

Primer on Major Account Selling



OR...

*Opening the Door
to Bigger
Opportunities*



Brian Jeffrey

While many salespeople understand sales tactics, they have a poor knowledge of sales strategy. Here's a short, easy read that will bring you up to speed on what it takes to sell to major accounts.

Enjoy the read.

A handwritten signature in black ink that reads "Brian J". The signature is fluid and cursive, with a large initial "B" and a stylized "J".

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Primer on Major Account Selling

by Brian Jeffrey

What is Major Account Selling?

Major account selling is the assigning of a salesperson or sales team to uncover and manage sales opportunities within high-potential accounts.

The Secret Formula

The formula for sales success in major accounts is:

$$\text{MAS} = \text{AM} + \text{OS} + \text{OM}$$

Major Account Selling =
Account Management +
Opportunity Seeking +
Opportunity Management

The real secret is *not* in the formula itself but in appreciating the fact that all three elements of the formula have equal importance and must be handled in a professional manner if you are to be successful in selling to major accounts.

Your success will depend on how well you accomplish the three key elements: account management, opportunity seeking, and opportunity management. Doing all three well doesn't guarantee success but leaving out any element seriously lowers your chances of making a sale.

THE MANY PARTS OF MAJOR ACCOUNT SELLING

Major account selling isn't about "how-to-sell" (sales *tactics*); it's about "who" to sell to (sales *strategy*). It's also about developing key accounts and managing sales opportunities within those accounts.

In major account selling, it's common for the salesperson to be given the title of account manager and this is done for good reason. An account manager has to do more than just sell, he or she must "manage" the sale within the account. A misunderstanding between these two functions—selling and managing—causes many salespeople to fail at the job. A key aspect of major account selling is learning how to manage a sale within an account.

Major or key account selling usually involves assigning a specific account to an individual salesperson (account manager) or sales team. It's common for these individuals or teams to have several key accounts assigned to them. The concept works best where you are selling high-priced or high-volume products or services to industry or wholesaling consumer products through distribution and major retail channels.

While many companies have an understanding of major account selling, they often fail to realize that it's more than simply assigning their best salesperson to their best accounts. This is where the team-selling concept becomes important.

The intent of team selling is to coordinate the work of the people who sell the company's different product lines so the company gets the maximum benefit from selling to a large, diversified customer. Salespeople are highly individualistic and often fail to capitalize on their team leadership skills, preferring to work alone. To successfully implement the team-selling concept, the account manager must have leadership and management abilities as well as selling skills.

Team selling is not for every type of company. It won't work if your customers make their buying decisions based only on price because forming relationships is a major part of the team-selling concept.

Strategy and Tactics

In today's high-pressure business world, it isn't enough to just know how to sell. The professional salesperson has to know who to sell to, when to sell to them, and how to sell to them. You can't just manage the sale, you have to understand and manage your account for maximum effect.

In *tactics*, the victory goes to the swift and the knowledgeable. In *strategy*, victory goes to the person who makes the fewest mistakes. Long-term success goes to those who use *tactics AND strategy* to build lasting relationships with their customers.

Tactics refers to the fundamentals of selling — the basics of qualifying, overcoming objections, presentation skills, trial closes, etc.

Strategy refers to the plan and the process you use to position yourself with the account and the various prospects within the account.

In general, you use *strategy before* the sale and *tactics during* the sale.

What is a Major Account

You will probably find your *major accounts* among the 15 percent of your accounts that give you 65 percent of your sales income. Major accounts are usually less price sensitive than smaller accounts. They are more interested in solving their problems, increasing their profits or developing their future potential than trying desperately to save a buck. They look for good value for their investment.

Your major accounts will usually be large, have a complex infrastructure, and be somewhat difficult to penetrate without a good strategic plan and a concerted effort. That's where major account selling comes in.

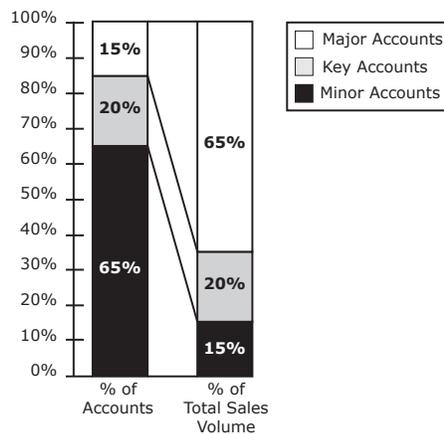
What is a Key Account

Key accounts are likely to represent about 20 percent of your account list and give you about 20 percent of your sales income. A key account is a strategically important prospect that, while not representing a large portion of your income, still warrants serious selling efforts because a sale to that account can open the door to other more important ac-

counts or opportunities. Key accounts are particularly important for sales organizations that sell into *vertical markets*.

What is a Minor Account

The remaining 65 percent of your accounts, which represent about 15 percent of your sales income, are considered *minor accounts*. These accounts require special techniques to avoid spending a disproportionate amount of time handling them.



Vertical Markets as Major Accounts

A *vertical market* is a cluster of organizations having similar interests. A typical example of a vertical market is the educational marketplace. A sale to an individual school or school board may not represent much income but sales to many schools or school boards can represent a large income potential.

