

INTERNATIONAL AND GLOBAL ACCOUNT MANAGEMENT:

The next Strategic Battle for SMBs?

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International Accounts: a serious business opportunity for global SMBs

Tough economic times always offer companies of any size the opportunity to find better ways to do things. This applies well to Go to Market strategies and tactics. All companies, large and small have to be sharper in their decisions on where to allocate their resources. For large to very large corporations, a very good way to do this is to focus on existing large clients with international or even global operations, the so called Global Accounts. Small and Medium-size Businesses (SMBs) with international presence can also unleash new growth potential by defining and implementing an International / Global Account Strategy. However, in order to be able to do so, they must take a flexible and non-dogmatic approach while being careful with how their resources are used.

The theoretical advantage of doing business with (truly) Global Accounts is simple. Both on the client's and on the supplier's side there is an expectation that a global relationship will bring operational and economic efficiencies. For the client company, selecting a global supplier at worldwide or regional level is supposed to yield a better price, to help drive a consistent approach across countries, and to save on the time and resources invested in vendor selection and administration. For a supplier, if sustained over time, a relationship with a global account is expected to yield a higher profitability of the operations and to lower the cost of sale of additional products or services. For a supplier, working for global clients and global brands is also good for prestige. It helps win other key clients and attract and retain talented employees.

However, true Global Accounts are not the only big opportunity. Developing international clients by driving a cross-border extension is also an excellent way to accelerate growth and to develop the organization. This potential is often overlooked by SMBs.

A strategic choice rather than an opportunistic approach

Starting an International / Global Account engagement should be the result of a strategic choice rather than of an opportunistic move. This does not necessarily mean that the program must be huge and the investment massive. However, it does mean that the International / Global Account activity must clearly be sponsored, supported and monitored by the highest level of management and by the regional and country managers.

Large industrial or software companies are very familiar with the concept of Global Accounts. Medium size solutions or services companies much less. For a SMB with strong international presence, focusing on global clients is definitely a fundamental strategic choice. Quite a few service providers, especially in areas like marketing, advertising and communication, define their ability to serve global clients in a consistent manner on all continents as a key differentiator. In order to make this promise come true, these companies must have a formal methodology based on specific tools and management practice. Later in this article, we will provide a brief

description of these. What must be very clear is that the intention to design and execute an International / Global Account program, even on a limited scale, has far reaching consequences on the company's budget planning, resource allocation and talent management practices.

Working around initial internal resistance

In most companies, there is a lot of internal resistance to the design and implementation of a GA programme, even when there is a client demand from the market. There are two main reasons for this. The first one is the fear from local managers to lose control on what they consider as "their" business. The second one is the legitimate concern to burn precious resources in unproductive coordination work. These fears must be taken very seriously by the leadership team.

As much as possible the local management must be associated to the design of the programme. In addition, the measures necessary to the development of International or Global Clients - namely client segmentation, client intelligence gathering, targeted marketing aiming at relationship and advocacy building, as well as staff skills development – must be designed and implemented so as to also support the development of the local business. This point is absolutely crucial. It seems obvious but is often overlooked or is not so easy to implement.

Last but by far not least, running an International / Global Account programme implies a good communication to the whole organization about the reasons and the goals of the programme. It is also highly recommended to appoint an overall Global Account Management program owner, preferably at senior management or even executive level.

A flexible definition of a Global Account

The notions of International Account and of Global Account must be defined very precisely, and must be adapted to the company's business and context (don't be led by rigid one-fit-all scholar and consultant definition!). As we have done it in this article, it is useful to make a distinction between truly Global Clients, with a global way to operate (at least on some aspects) and centralized decision, and International Clients (multi-country Key Accounts), where decision-making remains local but a cross-border dialogue internal to the client organization happens. In order to create growth opportunities, a programme for a SMB should be able to handle both types of accounts. This aspect is also often overlooked.

For the sake of simplification, for the rest of this article, we will use the term Global Account (GA) to designate both International (IA) and Global Accounts (GA).

Getting started: client segmentation and resource allocation criterions

Defining a client segmentation is a mandatory first step. Not only does it support the identification and selection of International and Global Accounts, but it allows for a company-wide and consistent analysis of the client base at local, regional, and global level. There are of course many potential ways to build the client segmentation. There is always a risk of over-engineering it. As a rule of thumb, the segmentation process

should be kept as simple as possible, even if some figures – especially on profitability – are required.

