MAXIMIZING SALES IN LARGE ACCOUNTS

How to become the preferred supplier throughout the organization – instead of just one department

Bob Walsh (third from left) and his Midwest Visual Communications staff at a 1986 sales conference.

What's the most effective way to squeeze all of the potential business out of major accounts? That's a question that Bob Walsh considered many times, first as vice president of sales and marketing for Midwest Visual Communications of Chicago, and later as vice president of sales of MCSi's Midwest region.

When he first became a sales manager in 1978, Walsh immediately targeted the large corporations headquartered in Chicago. He felt that if he could improve his company's performance with these large firms, new revenue and new profits would inevitably follow. Unfortunately, this cause-effect was also obvious to his competitors. What he needed was a method to penetrate and hold those large customers. The system he devised eventually helped garner Midwest Visual more than $50 million in annual sales.

The first thing Walsh did was focus his sales team's attention on repeat orders, not just large orders. "What it really comes down to is that there are a limited number of customers who have the capacity to have repeat needs," says Walsh, now a management consultant at Kayye Consulting in Chapel Hill, NC. "The others are one-ups and they're gone."

Once he identified customers with significant repeat potential, he needed a way to get in the door. Sometimes this happens when competitors fail, and sometimes you can find opportunities that competitors don't know about. "If you happen to be able to identify where a ball has been dropped and can step in and perform, then you can make progress," Walsh says. "Timing is critical in sales; you need the right action with the right people at the right time. Two of the three is not enough. You can try to be lucky, but a strategy is more productive."

Walsh developed elaborate systems to treat large customers well. "If you get inside someplace, you have to make sure they get top-notch service. For example, I wanted our service department to know who our major accounts were. If somebody called from one, they should jump off their chair to try and respond. You can carry that on throughout the company," he says. "Where we really tried to make that pay off was in a national organization like MCSi. That gets very complex because now you need to be sharing the rewards and profits from those kinds of sales."

Ultimately, Walsh developed a system with specialized sales reps who handled only the largest customers. Some of these reps, he says, generated more than half their business from three or four key accounts. This customer focus created a competitive advantage for his company. "Persistence and focus allowed us to be more present to those companies," he says. "Eventually you just smother them with kindness and strangle others out."

by Don Kreski

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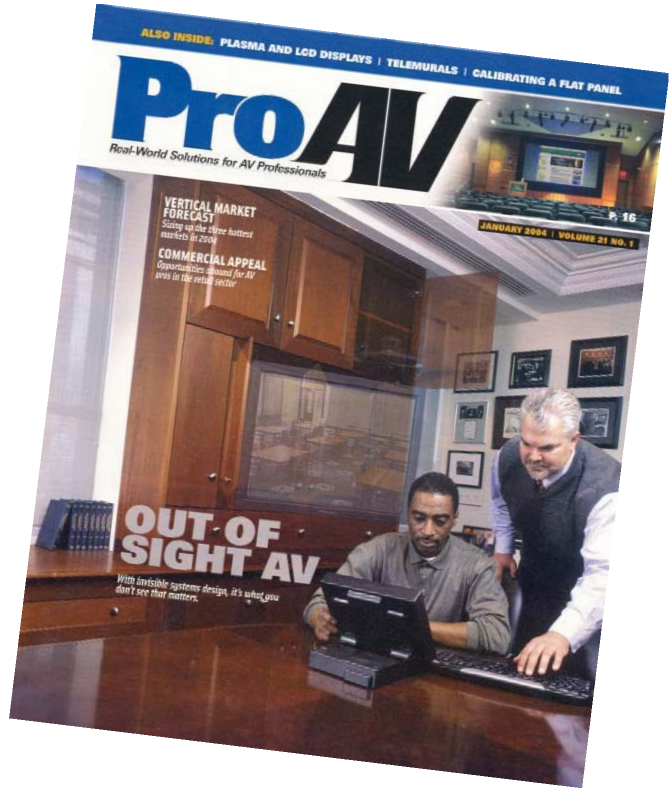
Walsh's ideas were influenced by sales training that Sharp Electronics offered its largest dealers in the mid-1990s. Sharp hired Tom Komer, principal of consulting firm Execon of Mooresville, NC, to develop a method of landing large accounts and - just as important - securing more and more business from each.



Komer says his first goal, then as now, was to overcome commoditization. "With a commodity, the main criteria for buying is price and delivery, assuming that the specifications meet some minimum criteria," he says. "So what I tried to do was help the Sharp dealers elevate the sale, to represent what they were selling as more important than a simple device that showed pictures on the wall."

To do so, Komer advocated careful research into the large customers' business so the sales rep could approach the right person and talk intelligently about his or her needs. One of the best ways to research a customer's business is by reading the letter to shareholders in the company's annual report. There, a salesperson can find strategic points about where the company is going and major issues being addressed. Komer also recommends Hoover's subscription news segment, which collects all available stories on a company.

For university accounts, Komer suggests starting with the customer's website. "They will have a news section with press releases or articles. You get a sense of what they're trying to accomplish, maybe what type of student body or academic area they're trying to emphasize," he says. "If they're a public university or city college, they'll also have the equivalent of an annual report, basically some type of budgetary report. It's also useful to do a search, just using something like Google, and see what pops up. It's amazing what kind of material you find."

Komer taught Walsh and others to use this information to gain sales leverage. "Wouldn't it be interesting," Komer says, "if I were a sales rep trying to penetrate a large account and I go to the marketing people in a particular division and say, 'Hey, I read your annual report and it's apparent that you need this. And look, I represent an organization with the capability to do some really good stuff for you.' What happens is that I'll become the preferred supplier, at least for the marketing people. And they can put into their requirements certain specifications that may be unique to my product, so that when it goes to AV or purchasing, it's biased toward me."

Komer says sales, marketing, training, facilities, and IT are all valuable targets within an organization, but you have to be realistic about who you approach. The likelihood that an AV sales person will reach a senior executive is very low, he says. The vice president of marketing is also an unlikely target, but the level below that would be reasonable. The VP of sales is possible, or the operations person who works for him. The head of training is a definite possibility, as is the head of facilities.

Walsh says this approach worked well at Midwest and MCSi, and would have worked even if he had used it in a smaller dealership in a smaller market. "The 80/20 rule suggests that 80 percent of your business comes from 20 percent of your customers," Walsh says. "Even in Des Moines, IA, they're going to see a version of that, because if they don't have the corporate customers, they have the large universities and hospitals. The major portion of their business will come from some minor number of accounts."

While conceding that the boom days of the '80s and '90s are long gone, Walsh says the methods he and Komer used in that era are still sound today. "The opportunity is still there, though I don't think it's going to be as fat as it once was. But the way you go after it will be the same."

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