Other typical vertical markets might be:

- Health care
- Accounting/Financial
- Automotive
- Universities

- Computer software
- Specific industries

A vertical market may not have any *major accounts* but it may well have *key accounts* that are critical to the development of the vertical market.

A Major Sale

Because major account selling techniques only apply to a *major sale* within your key accounts, we need to define three terms: a Buy, a Sale, and a Major Sale.

A “*buy*” is when a major account gives you an order with little or no involvement on your part. The transaction may have occurred as a result of your company’s marketing program or simply as an extension of a previous sale. A buy is not a sale, regardless of the dollar value of the purchase.

A “*sale*” is when there is only one decision maker involved in the buying decision. Once that person is “sold,” the sale is made.

A “*major sale*” is defined as one where several decision makers must give their approval before the sale can take place. The key is “several decision makers,” not necessarily the value of the transaction although most major sales will also be a large-dollar-value sale as well. Having said that, the decisive factor in a major sale is structure, not product or price.

THE 9 ELEMENTS OF MAJOR ACCOUNT SELLING

Here are the nine pieces that make up the Major Account Selling puzzle:

1. Collect Basic Account Information
2. Opportunity Seeking
3. Identify the Decision Makers

4. Urgency Assessment
5. Solution Assessment
6. Influence Assessment
7. Key Factor(s) Assessment
8. Identify Red Flags
9. Competitive Analysis

Let's look at what goes into making up each of these elements.

Collecting Basic Account Information

Proper account management requires you to know as much as you can about the account and the key people within the account and that requires collecting information. Basically, information and data collection requires that you maintain *a comprehensive data file on the account*. Many companies design forms to assure that they capture all the information they require.

Here are just some of the things people have included in their major account information forms:

- Account name, address, telephone and fax numbers, website
- Key players in the decision-making process
- Key contacts and their potential replacements
- Other suppliers and level of activity
- Purchase history with your firm
- Potential for growth
- Past problems and how they were solved
- How the buying decisions are made
- The major determinants in buying decisions
- Future expansion, downsizing or reorganization plans
- Credit rating

In addition to collecting extensive account information, you'll want to gather information on the key contacts within the major account. Here's some of the information that professional salespeople find out about their prospects:

Professional Data

- Full name, nickname, home address, email, telephone number of contact
- Educational background
- Professional experience
- Association and professional organization affiliation
- Business relationships with others within the account
- Short-range professional goals
- Long-range professional goals
- Important business problems and concerns

Personal Data

- Age and birthday
- Place of birth
- Religious and political affiliation (if appropriate)
- Outside business interests
- Smoking/drinking habits
- Favourite dining spots
- Hobbies and/or sports interests
- Susceptibility to views of others
- Marital status
- Spouse/children's names and interests

As you may imagine, it takes time over many visits, professional questioning abilities, keen listening skills, and a definite plan to build a dossier on your key account.

Much of the information that you gather is sensitive and highly personal and must be treated with the utmost respect, discretion, and confidence.

Opportunity Seeking

Opportunity seeking is a pro-active activity and requires the salesperson to understand the prospect's core business and business values. Salespeople must become sensitive to the prospect's needs beyond the obvious.

They must develop the ability to uncover potential problems and have the foresight to suggest ideas that would benefit the prospect's business.

In addition to collecting specific company information such as annual reports, copies of internal newsletters, marketing material, etc, the reading of industry trade journals and other third-party publications is an important element in developing the salesperson's ability to see opportunities before the competition does.

There are five basic levels of opportunity seeking:

Level 1: knowing what the prospect says he *wants to buy*. This is basically order taking or responding to the prospect's request without any attempt to qualify the opportunity.

Level 2: knowing what the prospect *should be buying*. This is similar to Level 1 but the salesperson has taken the time to ensure that what the prospect says he wants is really what he needs.

Level 3: knowing what the prospect *plans to buy*. Many organizations plan their capital purchases one or more years in advance and the thorough salesperson knows where to get this information.

Level 4: knowing what the prospect *would like to buy*. Once a salesperson has established a good rapport with a prospect, he or she can learn what the organization would do and what it might buy if funding wasn't a consideration or when funding becomes available.

Level 5: knowing what the prospect *should be buying*. This is where serious account management really pays off. When a salesperson understands the prospect's business, its industry, and the company's business goals, he or she is in a position to provide ideas and make recommendations that can drive the purchasing process.

Identifying Key Contacts, Decision Makers

One of the factors that determines whether or not an opportunity qualifies as being a major sale is the number of people who will be

involved in the decision-making process. There is likely to be at least two, if not more, people involved in a major sale. There are five types of people you need to identify and evaluate. These are:

The *Financial Decision Maker (FDM)*: This is the individual (there is usually only one FDM) who will make the final decision regarding allocation or release of funds. He or she has the discretionary authority to override all other decision makers, either positively or negatively.

The *End User (EU)*: These are the individuals who will either use or be the end benefactors of whatever it is you are selling. Their primary interest is how well your product/service meets their needs.

