

GLOBAL ACCOUNT MANAGEMENT: RELOADED

The society and the way to do business evolve, so should the practice of GAM

By Olivier Riviere

Introduction

Beyond the hype – and the sometimes associated exaggeration and naivety – the terms Web 2.0 and Enterprise 2.0 cover some fundamental shifts in social and business behaviours. Many comments on the current society highlight the ferocious individualism of citizens and consumers. Simultaneously however, most people also show a desire to belong to selected communities. In his book *The Culting of Brands*, Douglas Atkin very well described this relatively new (in rich societies) form of tribalism. The possibility enabled by Internet for each individual to be a consumer and a creator of information, have driven a shift in the way citizens and consumers interact with institutions and brands; mono-directional information flow, from organisations to the people, is not acceptable any longer. Communication must be a dialog; it must be based on conversations. A straightforward consequence of this is that mechanisms that build, maintain or destroy trust have become more complex and more ambiguous as shown by the *Trust Report* published every year by the PR Agency Edelman.

These evolutions in the society also influence ways to do business. For the sake of operational and cost efficiencies, business relationships between a client and a supplier tend to become simultaneously transactional and relational. On the client side, decision makers use varied sources of information to minimize real and perceived risk. Advice from a peer (word of mouth) matters a lot. So do informative non-commercial conversations with the supplier, preferably complemented by experience sharing with a neutral third party. In such a context, sales tend to become consultative and the selling process requires cross-functional collaboration especially on the supplier side. These evolutions are at the core of what is called Sales 3.0 in the framework of the GSSI.

This social and business context also influences best practice for Global Account Management (GAM). The session on GAM at the GSSI 2009 conference and this related article are focusing on how the GAM practice is or should be evolving.

A quick reminder on Global Account Management

As a reminder, establishing a Global Account Program usually requires the following;

- The definition of a clear strategy defined by the executive team and its communication to staff
- A client segmentation and the careful selection of Global Accounts
- The definition and implementation of a pragmatic GAM methodology
- The appointment of a Program Manager and of Global Account Leads
- The Building of the Global Account virtual teams (virtual because team members are based in multiple locations and have local direct reporting lines)
- Training and coaching on the GAM methodology but also on virtual team dynamic and on multi-cultural environments
- The Implementation and usage of adequate technologies to support global account operations
- Goal setting at program and account level as well as performance monitoring

In this article, we will not discuss all the above topics in details, but highlight where the evolution in social and business behaviour is also driving an evolution of the GAM practice.

Client segmentation and the need for a more flexible definition of a Global Account

Defining a client segmentation is a mandatory first step. Not only does it support the identification and selection of focus Global Accounts, but also it allows for a company-wide and consistent analysis of the client base. The traditional definition of a Global Account imposes two pre-requisites on the client's side: a centralized decision centre, and the possibility to organize a global delivery of goods or services. In order to serve such a client, a supplier has to check carefully that both on the client's and supplier's side the business is global. This vision still applies to many Global Accounts and implies that most of the decision making is concentrated at Headquarters level. However, many companies now have a more flexible approach to their global operations, and recognize that being global does not necessarily means being centralized and imposing the same way to operate in each market. With such organizations as clients, the notion of Global Account becomes more complex and even ambiguous. For example, intellectual service companies such a marketing or communication agencies, or software vendors, do have a lot of these new type of global accounts.

The segmentation matrix – that focuses on existing clients – should be kept as simple as possible, even if some figures – especially on profitability – are required. The exact format of this matrix varies with the nature of the business. A service company might use a matrix with the “Value” on a horizontal axis and the “Potential” on a vertical axis. These two parameters should be evaluated by combining facts (figures) with less tangible parameters related to prestige and image. A product-oriented company might be tempted to use a more purely figures-driven approach with the financial value and the profitability as the two axis and the radius of a circle representing an evaluation of the growth potential. All in all the segmentation helps make decision on how to manage each global accounts (for growth, for profitability, for retention, for replacement or exit). It also helps to make decisions on where to invest and allocate resources, especially time and budget for sales, marketing and business development.

In addition, because of the somewhat ambiguous definition of what “Global” means, it is also important to assess if some existing client relationships, currently limited to one or a few countries, can be expanded into a more global relationship with a specific networking and business development plan.

Skills required from the Global Account Leads and from their teams

In order to implement a true Global Account strategy, it is highly recommended to appoint an overall Global Account Management program owner, preferably at senior management or even executive level. Because of the complex dynamic of influence and power in any international organization, and the almost systematic existence of baronies, the GA Program Manager must have great political and social skills and the gravitas to impose respect to anybody in the company.

