

New consulting roles and connections to grow and protect strategic business



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Your relationships and connections with critical customers are your most important strategic assets. In a weakened economy, however, even your strongest business relationships may be at risk as corporate leaders move to contain costs, restructure and conserve cash. Customers once willing to pay premium prices may be looking for better deals and becoming more vulnerable to offers by cost-cutting competitors out to establish beachheads in your strategic accounts. Approaches that have served you well in the past may not be enough to avoid unwelcome surprises as your customers shift strategy to meet the challenges of uncertain times.

To defend and continue to grow your core business in current conditions requires doing something new to create unique value that can't be duplicated or acquired for a discounted price. By establishing a new business consulting role and building new relationships that reach broader and deeper into your customer's organization, you can change the game and be ready with answers when unfamiliar buyers come into play or old ones start asking for new price breaks. Even in the hardest of times companies need expertise and solutions that address business fundamentals such as productivity, efficiency, financial results and return on investment. Strategic account managers who can respond to these needs can shut out the competition while increasing both the amount and profitability of sales.

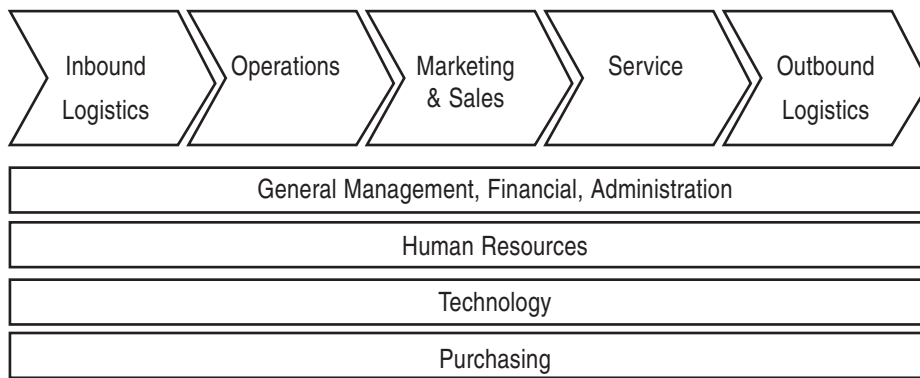
The business consultant role

As a SAM you probably already practice consultative selling: the ability to understand and link solutions to a customer's business priorities. This is a critical skill but no longer by itself a differentiator. Most experienced account managers know how to identify information about a customer's products and market position and ask questions to uncover important business issues. Furthermore the consultative *sales* role is still, as the term suggests, a sales role. The real opportunity for experienced SAMs lies in becoming a true consultant to the business, asking a different set of questions focused on the customer's *core business processes*. Once you thoroughly understand these processes – how they link to each other and what kinds of information is exchanged among them – it is possible to identify unique opportunities to improve key metrics such as inventory turn, labor costs or time to market.

At this point you may be thinking this sounds difficult to execute, as it may involve making contact with a new group of people not normally involved directly in making decisions about your products or services. You could be right. Gathering quality business process information takes time and energy, but the payoff for success makes it well worth the effort. Adding this dimension of knowledge about your customer's business can give you an entirely new perspective on how to leverage your offering to create business value sources and switching costs that can serve as a firewall to protect your strategic accounts and lock out competitors.

A classic example of how this works would be a high-tech SAM (who could be selling hardware,

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software, consulting or a combination thereof) who might be solely focused on information technology contacts. In a highly competitive environment this is a mistake. A winning strategy would be a “yes, and” approach. This SAM should simultaneously maintain existing relationships with primary IT contacts while building a wider network of contacts who can speak to the business objectives and process issues in other functional areas. Consider the interests of a vice president of operations who needs customer orders placed instantaneously to meet market expectations on delivery. The VP of sales, on the other hand, needs salespeople out making customer calls rather than doing administrative work. The SAM who can create a process solution to meet both objectives now builds instant support from two key functional leaders and enhances productivity and efficiency for the whole enterprise.

In searching for contact points to get started, consider the ripple effects created in a large organization when implementing a solution. Regardless of your offering, there are almost certainly managers and groups downstream whose work is affected by your products and services either directly or indirectly. Many of them are potential supporters; others may be simply uninformed about what you do and how they do, or could, benefit. To become a stronger consultant to the business, you start looking in directions to understand your offering’s full impact and how you could affect

critical metrics in multiple functions for multiple users. Begin asking, “Who are potential stakeholders? Who owns the processes I could affect? Who might have a problem my solution addresses or could address?”

Where to look for opportunities: the customer value chain

Once you’ve surveyed the broader organization from the perspective of your offering’s impact, commence a systematic analysis of key business processes. This will help you further pinpoint the opportunities to add value. Unlike information about a company’s financial performance, people and products, business process information can be gathered only by talking to the right people in the right parts of the organization. Michael E. Porter’s value chain model¹ is a useful tool for organizing a business process discovery effort. The model provides a lens for looking at the business from key functions’ points of view. The tool then serves as a guide for gaining access to owners of key functions.

