existing criteria.
- To maximize your perceived fit with criteria

Differentiation

- Customers are not all the same (less successful salespeople think they are)
 - Business needs, problems (rational)
 - Personal needs (emotional)
- Price is not always the #1 issue (less successful salespeople think it is)

Differentiation

- Differentiate according to prospects' reasons for buying.
 - Hard differentiators - Measurable, such as rate, ratings, promotions, demos. Easy to sell; tendency to underprice.
 - Soft differentiators - Not quantifiable, such as service, trust, reliability, reputation, relationships, personal concern by seller about problems and results. Harder to sell, take longer to establish.
- Go to Exercise #1 in the workbook.

- When prospects take time to think and evaluate, soft differentiators become more important.
 - Do not rush prospects, emphasize soft differentiators, don't try to close.
 - Everyone wants a quality product. Help customers develop a definition of quality: No preemptions, precise targeting, less clutter, more product separation, product exclusivity, responsive service.

Phase Three: Resolution Of Concerns

- As the size of the decision grows:
 - So does the concern and fear about the **risk of** making an expensive mistake.
 - More people become involved, and political concerns increase.
 - The number and strength of competitors increase.
 - Concerns about credibility, competence, and reputation become greater.

- Because of the number of concerns, the longer it takes to decide. You cannot speed up the process with a clever close.
- Concerns about implementation grow. Relationships, service, and support become the key.

Goals Of The Resolution Of Concerns Phase

- To discover if consequence issues exist.
 - Consequences are deep-seated fears that are more dangerous than concerns.
 - “Do I really want to do business with that company?”
 - What will happen to my career if this goes wrong?’
 - Prospects often express concerns, but consequences are hidden.

- To uncover and clarify any consequences issues.
 - Get them out in in the open if possible. Difficult. Dig deep.
- To help prospects resolve consequences issues.
 - You can only help to resolve issues. Since they only exist in prospects' minds, **you** cannot resolve these issues, only help.

Price Often A Mask For Consequences Issues

- A prospect's first concern is often price.
 - Then it diminishes as selling progress and value is created.
- Last issue is often price.
 - Typically a mask for consequences issues.
- Price is not just CPM or CPP it includes real and perceived political, implementation, and other risks.

Return On Investment Analysis

- ROI analysis helps overcome concerns and resolve consequences issues.
- See ROI analysis in workbook.

No Pressure

- The larger the potential sale, the less effective closing techniques are.
- Putting pressure on a person who is worried about making a decision increases worries and fears.

Phase Four: Implementation

- Immediately after a sale you must put in more effort, not less.
- The implementation phase begins as soon as you get an order.
 - Buyer's remorse always sets in – fears are greatest at the beginning of implementation.
 - Anticipate how the buyer feels.
 - Continual communication and immediate responsiveness are absolutely vital.

Phase Four: Implementation

- Service so as to make customers raving fans.
- The best order is always the second one – that's when prospects become a customer.
 - Sell for the second order the moment you get the first one.
- See workbook for a sales service survey.

Implementation

- Develop, don't just service accounts.
 - Without a goal for increased business, service gets soft.
 - When the goal is to protect existing business, competitors will hunt and accounts will look for improvements.
 - Make every service call one that tries to expand the business – this effort gets renewals.

Implementation

- Document good news.
 - Never give accounts a reason to ask “What have you done for me lately?”
 - Make stewardship reports.
 - Conduct new audits to reassess marketing goals.
 - Influence future decision criteria.

Implementation

- Your relationship is either getting better or it's getting worse.
 - What you did yesterday is history.
 - Complacency is the worst sales sin.
 - “Only the paranoid survive.” Andrew Grove.

Types Of Salespeople

Farmers

Hunters

Type of
Account

Current customer

Prospect

**Evaluation
Process**

**Ratings, weight, reach,
frequency, price, clicks**

**Results, solutions,
goal achievement**

**Evaluation
Focus**

Easily measured

Difficult to measure

**Key Selling
Skills**

**Negotiating, servicing,
maintaining relationships**

**Problem-solving,
presenting, closing**

**Key character-
istics**

**Short-term focus, impatient,
complacent, play not to lose**

**Long-term focus,
competitive, disci-**

plined, play to win

New Types Of Salespeople

Farmers

Hunters

Levels of client contact **Single level**

Multi level

Focus **Product, customer's personal needs**

Customer, business needs, solutions

Primary interest **Self**

Customer

Types of Salespeople

- Hunters do better with larger, key accounts.
- Salespeople: “Know thyself.”
- Sales management: “Know thy salespeople.”

Summary

- What have you learned?