

Strategic account planning in a global team environment at Analog Devices



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As the information technology industry matures, more and more opportunity is concentrated within market-leading customers in each industry sector. Managing innovation, boosting the voice of the customer and delivering world-class services requires a consistent, methodical approach. A common set of business lenses and a language to describe strategies and executables across the organization is a necessity, which is why we at Analog Devices Inc. have implemented our strategic account planning program. ADI is a world leader in high-performance signal processing, serving more than 60,000 customers representing virtually all types of electronic equipment. For almost half a century the company has manufactured high-performance integrated circuits used in analog and digital signal processing applications. ADI has headquarters in Norwood, Mass., and design and manufacturing facilities around the world.

Our strategic account planning program has given us insights into our perceived value from our customer's perspective and allowed us to leverage newly acquired account and industry knowledge into our annual business planning process. Our large account program has provided a fresh opportunity for us to look at our entire value chain from initial customer contact to executed factory order. The process has encouraged executives from across

our sales, engineering, industry marketing and manufacturing organizations to team up, forecast and address customer requirements in a more cohesive, effective manner. The information and realization we gained from the large account planning process has also encouraged us to re-examine the strategic timing and frequency of our customer contact and the levels at which we've built relationships within our customers' organizations. ADI has developed an organizational structure designed to boost cooperative innovation across the customer, market and technology dimensions.

As we planned and implemented the first version of our strategic account relationship model, we immediately began learning things about our internal process. To ensure we did not miss anything or have a predetermined bias, we retained an external consultancy to help recognize and address strengths and weaknesses within our customer relationship and tactical sales process models. Its work assisted us as sales stakeholders to realize, evaluate and agree on ideal times in buyers' buying cycles for ADI sales, support and executive involvement. (The earlier the better.) The consultancy also helped objectively assess our sales process and identify any shortcomings. Creation of a global sales leadership steering committee aided in guiding our efforts and prioritizing activities and investments.

The committee also helped us recognize the need for a more integrated approach and suggested greater linkage between tactical sales concepts and large account relationship planning. As a result we integrated the two programs creating a combined tactical sales and account planning methodology. This new integrated team approach allowed us to more accurately determine where we should invest our relationship resources and apply the new sales concepts.

Sustained executive involvement and program commitment was the most important success driver in our large account program. Extraordinary cross-functional executive commitment and support across the global organization permitted us to realize additional benefits we didn't expect. If executives within your company wholeheartedly commit to your large account program, you can experience tremendous results. Here are a few of the unexpected high-level program benefits to our business that we have witnessed so far:

1. There are improvements in cross-functional global teaming for customer knowledge sharing and decision making. We are able to respond quicker to customer requirement requests or execution issues. There is increased understanding and definition of the way ADI estimates markets and a customer's potential spend. We have more accurate bottom-up product planning and forecasting by account.
2. We gained a better understanding of selling cultures within remote geographic account teams and customer buying practices. There has been development of ideal global team composition for planning and execution efficiency, including standardized definitions of global team roles and responsibilities. Ideal team composition now includes the sales, support, marketing, engineering and manufacturing functions and may also include quality and other customer support functions.
3. We have increased potential to add

value, such as product features ideas, sooner in our customer's strategic product planning cycles. There is heightened collaboration on solutions with customers while at the same time anticipating their market demands earlier in their signal chain component buying cycles.

4. We see faster recognition of customer technology needs and better alignment of our road maps in industry-leading accounts. There is better understanding of our customer's future product requirements across our internal functions, which allows us to invest and react appropriately on the customer's behalf.

Like many companies involved with SAMA, we renewed our emphasis on sales productivity during the global economic downturn. One component of this review was a revitalized large account planning program. We invested

time and resources in the new program due to a variety of internal and external market drivers. The return on investment we anticipated was probably similar to what you projected at your company for your large account program. But as we are learning, focus is critical on these accounts in any economic climate. Our pre-implementation expectations for our large account program included:

- A. Development of a globally consistent customer relationship model. Our customers with the most intimate business partnership potential are currently marketing globally or soon will be.
- B. Enhanced revenue growth from accounts targeted for extraordinary focus and resources. We expect incremental revenue, profit and account market share growth from the accounts in which we choose to invest.