Porter depicts an organization’s critical business processes (see the top of the figure) as a value chain wherein each key production process or system adds a specific value type to the enterprise’s final output. Support processes (at the figure’s bottom) include such functions as general management, technology, human resources and procurement or purchasing.

As you seek to understand these core

processes and how they work, look for people involved at various levels who can provide different perspectives on what is or is not happening within and between functional areas. The objective is to develop a network of internal functional experts. Some of these people may be specialists, such as engineers, some may be managers or directors, and some may be the executives who own the key processes. Once connections are made to the people who have primary responsibility for identified processes, you will be in a position to ask questions that will help you understand what the value chain looks like for this customer. The next step is to begin to analyze how efficiently and effectively these processes function and how well or poorly they work together as a productive, profitable system.

Conducting a process conversation

Of course typically companies divide naturally into silos or individual territories that function semi-independently despite operational interdependence and efforts to foster cross-functional communication and collaboration. A SAM acting as a business consultant can provide great value to an executive sponsor or key contact by asking questions and identifying patterns that cross functional lines. A successful conversation with a business process owner should include several key components, some of which will look familiar to any experienced SAM but have a different context in this case:

1. **Preparing.** As with any call it’s crucial to prepare by learning as much as possible about the function or department of the person you call on and considering what aspects of his process might be important. For example, if you call on the warehouse operations head, it would be useful to learn something about managing inventory and in general what metrics are important in that process. By definition what is most important to

one functional head is bound to be different than what is important to other functional heads.

2. Establishing the discussion's purpose.

Many of the people contacted may not have a clear idea of why they should talk with you, as they probably don't have a direct role in making buying decisions about your offering. The conversation's purpose needs to be explained—namely to understand their function and operations to identify possible ways your company might help improve overall effectiveness across functional lines.

3. Asking discovery questions.

Drawing on preparatory information, you should plan a series of questions that will help guide the process of gathering the right information. Three key questions should be discussed:

- What has to go right in your operation for you to succeed?
- Which of those factors are currently most effective? Are any not going as well as you would like?
- Which of the other functional areas in the company are most important to you in terms of receiving inputs to your operation, and which functions are most affected by your success or lack of it?

4. **Following up.** For the conversation to be productive it's clearly important to ask follow-up questions when a problem appears to surface. For example, if inventory turn is unsatisfactory you might ask these questions:

- What's the ideal goal?
- What issues affect your ability to reach it?
- Are there any specific difficulty areas, such as shipping delays?

Even if you uncover a problem you can't affect directly, it enhances your understanding of the situation and may serve as a foundation for asking questions about another process where your offering could have a more direct impact. So what might your opportunities look like once you have carried out a business analysis of your customer's value chain? A major opportunity area could lie in

creating stronger linkages between processes or helping establish linkages where none exist. Other possibilities may involve helping facilitate improvements in a process that increases efficiency either directly or indirectly.

As an example, consider a company selling design software. Let's say the SAM is primarily involved with customer contacts in the engineering and product


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development areas, yet there is an increase in returned merchandise being handled by an entirely different process at the other end of the value chain. By having this knowledge, it alerts the SAM that there might be potential problems in the design causing the increase in returns. Consulting with the product developers on how the design software can assist them in making improvements or addressing the cause of the returns, a SAM acting as a business consultant could effect an improvement in a metric further downstream from the engineers.

In another simpler business example, a company selling janitorial products to a large distributor may be able to affect its links to customers by consulting on end-users' processes for complying with environmental requirements to reduce, recycle and reuse. In one case a SAM leveraged her company's resources to provide consulting expertise for a customer that resulted in speeding up a time-consuming aspect of the customer's manufacturing process enough to substantially impact output and sales. Other issues that might be uncovered

by asking the right people the right questions could include problems such as poor communication between customer service and order fulfillment, bottlenecks in production or duplication of processing efforts, any of which can affect the organization's ability to meet high-level strategic goals.

The point is that by offering a solution to a concrete problem integral to the customer's business processes, a SAM can move beyond consultative selling to a distinctive role as a true business consultant able to make a substantive contribution to overall business success. While it is important to know how to research a company and ask questions to verify critical business issues, if you want to take the next step toward becoming a real business consultant, it takes more.

Using the value chain as a starting point, the SAM/business consultant can identify the most critical functional processes in the customer's organization. By building an internal functional expert network, you can identify potential issues and problems that may be news to the executive process owner when shared in a confidential manner. This information in itself has high value and provides credibility that is impossible for a competitor to replicate. When you are able to offer solutions to these serious business problems that affect the customer's business fundamentals, then your business consulting expertise becomes a powerful competitive advantage. 

¹ Michael E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, 1985.

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Additional resources

For more information on this subject in SAMAs library, the editors recommend: Gary Summy and Barbara Warbritton, "Real solutions don't have part numbers: time to move the needle," *Velocity*®, Vol. 11, No. 3/4, Summer/Fall 2009, www.strategicaccounts.org; and Jim Drew, Bob Harlan and Jerry Alderman, "On-demand webinar: winning with customers—how do you know if your customers are making money doing business with you?" Oct. 1, 2009, www.strategicaccounts.org.