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6
Dysfunctions
of Account
Management

...and how SmartKarrot
helps address them

WRITTEN BY

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About Ritesh

Ritesh has over 20 years of experience collaborating with customers and adding value to their organizations. In his prior role as head of healthcare practice for a high growth US healthcare tech organization, he built a centralized knowledge house to drive customer-centric delivery.

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About SmartKarrot

SmartKarrot is a platform built to help Customer Success & Account Management teams **grow** their portfolio. We focus on enabling growth through Account Mining, Upsell and Cross-sell using our Augmented Intelligence solutions.

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The case for a renewed focus on account management

What is Account Management?

Account Management
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Account management is the practice of providing customers with service, support and improvement opportunities to increase their consumption of a product or service and maximize retention, cross-sell and upsell opportunities within the customer base.

Gartner.com

With the rapid evolution of SaaS platforms, the existing benchmarks of success are being replaced with new ones that better reflect the intrinsic value of functions and businesses in the eyes of stakeholders and investors.

Some of these transformations are:

· Net retention rate (NRR) is increasingly driving valuations as opposed to net new sales

· Value orientation of platforms is being emphasized over feature richness

· Customer Success and account management functions are expected to transform into profit centers as opposed to cost centers

These shifts are radically altering how the account management function is structured and more importantly, how it is supposed to operate.

The biggest change that account management has had to factor is the convergence of 3 key factors:

· Value orientation in service delivery and measurement

· Impacting customer's key metrics (as opposed to internal metrics)

· Partnering with the customer as opposed to being a vendor.

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The account management process in a nutshell.

The account management process can be best summarized in these six simple steps:

01 Customer Objectives

What does your customer want to achieve and how will it be measured?

02 Account Overview

Gather all important info about the customer relevant to account plan

03 Solution

Identify potential solutions that support your customer's objectives

04 Account Planning

Decide course of action and plan out necessary tasks. Define value.

05 Implementation

Agree actions, decide owners and due dates.

06 Review

Regular plan reviews (and iterations) to ensure you stay on track

Seems intuitive enough. What could possibly go wrong?

However, this is easier said than done. Most account management plans do not yield the desired results, not because of black-swan events but because of a simple set of failings that could be eliminated through concerted focus and keeping the customer at the center of the process.

The most common dysfunctions that have been observed to ail account management are elaborated in the subsequent sections.

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The Silver Bullet Syndrome

A rigid approach to account planning

Rigid account plans are not only ineffective, but they can also prove to be quite counter-productive.

The silver bullet syndrome encapsulates an approach where an account plan once defined, is deployed across the board for all types of customers. But is this approach useful?

In most cases, this doesn't yield the desired results despite generating a ton of activity. A good account plan needs to:

Be contextual and relevant to the account (or types of accounts) given its potential, growth trajectory and the nature of the core business

Keep a track of customer's current and future priorities

Allow for mapping of key objectives to customer priorities

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"Gotta tap faster, the deadline's at 4pm!"

DYSFUNCTION #2

Primitive Planning

Planning in isolation without key data points

Most functions within an organization tend to plan in isolation using primitive tools.

Account plans, however, need to stay current and relevant given the changes in the operating environment and parameters.

This, unfortunately, rarely happens because:

Most organizations still use PPTX or Excel/Word to create account plans

Tracking is difficult and changes made to plans go untraced and unaccounted for

Creating a new plan every quarter works for the plan owner but does not help the organization achieve outcomes

This results in great initial ideas that are not sufficiently validated by empirical data and do not get updated given a change in account status. Worse, they often paint a misleading picture of how an account needs to be nurtured.