ADI's sales planning environment



- C. Help clarifying account relationship roles and responsibilities of our sales, engineering, manufacturing, marketing and support resources.
- D. Improved customer satisfaction and vendor scores through improved sales and service execution reviews.
- E. Enhancement of our industry position by "owning" the market-leading industry marquee accounts whenever possible.
- F. Protection of our partnership position and market share within the account.
- D. Global volume purchasing aggregation leading to more favorable pricing and service support models.
- E. More focused ADI executive commitment and product customization funding, above and beyond the standard.
- F. Enhanced industry points of view and product road map sharing, helping customers research and make their strategic market and product investment decisions ahead of competition.

A key tenet of our large account program design was ensuring that our customers benefit from our program investment, too. In fact we felt that our program, if implemented correctly, could create competitive advantage for our customers. We also recognized that, for a variety of reasons, not all customer business models would benefit from our renewed emphasis on the relationship and therefore our priority list would evolve with the program. Based on our program design and implementation goals, we anticipated the following benefits for our strategic customers:

- A. Shorter decision time frames from us on product investments; this is especially valuable to our customers in consumer markets where time to market is critical.
- B. Enhanced partnering due to increased sharing of our long-term strategic business planning. There is potential for shared economic interest as we progress together to the top of the relationship pyramid.
- C. Improved coordination, consistency and availability of our global sales, engineering, manufacturing, industry marketing and technical support resources. We provide more efficient access to our industry-acknowledged experts.



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What else have we learned on the journey?

Involve the entire organization. Our program is evolving, but its success is critically dependent on many supporting functions within our company. For example, we relied heavily on input and guidance from our human resources experts. As the

program rolled out they helped with the identification of focus accounts, establishing cross-functional teams, assigning resources and instituting training, career models and performance metrics. We have found unexpected infrastructure areas and are reviewing these. For instance, cross-functional team performance management models have become extremely important. Our new account relationship model needs to measure and reward both individual team members and the overall account team. New team-based success measures were required. How we allocate responsibility, accountability and account success measures across all the roles and functions serving the customer is complicated but will aid us in driving the decision making and responsibilities at the right levels within the company.

Additionally other considerations include: Which industry, product line or geography should own/lead a specific strategic account? Should the person owning it also be held responsible for the relationship's success and ensuring that the team's goals are met? Performance measures such as incremental revenue growth, profitability, account market share, design wins, loyalty measures, new executive relationships, vendor scorecards or a combination of several should all be considered as you decide the measures that most align within your organization's large account goals. These issues can evolve with the process, but our recommendation is to understand and resolve them sooner rather than later to avoid change management issues and associated implementation delays.

Have a robust, cross-functional coaching and executive review process.

Once the first few accounts went through our program process, we

determined that more guidance would be required for teams to perform the account and market research, build the strategy and deliver the executive presentation with the quality we expected. To help guide the teams, we instituted a three- to five-stakeholder review committee to assure team progress, assist with any obstacles and provide feedback at 30-, 60- and 90-day intervals. After accomplishment of these three coaching milestones for account planning development, each team scheduled a one-hour executive overview of the team's strategy for the account. Presentations were fewer than 25 slides and an hour in duration, including questions from executive stakeholder committee members. The one-hour window was strictly enforced.

The executive audience varied by industry but was typically attended by executive stakeholders from the sales, engineering, marketing and manufacturing functions. The supporting strategic account information was extensive, and because of our customers' competitive nature special attention was given to securely store account plans in a central repository with "permissions" granted to only the account team and key executive reviewers and stakeholders. Account presentation content was initially varied based on account team preference. However, since the initial presentations, we have adopted a standardized template for each team to use. This has assisted the teams in focusing on key areas and also allows the executive reviewers consistency during presentations, making the account strategy discussions more productive and easier to follow.