The segmentation should be represented in a matrix that summarizes the key parameters of the business with each client. 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 (x) axis and the “Potential” on a vertical (y) axis. These two parameters should be evaluated by combining hard facts (figures) with less tangible parameters related to prestige and image. A product oriented company will prefer a more figures-driven approach with the financial value and the profitability as x and y axis. In this case, each account can be represented by a circle the radius of which shows the evaluation of the growth potential. All in all the segmentation helps make decision on how to manage each account (for growth, for profitability, for retention, for replacement) and to allocate resources for marketing and business development.

Example of Segmentation Matrix (for a service company)

Potential (growth, prestige)	Development Clients Controlled investment	Star Clients; invest for expansion of relationship and scope
	Dilemma Clients; control cost, consider replacement	High Value Clients: Manage for retention and profitability
		Value (revenue, relationship)

Pragmatic methodology

Apart from the segmentation model, 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, as well as 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 both by 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 not only to ensure a good delivery but also to enable business development. It is essential that the Global Account team drives a consistent and coordinated networking effort with the client organization. From the quality and pertinence of this effort depends the further growth of the business with a Global Account. The role of the key contact person(s) at the client is crucial as their own attitude and willingness to partner with their supplier has a huge influence on the conditions under which this networking effort is driven.

Building the right Global Account Teams

For each Global Account team, the Global Account Lead is chartered to lead the virtual team and to orchestrate the management of the relationship with the client, as well as the delivery of the products or services (in some cases there can be two Accounts Leads, one for commercial relationship and one for the delivery). The notion of “virtual team” means that most, if not all, team members do have other (local) assignments and do not necessarily report to the Global Account Lead. In each country where there is a significant level of activity and/or a sales potential, a Local Lead works with the Global Lead and drives local operations and relationships. These demanding roles require great leadership and communication skills as well as strong business and political 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. It is highly recommended to select Global Account Leads who have a truly international and multicultural background.

The selection of the other 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 client (person).

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, and networking techniques to develop relationships with a global organization. The team in charge of people development and management practice must take those needs into account, and establish global management expertise as a valued career path within the company.

The role of technology

Of course technology can play a role to support the 3 components of Global Account Management operations. Making a long story short, there are 3 types of software applications that can dramatically improve operations with and on Global Accounts.

Applications for environment monitoring, especially on the internet

Automated monitoring tools, especially if they have true multilingual semantic analysis capabilities, allow receiving news and relevant information on the targeted organization almost in real time (make sure you don't get an information overflow as this is useless!).

Portals to exchange data, content and knowledge with the client

These platforms, either self-developed or acquired from a specialist, are usually very specific to the type of business between the vendor and the client; industrial products, special software, logistics, intellectual services, and so on. Their main purpose is usually data, content and information sharing as well as automated reporting. They are very important for the delivery of services as, if correctly designed and implemented, they improve operational efficiency and transparency. More and more of these applications tend to include collaborative (web 2.0 oriented) features.

Key / Global Account Management applications

These applications are intended for the Account Team and for senior management in charge of the GA programme. They provide a – preferably collaborative - platform, to gather intelligence on the client, and to plan and drive the engagement. The key purpose is not only to manage a pipe of opportunities but to analyse the account environment and drive networking and relationship development. Such a tool supports best practice in terms of Key & Global Account Management and is of strategic importance.

One last thing on technology: having good applications matters but it cannot be stressed enough that the individual and collective behaviour play a much bigger role in success or failure than the feature set of the available tools. The biggest mistake is to roll out a platform before a common understanding of the programme and a minimum commitment from all players has been built and secured. Unfortunately, this mistake is so common that is almost a (sad) norm.

Running the operations, measuring and rewarding results

Once International and Global Accounts have been selected and Account teams formed, progresses and performance must be measured at two different levels; on each global account and for the programme globally. The programme and account-level score cards should include 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

The account-specific goals and the overall programme 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 International & Global Account Management programme.

A critical matter is the management of the individual and team sales quota and of the revenue recognition process. The elected system must foster collaboration between sales people, not destroy it. The system must be as simple and transparent as possible and, in case of a conflict there must be a clear escalation path. Senior management must show consistency, fairness and firmness and make the system work.

Conditions for success: the right management support and collective attitude

Engaging with International and Global Accounts is a major opportunity at hand for many companies as long as they can ensure a global presence. **Driving business with Global and Multi-Country Accounts** and making this part of the company's core business **is not a sales process; it is a general management process** and has deep consequences on the organization.

The theory on the methodology and tools is relatively simple and can be found in many books. However, books and training sessions are useful but are no warranty for success. What matters is the right management 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.

About the author

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