The Global Account Leads are chartered to orchestrate the relationship and business development with each Global Clients. These demanding roles require great leadership and communication skills as well as strong business acumen. The Global Lead must be able to foster team collaboration, especially when the client organization is highly decentralized. This job is most often far more about explaining, convincing and inspiring than about controlling. In a modern business environment, the Global Account Leads must demonstrate a spirit of entrepreneur, have strong networking and influencing skills, and have an excellent sense of how to handle cultural differences. Of course, it is highly recommended to select Global Account Leads who have a truly international background and have worked abroad.

The selection of the other Global Account team members is also important. They all need a good command of English as well as the flexibility to operate in a virtual team and in a complex environment. They must be able to cope with the often ambiguous situations of serving simultaneously a local and a global contact person at the client.

Finally yet importantly, Global Account team members need special training and coaching especially in three areas; management of large and global operations, management of multi-cultural virtual teams, networking techniques to develop relationships with a global organization. Human resources or the people development and management practice must consider those needs, and establish Global Management expertise as a career patch within the agency.

Global Account Management methodology

Each organization is different and suppliers have to adapt to their client. A Global Account methodology aims at helping organize and standardize the three following aspects of the business relationship;

- The interaction and collaboration between the account team members
- The delivery of the products and services to the client organization
- The networking and business development effort with the client organization

The framework of the interaction and collaboration between the account team members is created by the objective setting and by standard tools and processes including account members list and profiles, an account development plan shared with the whole team, and regular scheduled communication (mostly conference calls). As much as possible, it is also recommended that the members of a given account team are given the opportunity to meet face-to-face once a year. The Account Leads must also make sure that informal ad-hoc and peer-to-peer communications takes place on a very regular basis.

The delivery process of the products or services to the client organization is determined by both the client and the supplier. Tools and methods must aim at making this delivery consistent and homogeneous across locations, countries, and regions. Critical parameters are the measurability of results against initial objectives, as well as the timely and efficient reporting of progresses and issues. For many client and supplier organizations, and for tons of reasons, ensuring such a consistency across all regions can be very challenging.

The interaction between the client and the supplier organizations must be driven by the account team to cover not only the conditions of a good delivery but also to enable business development. It is essential that the Global Account team drive a consistent and coordinated networking effort with the client organization. The further growth of the business with a

Global Account depends from the quality and pertinence of this effort. The role of the key contact person at the client is crucial as his or her own attitude and willingness to collaborate with their supplier has a huge influence on the conditions under which this networking effort is driven.

Technology for GAM

Of course technology can play a role to support Global Account Management operations. Information technology can help the interaction between the client and its supplier but also the virtual Global Account team.

The service delivered by a global supplier to its clients often includes a portal to share information related to the joint operations. This portal can rely on the client's or on the supplier's IT infrastructure.

In parallel, the Global Account team needs a specific internal resource to share information about the client and about the execution of the account development plan. The quality and ease of use of such a collaboration platform can play an important role in the building of the virtual team dynamic. This can be done with a CRM system but these systems tend to be tedious to use. An alternative is to use modern tools based on social media concept but adapted to a business context. Such tools are easier to use than CRM systems while providing a simple way to store and retrieve information while easing a formal and informal dialog between team members.

However, experience shows that the individual and collective behaviour, and the willingness to overcome all problems as a team, play a much bigger role in success or failure than the feature set of the available collaboration tools.

Goal setting, success metrics and performance monitoring

Performance must be measured on each global account and for the program globally. The program and account-level score card should consider the following categories;

- Revenue growth and geographic expansion
- Profitability
- Development of the quality and focus of the relationship
- Client Satisfaction
- Account Team dynamic and motivation

A critical matter is the management of the individual sales quota and revenue recognition process. The elected system must foster collaboration between sales people, not destroy it. This can be quite complex to manage.

The account-specific goals and the overall program goals should also be shared with the local management of all team members. Whenever possible, local senior managers should also have objectives that will support the Global Account Management programme.

Finally, running a Global Account (GA) programme implies a good communication to the whole organization about the reasons and the goals of the programme, its success metrics, and its achievements.

Conclusion: GAM Reloaded

Engaging with Global Accounts is a major opportunity at hand for many companies as long as they can ensure a global presence (even through partners). The theory on the methodology and tools is relatively simple, what matters is the right strategic decisions, and the right implementation. Clarity on the strategy, a strong support from the executive team, and the right collaborative attitude across the organizations are the key conditions for success.

In a society where individualism and tribalism combine with a new way to define global business, the modern Global Account Management leverage past experience while being characterized by the following factors.

- The importance of multicultural account teams with an entrepreneurial spirit
- The necessity to network with global clients
- An advanced performance management reflecting the complexity of the business but also people's aspiration

Paraphrasing the title of a legendary movie, one can call this GAM Reloaded.

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