



Gartner for Sales

3 Ways to Unlock the Value of Account Planning

Improve your strategy to drive better retention
and growth from existing customers.



Overview

Account planning needs to be relevant and easy to implement for account managers to adopt it in their daily workflows. Executive sales leaders responsible for account management should use these three strategies to increase adoption and use of account plans in their organizations.

Amid continued economic uncertainty and supply chain disruption, many customers are reevaluating even long-standing commercial relationships, forcing suppliers to focus more strongly on retaining and growing existing customers. As an emphasis on retention increases the importance of account management, organizations realize the key to customer retention and growth resides in account planning.

Account planning provides a structure and process for account managers to analyze an account and identify ways to improve the customer's business into the future, ultimately achieving both retention and growth. However, efforts to improve account planning adoption may not succeed because account managers fail to see the value of comprehensive account planning and often find it cumbersome. Sales leaders responsible for account management can use this research to understand practices they can employ to increase usage, adoption and the value of account planning within their organizations.

Key Findings

- Account managers find account plans burdensome and overlook them as a resource for customer insight and decision guidance.
- A lack of quality organizational training, coaching and support reduces overall acceptance of account planning and increases abandonment rates.
- Account managers do not maintain or update account plans due to a lack of incentives and misaligned performance goals.

Recommendations

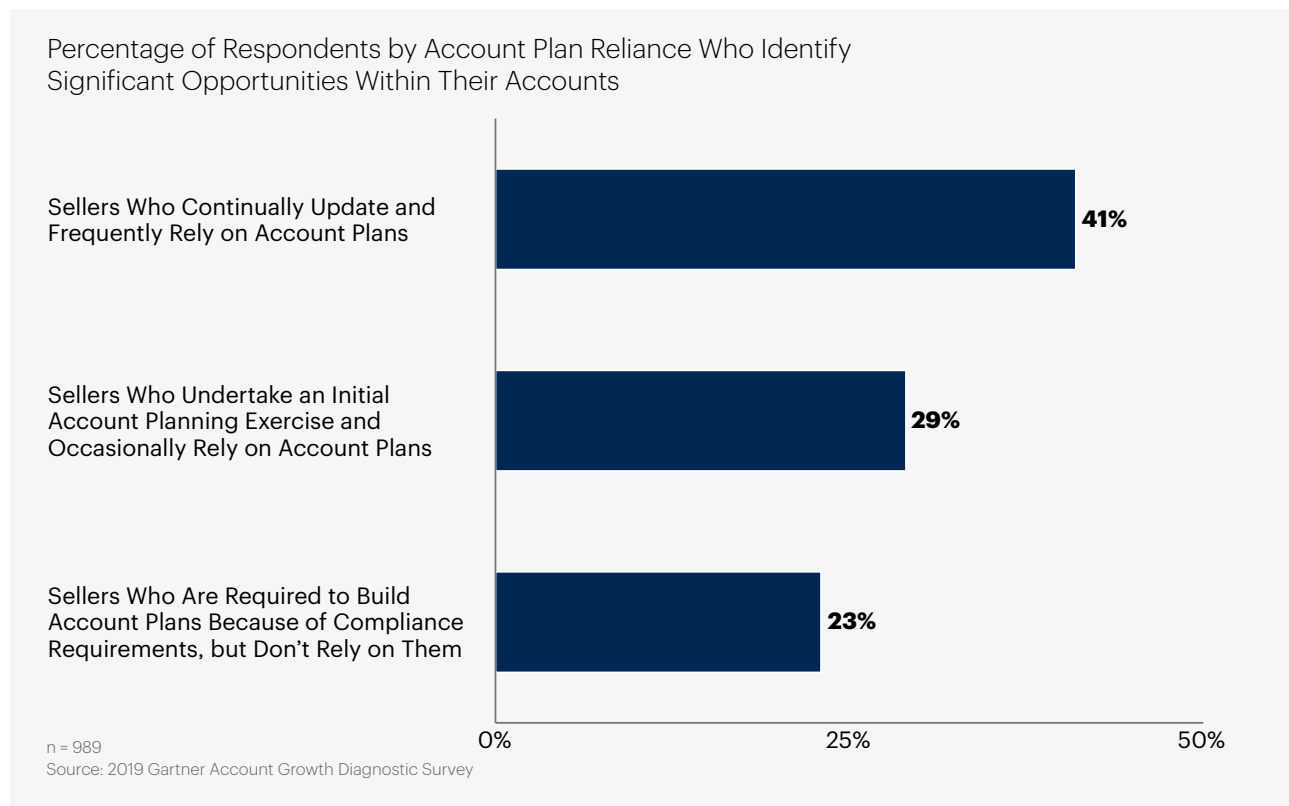
Executive sales leaders responsible for account management who seek to increase adoption and use of account planning within their organizations should:

- Ensure account plans are relevant and easy to use by consolidating their requirements when designing account plan templates and aligning account planning to seller workflows.
- Provide ongoing training and support to ensure the development of account planning skills.
- Incentivize account planning by ensuring that plans act as decision-enablers, including metrics to track account plan usage in account manager performance goals, and publicize senior leadership actions influenced by effective account planning.

Why Is Account Planning Crucial?

Account planning provides a customer-focused approach to capturing and analyzing customer information and developing strategies to achieve long-term growth from existing relationships. Account planning can help sellers identify growth opportunities and understand their customer's business so they are in a position to help them improve, ultimately providing better win rates, shorter sales cycles and increased deal sizes. As the sales environment becomes more complex, account planning will only become more critical to achieving revenue growth from existing customers (see Figure 1).

Figure 1: Account Growth Opportunity Identification



What Prevents Adoption of Account Planning?

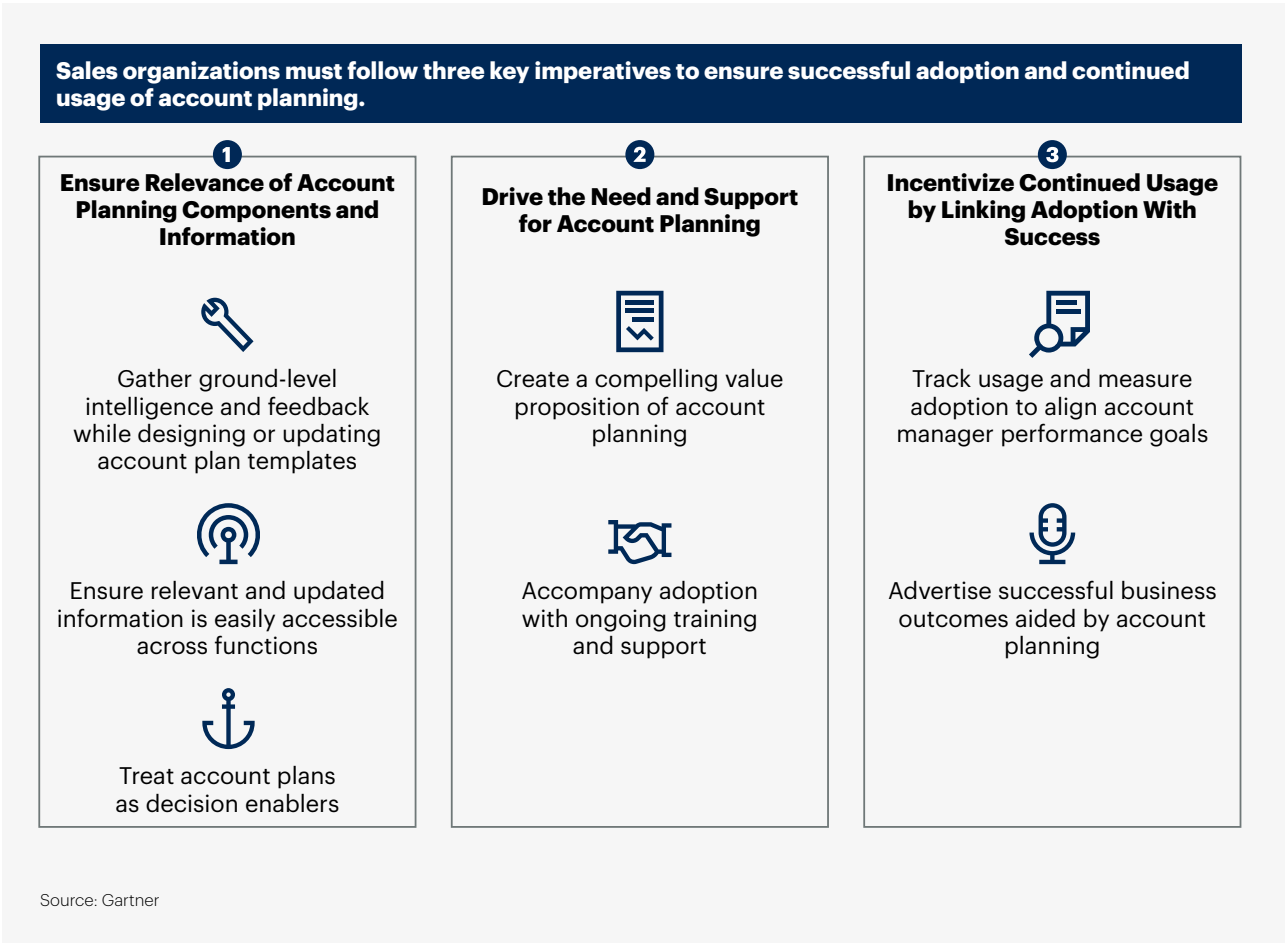
Our research shows most organizations' account planning adoption efforts struggle due to the following:

- **Unclear return on investment** — The overall time and labor intensity of account planning relative to other work tasks can dissuade account managers from adopting account planning, especially when the return on that effort is perceived to be minimal. This can be due to the following reasons:
 - Template misaligned to end-user workflows: Organizations fail to tie account planning templates to end-user workflows, meaning that sellers incur a switching cost in using it that can add up over time.
 - Required information is cumbersome: Account plans store overwhelming amounts of customer data that account managers find burdensome to fill out. Although this customer data may be useful for the sales leader, the value of the information is often unclear to account managers. Worse, account plans often miss out on critical customer information, meaning they don't actually aid account manager decision making.
- **Limited focus on skill development and reinforcement** — Account planning requires both the technical knowledge of how to use account plan templates and software, as well as the skill to critically think about and navigate account planning. While initial training may address both areas, the skill component of account planning requires ongoing training and coaching to be developed.
- **Minimal cross-functional support** — While account plans are often positioned as “the single source of truth” for an account, they cannot be developed by the account manager alone. Yet, organizations rarely allocate dedicated support from cross-functional teams for account management activities, leaving account teams with little or no organizational support.
- **Lack of incentives** — Most organizations assess account manager performance on revenue growth and other account retention metrics. As a result, account planning becomes a low-ranking priority as account managers work toward these core performance goals.

How Can Account Planning Adoption and Usage Be Increased?

Sales organizations must follow three key imperatives to ensure successful adoption and continued use of account planning (see Figure 2).

Figure 2: Driving Account Plan Adoption and Usage



Align Account Plan Templates With Workflows

Consolidate end-user requirements in account plan templates. Ensure information is updated and easily accessible across functions and account plans are equipped to be customer-focused decision enablers instead of information repositories.

Ensuring all end users find an account planning template worth using is a challenge, especially in large or complex organizations with a substantially high number of account managers. Moreover, many account managers are used to working individually, doing their work in one particular way and pursuing account growth activities as they see fit. This approach may or may not involve comprehensive account planning.

To ensure account plans are relevant and beneficial to all account managers, sales leaders must adopt the following three practices:

- Gather ground-level intelligence and feedback while designing or updating account plan templates.
- Ensure relevant and updated information is easily accessible across functions.
- Treat account plans as decision enablers.

Gather Ground-Level Intelligence While Designing or Updating Account Plan Templates

To make account plans useful and easy to use, sales leaders should involve account managers who are early adopters or high performers at the beginning of the plan development process. Sales leaders need to gather and understand all functional requirements that account plans must fulfill to be both relevant to account managers' daily workflows and ultimately worth using. Once all functional requirements are gathered, sales leaders must arrange a leadership-driven meeting with the account managers to discuss the necessity of each requirement. Factors such as key focus areas, utility in customer conversations and value added versus time investment required need to be evaluated to reach a consensus about what's in and what's out. Once a template is designed based on collective input, sales leaders must share prototype versions with all intended users of the account plan and gather feedback.