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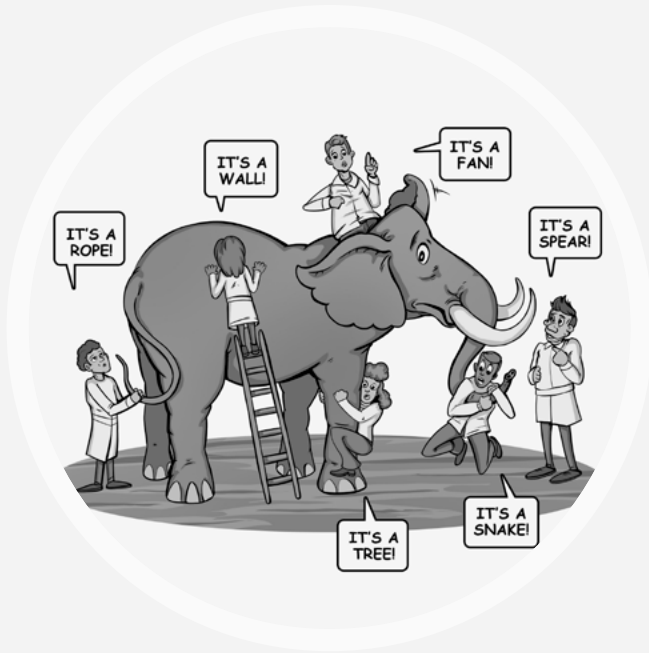
DYSFUNCTION #3

6 Blind Men and the Elephant

A lack of stakeholder transparency

Shared visibility and access to plans foster a sense of accountability and purpose to account initiatives.

Effective account management needs active participation from all functions – Customer Success, Account Management, Engineering, Product, Finance etc.

Account plans, by extension, need actions to be carried out by stakeholders from all relevant functions.

This calls for:

A plan that is visible to and is agreed upon by multiple stakeholders

Plans to be shared across the organization and with the customers as well (when needed)

A mechanism of establishing shared accountability without having to rely on multiple tools or worrying about licensing costs.

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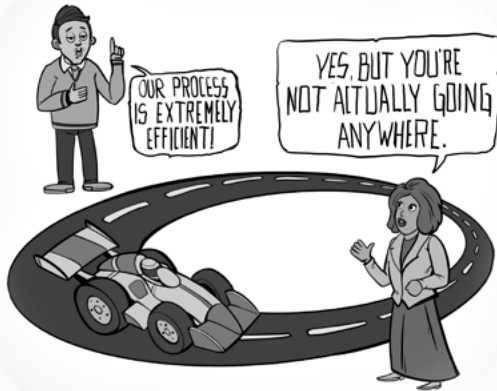
The Process Merry-go-round

An emphasis on activities vs. outcomes

Defining outcomes allow for a clear-eyed assessment of the effectiveness of account management initiatives.

To build scale, appropriate processes are deployed. However, an over reliance on mere compliance with the processes brings about a mindset of completing "tasks" without evaluating their efficacy.

Activity and task tracking is a good first step but does not always lead to the right behaviour.

There is a need to:

Define measurement criteria on the changes/results that a set of tasks/plans is supposed to achieve

Review the outcomes (quantitative or qualitative) in conjunction with the account plan

Tying activities and outcomes at the hip allows the conversation to move from "Are we executing the plan?" (The answer to which is invariably always a "Yes") to "Is what we are doing working?".

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- Ready for your examination? Belt up!
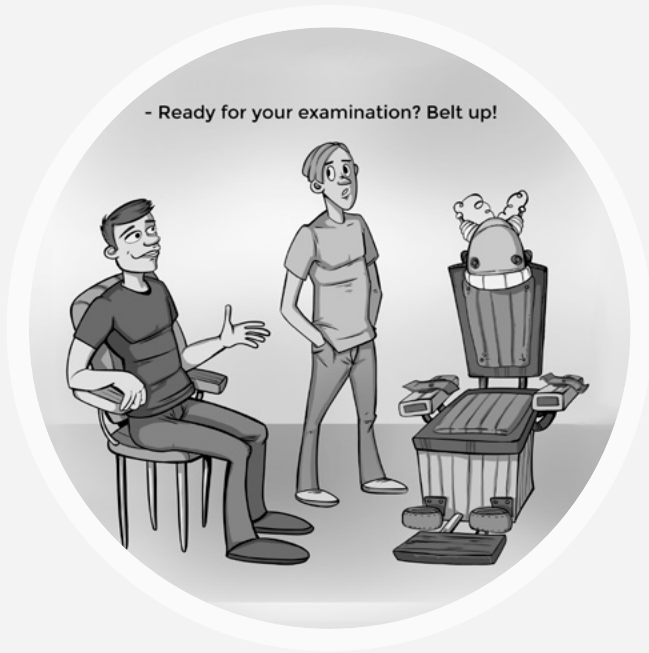
Review?
What Review?

