

Profiling Your Target Growth Accounts - By Dr. Rick Johnson

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When a customer makes their buying decision, the customer makes that decision based on certain assumptions and has specific perceptions and expectations. When the customer places an order, these assumptions and/or perceptions become reality in the customer's eyes, often becoming the source of costly misunderstanding. The task is to get the 'book on the customer' and, with proper planning, avoid misunderstandings.

Remember:

The customer's perceived value of your company drives their expectations

Your company's performance value drives your customers' satisfaction

Customer profiles are the tendons and the muscles, the core of a 'Target Growth Account' (TGA) Strategy. Each element becomes a building block in the Strategy's foundation and an essential component of the sales effectiveness process. Without good dialog with your TGA accounts, securing the information necessary to formulate a meaningful plan becomes very difficult. To ensure maximum benefit from the information you collect, the questions asked and the answers given should be recorded in the narrative. This allows you to understand the subject and the answer. It reinforces your ability to understand the concept and the individual TGA account.

How do we get the information needed?

Analyze internal historical data

Do outside research on your customers' industry

Ask the customer directly

Ask the customer's competitors (carefully)

Talk to your customers' customers

Develop relationship equity with the customer's gate keeper

Your account managers should be able to complete this information in one to three weeks with proper focus and discipline.

Customer Profile Form

The customer profile form records information about the 'internal' workings of your customer. It includes everything from the company's history and ownership to its day-to-day ordering process. Your account managers should complete a customer profile form for each target growth account. However, it is highly recommended that Target Growth Accounts should be held to a maximum of fifteen but no less than ten on average.

The following are some ideas and guidelines for the types of information your account managers should look for. E-mail rick@ceostrategist.com, for example forms for gathering and recording this data.

General Company Information

This provides an important snapshot of the TGA prospect. It tells you exactly what kind of company you are dealing with. Areas to explore include: when were they founded? How did they get started? Are they private or public? Is their family involved in the business? Where are they headed? Do they have a strategic plan? What are their growth expectations? Are they involved in any mergers or acquisitions? Who are the principals of the company? What are their demographics as it relates to their market, their locations? What is their current and forecasted revenue? How many locations and employees do they have? What is their sales and margin split between products and services? What is their financial condition and credit rating?

Product

What kinds of products and services do they sell? Are their products and services seasonal? Do their products and services go through sales lifecycles? If so, how long do they last? What types of customer-base is prevalent in their geography? What type of company are they?

Buying Process

Do they buy based on forecast, material requirements planning (MRP) or the empty cabinet methodology? Do they use a plan-o-gram or similar type program? What is their ordering practice? By understanding their process, you can better determine the pain factors and the opportunities to become a hero.

Vendor Practices

Are they implementing a vendor reduction program or any other type of program that has significant impact on their purchasing practices? What kinds of buyer programs do they have? Are they members of or considering a buying group? Do they pay their bills on time? Are there any special terms required?

Special Requirements

Determine any and all special requirements such as packaging, receiving certifications or electronic commerce. Include both product and service requirements. What is the level of technical sophistication of the office manager? How much technical or application support do they need?

Critical Needs and Issues

What components are deemed to be highly critical in the customer's operation? What about cost reduction, E-business, productivity, service and logistics? Describe major current initiatives that could affect the relationship. Examples could include vendor reduction, process re-engineering, supply chain projects, technology changes and/or acquisitions.

Becoming the Supplier of Choice

A current analysis customer profile is the baseline that allows you to understand your current position with the TGA candidate. It provides the platform of where information that will help you understand the customer's 'Rules of Engagement.' Look at all opportunities to prove your value as the supplier of choice. This includes product related issues, service related issues and even e-commerce. Keep this information current as opportunities come and go. What do they look for in a vendor? What do they think of you? Who are your major competitors for this account and what are they doing to win the business?

These are suggested questions to get you thinking. Don't stop there, be creative. The more you know about your TGA account, the better prepared you will be to shorten the distance required to meet your objectives. Documenting the Customer Profile allows you and your selected strategic sales team to review every factor that could be significant in developing your action plan for each specific TGA customer. The first thing that should be documented on this form is exactly where you stand as a supplier or potential supplier right now.

A Target Growth Account Strategy is intended to increase the focus of your sales effort on the kinds of specific activities that will lead to sales, margin and market share growth.

Check out Rick's new CD and Workbook -- Real World Leadership Kit --- 'Learning to Lead So Others Will Follow'

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