This approach may require multiple rounds of feedback and adjustment. The test version should also highlight how the account plan template can be tailored based on the account category (see 4-Box Alternative to Linear Customer Tiering). This generates clarity around the template structure and depth of information required for different types of accounts segments (see Ignition Guide to Building a Key Account Program). The output of this process would be a standardized and uniform account planning template, built and designed around the consensus of all end users. This ensures the relevance and utility of account plans and ultimately leads to lower abandonment rates.

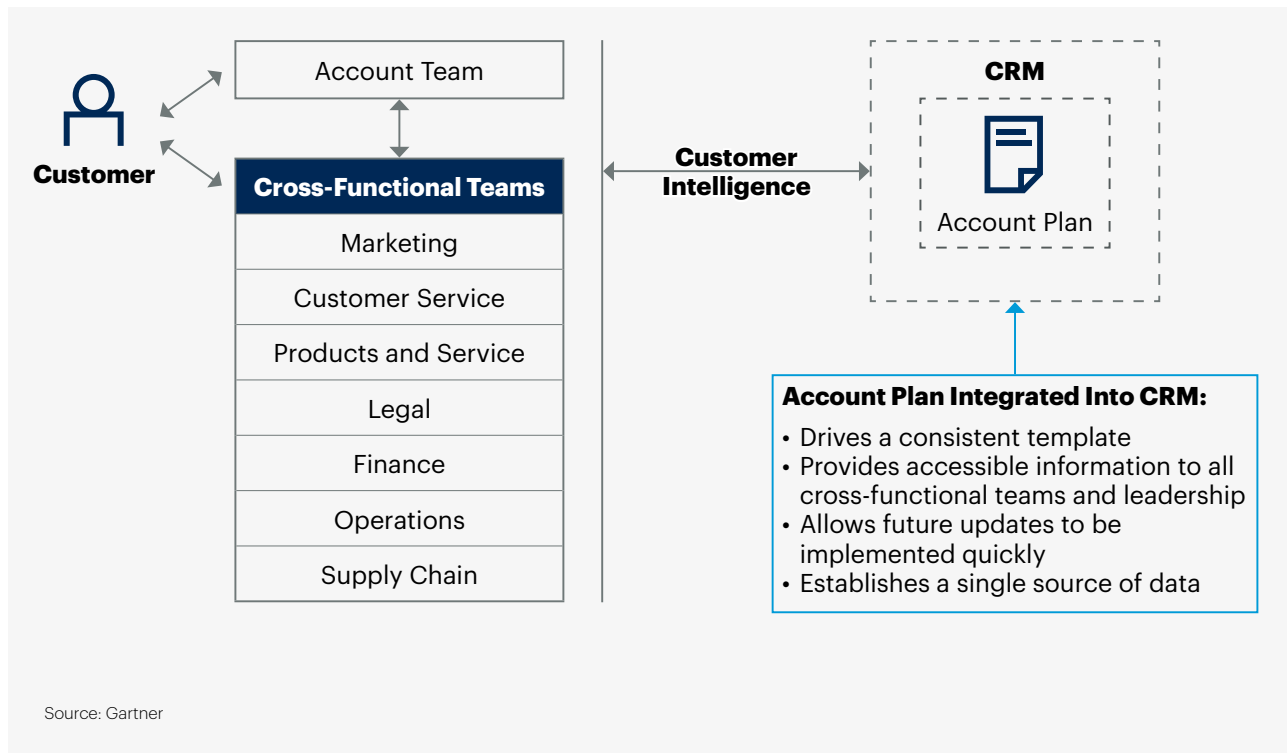
Ensure Relevant and Updated Information Is Easily Accessible Across Functions

Another common challenge with account plans is the absence of critical customer information. As such, account managers may agree on the need for account plans but may not find them beneficial when the account plans contain either incomplete, unnecessary, outdated or simply no customer information. This is often the case in long-vacant sales territories.