Most of the account plan information discussed by the teams falls into four broad categories: industry trends, the account's market position, a one-year action plan to increase ADI value to the account and any support requests. Executive feedback on individual and team account knowledge and strategy is recorded on scorecards and shared

with the teams shortly after their executive review presentations. Thirty-minute follow-up sessions with the same executive reviewer committee are then scheduled six months later to focus on progress regarding high-level actions committed to in the original plan.

Who is (and how) to manage the strategic account planning and review process?

Don't underestimate the time and effort required to generate quality plans. Everything is significant from team assignment and the executive review process to logistics/tracking of progress and account team training. You will need to assign a well-respected, passionate project sponsor to drive the process. The return on the program will be substantial, but the effort to maintain momentum is time-consuming and resource-intensive. Regardless of early successes, teams and

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executives need to see continual progress. Due to account teams' global, cross-functional natures, the leader assigned must typically influence other people rather than mandate deliverables and schedules. Additionally a development program needs to be implemented to support account leaders focused on developing and honing their planning skills. Executive support of the program and the development of account leaders in a strategic account planning role are essential. Management training and development investment in the expanded account leadership role help keep the planning progress and subsequent financial return on track and demonstrate company commitment.

Some of the tasks that fall under the program manager's role to manage can be mundane but critical.

Depending on the number of accounts you decide to plan, you may need to budget at least 50 percent of a program manager's time to managing the account planning process. There are many easily overlooked but critical tasks and decisions that maintain the process and put it on the quality levels required to



provide the most ROI possible to your organization. Here are a few of these often overlooked details to keep in mind as you review the planning process and assignment to the program manager role:

1. Where and in what format should you securely create, share and store the work in progress, completed executive overview presentations and supporting account plans? How will you allow secure access to completed plans for authorized stakeholders and not others?
2. Who is ultimately responsible for the team's compliance with the account planning process and adherence to the coaching and executive review timetable? How do you ensure that all functions are represented and committed to participating in the plan's completion? This can be a large responsibility if one assumes there will be, say, 20 to 30 strategic account plans formally reviewed by a five- to 10-person executive committee at least twice per year.
3. Who assumes responsibility for the timely follow-up of executive reviewer action items? How will he or she assist in supporting the teams while helping to drive business results? This should be a formal, shared process cutting across the corporate leadership functions with rigorous oversight from sales.

It is our goal to see customers reach and exceed their business revenue potential and for us to profit with them. Our strategic account relationship model must focus on their needs and business issues. By helping customers succeed we will benefit as a result. With consistent application by the strategic development teams, the account planning process becomes a source of value to customers and critical intellectual property for ADI. Account planning needs to become an organizational core competence with associated standardized business

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processes to ensure success. When done correctly the rewards far outweigh the substantial cost and effort of program implementation.

We also realize that it is an ongoing corporate commitment. Our customer relationships, account team proficiency, planning sophistication and subsequent ROI will continue to grow with experience. We believe that executive dedication and lasting involvement, which includes sharing intimate knowledge of customers' market opportunities and challenges within our largest accounts, will continue to create a competitive advantage for our organization. Heightening our account planning skills, driving an account planning discipline and engaging all our key stakeholders both internally and externally will help us become an even more strategic business partner and valuable supplier to customers. 

George Smalanskas and Mike Peters will conduct a session about strategic account planning in a global team environment at SAMAs 47th Annual Conference in May in Orlando, Fla. Smalanskas is director of worldwide sales, learning and development at Analog Devices Inc. (www.analog.com). Peters is managing director of Whitespace Consulting Group (www.whitespace-consulting.com) and can be reached at mpeters@whitespace-consulting.com or (508) 353-5168.

Additional resources

For more information on this subject in SAMAs library, the editor recommends: Guy Monier, Johan Pauvert and Paul Hesselschwerdt, "Global strategic account planning transforms account relationships into true partnerships: the STMicroelectronics' 'Capture market share' experience," *Focus: Teams*, Vol. 6, No. 1, Spring 2009, www.strategicaccounts.org; and Steve Andersen, "Keys to effective strategic account planning," 44th Annual Conference, May 8, 2008, www.strategicaccounts.org.