The *Evaluator (E)*: These individuals evaluate the technical and/or administrative aspect of your product/service. These people view your proposal with a critical eye and can reject it on technicalities.

The *Purchaser (PA)*: These people are primarily responsible for negotiations and drafting of the final terms and conditions regarding the actual purchase of your product/service. They usually handle or process the paperwork involved in the resulting sale.

The *Resource (R)*: These individuals are not necessarily directly involved in the sale but are available to provide valuable and unique information that will assist you in a particular sale.

Urgency Assessment

There are four degrees of urgency that a decision maker can have to a given sales situation. These four degrees are not descriptions of overall attitude but are the way the decision maker views a given sales situation at a particular moment. A person's sense of urgency can often change during the sales process and must be constantly monitored.

The four degrees of urgency are:

High: Individual *needs* a solution
Medium: Individual *wants* a solution
Low: Individual *doesn't care*
None: Individual *doesn't want* a solution

Solution Assessment

Each decision maker must be evaluated as to his or her receptiveness to your proposal or proposed solution. Simply put, this is an assessment of how each decision maker views your proposal (or solution). Assessments range from very positive (+ 2) to very negative (-2) as follows:

- +2 Prospect *prefers* your proposal/solution
- +1 Prospect *likes* (or accepts) your proposal/solution
- 1 Prospect *likes* (or accepts) a competitive proposal/solution
- 2 Prospect *prefers* a competitive proposal/solution.

Influence Assessment

This is your assessment of the degree of influence each decision maker will have on the final outcome of the sale. Assessments range from a lot of influence (4) to no influence (0) as follows:

- 4 - Prospect has the *most* influence
- 3 - Prospect has a *strong* influence
- 2 - Prospect has *some* influence
- 1 - Prospect has *little* influence
- 0 - Prospect has *no* influence

Key Factor Assessment

The assessment of the decision makers also involves determining what each of them feels is the most important consideration in a particular sale.

Typical key factors might be:

- Price
- Value
- Specifications
- Service/Support, or at worse,
- Unknown

Knowing which key factors are important to a particular decision maker allows you to structure your conversations and final proposal in such a way as to emphasize those points.

Red Flags

Red flags are negative situations that may affect the outcome of the sale. It's critical that you identify difficulties before they cause problems.

Typical red flags are:

- An inability to contact and/or influence the FDM
- Missing information regarding some decision makers
- Inability to identify and/or contact all decision makers
- Inability to assess competitive situation
- Unknown competitors
- Poor competitive situation
- Any unknown factors

Removing or neutralizing red flags must become an important part of your action plan for the account. The dangers of ignoring red flags far outweigh the discomfort of dealing with them effectively. A runaway red flag can destroy an otherwise good sales opportunity.

Competitive Analysis

This requires a thorough evaluation of what is being offered by the competition. Whenever possible a feature-by-feature analysis should be completed along with a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) of the situation. A thorough competitive analysis requires that we also know the competing sales team and their

relationship with the prospect.

Competitive situations can change in a heartbeat causing one of your most influential decision makers to move from a Solution Assessment of + 2 (prefers us) to -2 (prefers the competition). Pressing business problems can cause the Financial Decision Maker's (FDM) sense of urgency to move from high to none and cause the sale to stall or die.

Just because you properly identified the various players in the sale and their roles doesn't mean they won't change. Be particularly cautious about the FDM. The financial baton may be handed off to another decision maker without you realizing it, or one of the other decision makers may be in a position to exhibit undue influence over the FDM.

CONCLUSION

The one element that we haven't covered and one that is critical to successful major account selling is discipline.

Major account selling isn't simple and it isn't easy. It requires dedication and discipline. There's a lot of information that needs to be collected and digested. It requires getting and keeping a number of people involved and informed about the process.

Attempts at major account selling too often fail because people do not do what needs to be done to collect, document, disseminate, and act on the information and intelligence that is available to them.

Sometimes this failure is due to people who don't really know what to do, but too often it is due to laziness. People who simply won't take the time to do what needs to be done to make major account selling a success. Many sales have been lost because information was either never collected or collected and not documented for others to see and use.

As you go through the major account selling process with your opportunities, make sure you take the time to document your findings, no matter how innocent or inconsequential they may seem. Every piece of information that each team member finds is a piece of the puzzle that

makes up the overall picture of the major sale. Don't lose a sale due to missing pieces.

As with sales tactics, the key to success in major account selling is having the desire, the drive, and the discipline to make it happen.

No one can guarantee you that you'll get every sale, but if you use the tools covered here you'll certainly increase the odds of making even more sales.



ABOUT THE AUTHOR

Brian Jeffrey is a sales management consultant and former sales trainer with over 40 year's experience. He's the author of *The Sales Wizard's Secrets of Sales Management*, *The 5-Minute Sales trainer*, 18 ebooks, and over 100 articles on selling and sales management.

Brian provides sales management consulting, coaching, and mentoring to business owners and sales managers. He has had many sales successes (as well as a few spectacular failures) and has learned what works, what doesn't, and why — information he readily shares with others.

Find out how Brian helps companies maximize their sales at **www.Quintarra.com**.