While sales and account management teams possess immense customer knowledge, other cross-functional teams who are in contact with the customer also possess critical information and therefore must be involved in account planning. Account planning needs to be structured so that this cross-functional customer intelligence is captured and leveraged (see Case Study: Stronger Support for Key Account Programs Through Cross-Functional Collaboration). Sales leaders must take two steps to achieve this (see Figure 3):

- **Integrate the account plan with CRM system** — This is the first step to ensure updated information is present in account plans and that account plans are easily accessible to all stakeholders. Sales leaders need to embed the account plan into the CRM by allocating IT personnel to customize and incorporate the plan into the CRM platform. Integration with the CRM drives a consistent template throughout the organization, allows future updates to be implemented quickly and establishes a single source of customer data.
- **Assign ownership by designating points of contact (POCs) in cross-functional, customer-facing teams to update customer insights into the CRM** — Designating POCs in all cross-functional teams for entering customer intelligence into the CRM generates accountability, maximizes the availability and accuracy of customer intelligence, enables better cross-functional information sharing and ensures collaborative input during account reviews. This approach also simplifies adapting and coordinating account strategy updates due to shifts in customer needs, market forces and competitor offerings.

Figure 3: Relevant and Updated Information Available Across Functions



Case in Point: MarkLogic's Implementation of a CRM Platform



MarkLogic had an extremely complex sales cycle with multiple stakeholders.¹ It developed a structured sales process and implemented sales best practices to help sales teams navigate its complex cycle, but the process was difficult to use and adoption was low. To improve adoption, MarkLogic implemented Revegy, a sales platform built for key account management, account planning, stakeholder mapping and discovery mapping. Now, MarkLogic's account teams, as well as stakeholders without CRM access, can view account plans and input customer intelligence. These teams can collaborate on complex plans of action rather than just complete individual tasks.

The CRM platform helped MarkLogic in the following ways:

- Achieved 100% engagement in account planning.
- The sales team can easily see where to focus, and the management team can easily see where to coach.
- Higher-quality data is captured.
- Paper tools, and the duplicate data entry that went with them, have been eliminated.

Treat Account Plans as Decision Enablers

Gartner found that most organizations primarily treat account plans as information repositories, making them of little or no value to account managers. When positioned this way, account planning adoption fizzles out with time because account managers treat it like another administrative task. Sales leaders must drive wider account planning adoption by ensuring account plans help account managers in decision making, opportunity management and the implementation of account strategy. Completing and updating an account plan should lead account managers to cross-sell and upsell opportunities. Then, account plans should include clear prescriptive guidance for actions steps based on identified opportunities.

To help with this, sales leaders should consider CRM technology that can also extract, analyze and interpret data in real time to help account managers make quick, fact-driven business decisions. Our research suggests artificial intelligence (AI) will increasingly play a vital role in sales organizations, and one of the most profound implications will be in the context of CRMs. The goal with AI in CRM is to let AI handle the analysis and make smart recommendations about a customer or prospect based on all the data the system has collected. With this focus on AI in mind, Salesforce introduced its AI tool, Einstein, in late 2016.² Salesforce offers a broad range of uses for Einstein, including account insights, lead prioritization, automated data entry, ad personalization, insights into social media conversations, product recommendations, image classification and more.

Train and Support Account Managers and Cross-Functional Partners

Coordinate training and coaching efforts to consistently emphasize and reinforce the need for account planning and to maximize cross-functional support.

To encourage the adoption of account planning, sales leaders must provide training, resources and follow-up coaching focused on the following:

- **The value of account planning** — Communicating the value of account planning drives long-lasting user acceptance. Training sessions and workshops on account planning should highlight the importance of each component of account planning and how those components are used both by account managers and leaders to improve business performance. Such sessions should also include both account managers and cross-functional leaders to promote cross-functional alignment and commitment.
- **The development and maintenance of account planning skills** — Not only does account planning require technical knowledge, it also requires skills and behaviors that develop with practice over time. Specifically, account managers must be able to analyze multiple inputs, understand customer strategic objectives, evaluate resource allocation and forecast growth as part of the broader discipline of account planning. Providing hands-on training where providers and account managers can work together allows account managers to understand each field of a given account plan and how to use the template or platform. Such technical training should also be combined with skill training and coaching, especially from managers, that encourage the development and maintenance of account planning skills over time. Managers can further promote these skills in account review sessions.