**Lack of rigor & focus
on plan reviews**

A de-emphasis on the value delivery to the customer stops organizations from assessing and successfully tapping into the true potential of a customer engagement.

As the adage states, "The path to hell is paved with the best intentions".

Similarly, it's not enough to define a great plan full of bright ideas.

It is equally important to:

Periodically review the plan and evaluate the situation with the expected/desired outcomes

Evaluate the execution in the context of the value that is being delivered to the customer

In the absence of sufficiently objective evaluation, there is every chance that the focus of the exercise (and thereby its effectiveness) may be diluted resulting in sub-standard results.

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- "Try not to think of them just as a 'customer' but rather as your only chance of feeding your family" -

DYSFUNCTION #6

Customer Non-centricity

Inability to build deep customer relationships

Unless the success of key stakeholders is a central tenet of the account plan, there will always be ambiguity about the "value" that they expect from your product or services.

A deep customer relationship can be said to have been built when the customer looks at your organization as a partner that will help them deliver on their business goals.

The ability to build deep connects mandates that account plans go beyond focussing on the transactional connects and instead on the following:

Considering the business priorities of the key stakeholders and a serious evaluation of WIIFT (**W**hat's **I**n **I**t **F**or **T**hem)

Tracking the relationship, engagement and effectiveness of stakeholder interactions and keeping them integral to the account management process

Once the success of key stakeholders is established, it becomes imperative that the stakeholder interactions be managed in a way that appropriately showcase the outcomes.

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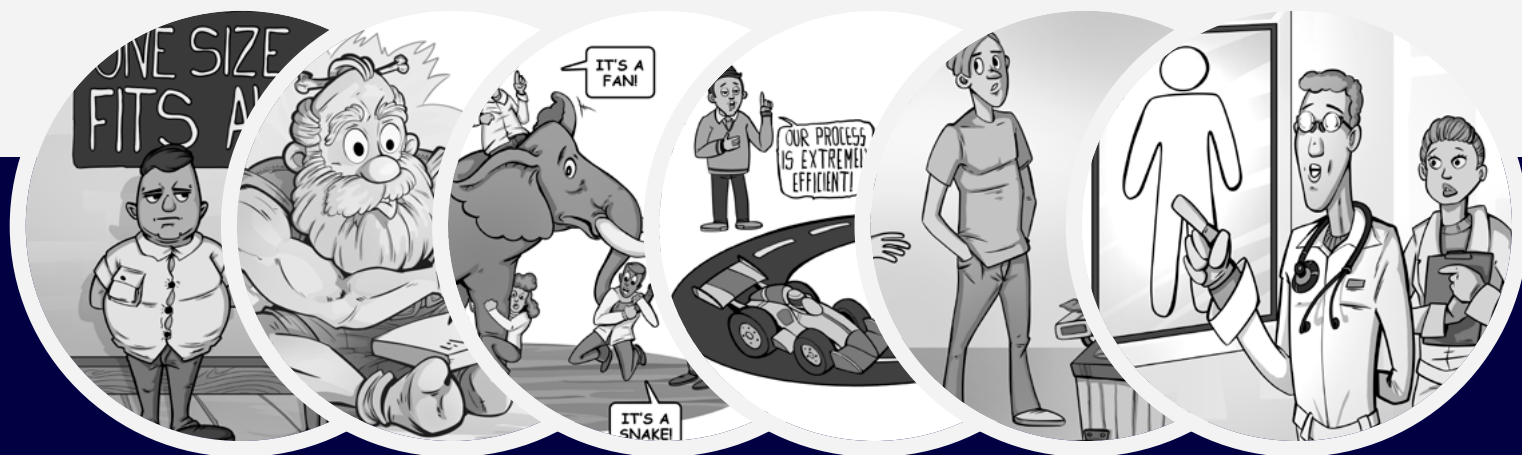
With that, we come to end of this eBook which was meant to provide a quick preview to all the insights we have on the topic. Hope you enjoyed browsing this as much as we enjoyed putting it together.

Reach out to new@smartkarrot.com to learn more.

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