Case in Point: BlackDeer's* All-Encompassing Account Management Training



BlackDeer realized that if it wanted to attain complete adoption of account planning, it needed to embed its account plans within Salesforce. This integration with CRM revealed that more training and support was necessary for BlackDeer's account management teams to effectively use the account planning tool. Following are the key training and support measures taken by BlackDeer:

- Webinars: Account management teams attend webinars that specifically talk about the CRM tool and highlight its capabilities.
- Documentation: Team members have access to an account management guideline document that provides detailed step-by-step instructions on how to navigate the system and populate each and every field of the account plans in Salesforce. The document also highlights the significance and relevance of each component of the account plan.
- Workshops: BlackDeer holds in-person workshops that elaborate on the concept of account planning, coach on conducting internal and external stakeholder conversations and reinforce the benefits of account planning along with sharing successful use cases. BlackDeer ensures these workshops are not limited to sales/account teams and encourages cross-functional teams to attend.

With the help of these measures, BlackDeer has ensured that all existing account plans are now in Salesforce and are leveraged by account managers and other cross-functional teams.

*Pseudonym

Incentivize Continued Use by Linking Adoption With Success

Promote account planning by adopting metrics to align account manager performance goals and consistently publicizing the business outcomes generated by successful account planning.

As most organizations continue assessing account manager performance on revenue growth and other account retention and growth metrics, account planning becomes a low-ranking priority for account managers. With no direct incentives for account managers to embrace account planning, adoption efforts frequently fail, as account managers do not feel the need to dedicate time to maintain account plans. To ensure continued use of account plans, sales leaders need to:

- Track usage and measure adoption to align account manager performance goals.
- Advertise successful business outcomes aided by account planning.

Track Usage and Measure Adoption to Align Account Manager Performance Goals

While most sales leaders aspire for ongoing use and adoption, very few measure it quantitatively. After an organization integrates their account plans with the CRM, it is time to actually dive in and use the CRM tool for account planning. But how would you know if account managers are actually getting the most out of it? Here is what Salesforce says: ³

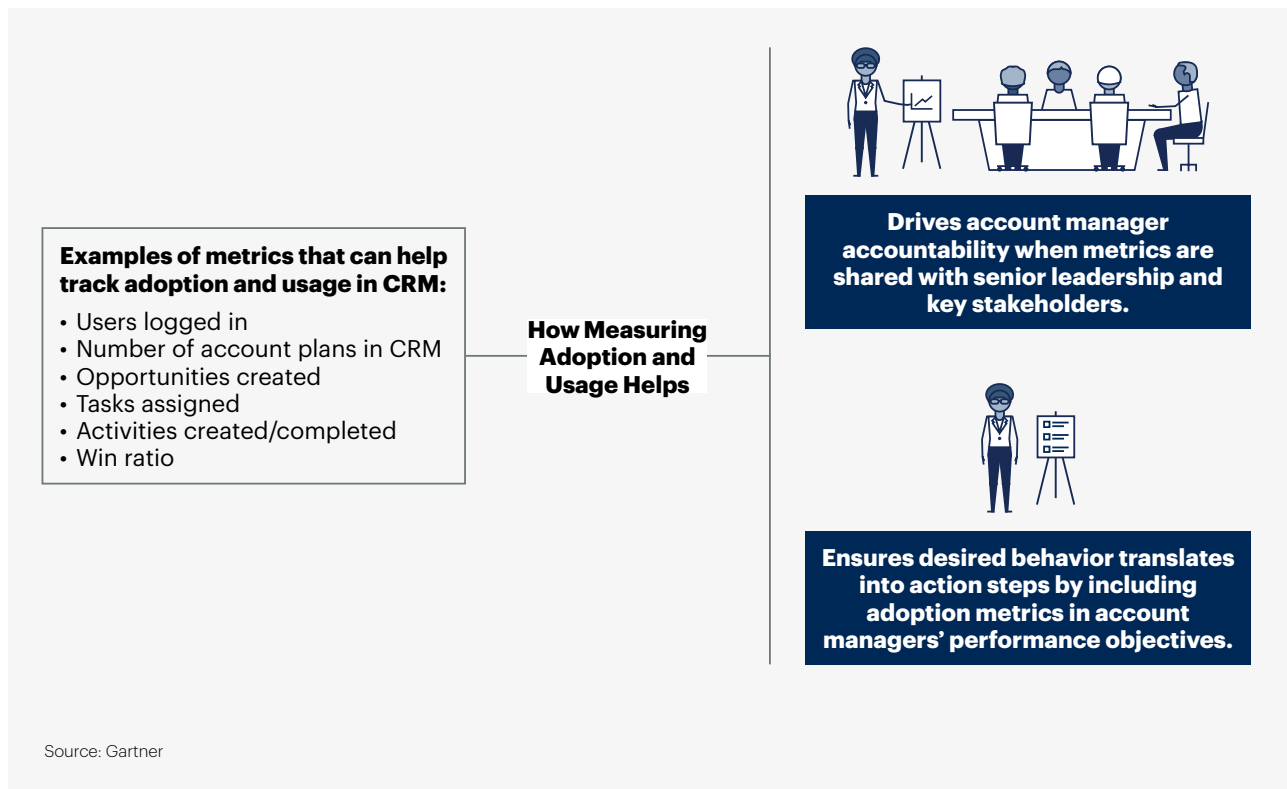
“Tracking user logins is a good start, but it’s not enough. Because it can be confusing to figure out what to measure, you need to develop a framework of key performance indicators (KPIs). To come up with these metrics, we recommend involving key stakeholders — managers, senior managers and executives — to determine KPIs based on business benefits and desired process performance. If you don’t define and regularly monitor KPIs by incorporating the reports and dashboard features in Salesforce CRM, you may find that adoption, consistent usage and data quality will suffer.”

— Salesforce

Measuring adoption enables leaders to take the following steps to further account planning (see Figure 4):

- Tracking these metrics in a dashboard and:
 - Sharing them with senior leadership, key stakeholders or even publicly in the organization drives accountability and social norming.
 - Using it for gamification efforts like announcing contests or awards makes the exercise more engaging for account managers.
- Once sales leaders identify metrics, they can use these metrics to include account planning in account managers’ performance objectives.
- Setting expectations by adding aligned performance goals ensures the desired behavior translates into action steps and becomes a part of account managers’ daily workflows.

Figure 4: Measuring Adoption and Usage



Advertise Successful Business Outcomes Aided by Account Planning

Most frequently, a new practice or technology adoption is followed by the question, “What difference is this making?” When account managers have similar questions after adopting account planning and they do not observe any tangible outcomes of the practice, it lowers their interest and leads to low adoption rates.

Sales leaders must highlight the leadership actions enabled by effective account planning and share examples of successful use cases internally. When account managers have access to this information and know how leaders leverage account planning, the organization sees significant impact on their long-term engagement.

Conclusion

Despite the crucial role of account planning in generating long-term revenue, sales organizations often fail to ensure wide adoption and use of account plans. This is primarily due to the low perceived utility of account planning and lack of adequate training and support.

To encourage account planning, sales leaders should employ three strategies. First, they must consider account manager requirements and ensure that account plans are aligned with workflows to make account planning relevant. Next, sales leaders need to provide ongoing training and support to account managers and other cross-functional groups to equip them with the tactical knowledge and other skills needed for effective account planning. Finally, creating incentives for successful account planning drives motivation for account managers to continue account planning. Sales organizations that apply these tactics can expect to significantly improve adoption and use of account plans.

Endnotes

¹ Collaboration for Key Accounts, Reveyg.

² Salesforce Introduces Salesforce Einstein — Artificial Intelligence for Everyone, Salesforce.

³ Beyond Login Rates: Three Key Areas for Measuring Adoption, Salesforce (accessed via Scribd).

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