

SUCCESSFUL ACCOUNT GROWTH

MODULE 2 – Thinking like the customer

Pre Tutorial

ACCOUNT MANAGER'S WORKBOOK

Extract for illustration

Introduction to the Module

Welcome to Module 2 of *Successful Account Growth*. In this Module we shall focus on developing much further our current knowledge of the customer. In fact we want to move beyond simply understanding the customer to get to the point where we can start to think like the customer – we can understand and therefore predict the issues they are focused on and the moves they will make.

As with the previous module, there will be some aspects of the module with which you will be familiar and others parts may be new. Once again we are interested not in theory but in applying this learning to the real world; so the exercises will ask you to think about your specific situation and your particular potential customers.

This Work Book contains the preparatory work for the Group Tutorial.

When you are ready to start, turn to the next page which summarises the objectives and expected output for this Module.

Module Objectives and Expected Output

Module Objectives

1. To identify the market issues impacting the KA
2. To consider the impact of emerging/disruptive technologies on the KA and its customers
3. To identify the KA's strategy
4. To identify the KA's objectives & plans
5. To summarise the KA's situation

Module Assessment

Present the external issues impacting the KA, & its objectives and plans with implications for US.

Unit 1 – Understanding the market

Objectives of this Unit

- To recognise the impact of the market on our key account
- To use a simple analytical tool – PESTEL – to assess the likely market impact
- To focus especially on the impact of technology and disruptive technology

Output

When you have completed this Unit you will have a good understanding of the possible market impact on the key account

Video 1

Now watch the video Unit 1 '*Understanding the market*' in Module 2.

Complete the PESTEL market summary

Our first task is to summarise the main market issues which could impact this key account. Remember we are only interested in the important issues – not an exhaustive list. There is an example simply for illustration.



PESTEL assessment

Use this form as a working paper to think about the main issues, trends and likely changes in your market - Consider the following categories

Example – airline industry for illustration only – example of group discussion

Political

Some countries have government support for the national airline
Airport security and onboard security is constantly changing
Requirements that airlines manage immigration documentation

Economic

Disproportional population growth
Disproportional economic growth by region
Rapid increase in price of fuel
Corporate demand to reduce travel costs

Social

Low cost travel allows more to fly
More strongly segmented passenger demands
Increased travel for senior citizens



PESTEL assessment

Use this form as a working paper to think about the main issues, trends and likely changes in your market - Consider the following categories

Example - airline industry for illustration only - example of group discussion

Technological

Newer aircraft are more fuel efficient and quieter

Communication advances (e.g. teleconferences)

Use of consumer data to target profile customers

Environmental

Objections to airport expansion

Concerns about noise and pollution

Concerns about carbon impact from travel

Legal

International air safety demands

Restriction on mergers and acquisitions



PESTEL assessment

Example – airline industry for illustration only – example of early stage working notes

Consider the likely impact of these issues and changes

Political	So what? (what impact on the business?)	So what for me?
1 Some countries have government support for the national airline	We are at a disadvantage in all markets to the local national player – but we can argue that we are in a stronger financial position	I don't think this has any impact on my commercial KA – no action
2 Airport security and onboard security is constantly changing	Benefit for us - We can leverage our new data management system	Conduct review with one KA as pilot to measure the time required (and therefore delay) to question passengers at check in
3 Requirements that airlines manage immigration documentation	Benefit for us but problem for some others - we can leverage our data system and lowest level of repatriations over last five years	Conduct review with one KA as pilot to measure the cost of one passenger repatriation

Economic	So what? (what impact on the business?)	So what for me?
1 Disproportional population growth	Need to focus more on developing markets - which ones?	Discuss trend - not sure this makes any difference to my KAs
2 Disproportional economic growth by region	Draw up list of growth markets compared to our presence - select top five to investigate options	As above
3 Rapid increase in price of fuel	Leverage our newer fleet - present the cost implications of 1% fuel increase	Get cost comparison from finance dept. - discuss impact with all KA and assess impact for them
4 Corporate demand to reduce travel costs	Model a reduced cost for volume offer	Possible joint activity to target leading corporations by region

Consider the likely impact of these issues and changes

Social	So what? (what impact on the business?)	So what for me?
1 Low cost travel allows more to fly	Should we target lower income groups?	Is this reflected in passenger sales? Check with KA
2 More strongly segmented passenger demands	Review current segmentation model with agency - does our model still apply?	Get new segmentation plans from marketing - implications?
3 Increased travel for senior citizens	We have no senior offer - review potential with top 10 KA	Find out what my KA are doing about this - do they know? Get paper from marketing to present

Technological	So what? (what impact on the business?)	So what for me?
1 Newer aircraft are more fuel efficient and quieter	We can leverage our fleet	Discuss issue with all KA
2 Communication advances (e.g. teleconferences)	But is this really impacting our business now? Review with top 10 KA	Assess trends with top 5 KA - consider joint activity
3 Use of consumer data to target profile customers	Identify one KA to pilot a customer data development pilot project	Present to KA One

Consider the likely impact of these issues and changes

Environmental	So what? (what impact on the business?)	So what for me?
1 Objections to airport expansion	Still working to secure slots with secondary airport	No action for me
2 Concerns about noise and pollution	Leverage our new fleet	No action for me
3 Concerns about carbon impact from travel	Lead with the offset program for environmentally sensitive KA	Investigate joint KA working party to develop new joint initiative

Legal	So what? (what impact on the business?)	So what for me?
1 International air safety demands	No issue for us	No action for me
2 Restriction on mergers and acquisitions	No issue for us	No action for me



PESTEL implications

The most important PESTEL issues which will impact my Key Account growth plans

Name of Key Account: *Key Account One (corporate office)*.....

Most important PESTEL issues	Implication for this key account
<i>1 Security and immigration</i>	<i>Present joint measurement project to assess impact</i>
<i>2 Demographic changes</i>	<i>Present summary paper and discuss their plans - identify sales initiatives and opportunities - define target growth potential</i>
<i>3 Corporate spend reduction and telecommuting</i>	<i>Get marketing data - present and discuss - project impact - agree plans to target selected corporate to sell 'travel' message - consider price for volume deal</i>
<i>4 Carbon issues</i>	<i>Find out what their position is - could we do a joint activity? Who will fund?</i>



PESTEL assessment (1)

Use this form as a working paper to think about the main issues, trends and likely changes in your market - Consider the following categories

Political

Economic

Social



PESTEL assessment (2)

Use this form as a working paper to think about the main issues, trends and likely changes in your market - Consider the following categories

Technological

Environmental

Legal



PESTEL assessment (1)

Consider the likely impact of these issues and changes

Political	So what? (what impact on the business?)	So what for me?
1		
2		
3		
4		
5		

Economic	So what? (what impact on the business?)	So what for me?
1		
2		
3		
4		
5		



PESTEL assessment (2)

Consider the likely impact of these issues and changes

Social	So what? (what impact on the business?)	So what for me?
1		
2		
3		
4		
5		

Technological	So what? (what impact on the business?)	So what for me?
1		
2		
3		
4		
5		



PESTEL assessment (3)

Consider the likely impact of these issues and changes

Environmental	So what? (what impact on the business?)	So what for me?
1		
2		
3		
4		
5		

Legal	So what? (what impact on the business?)	So what for me?
1		
2		
3		
4		
5		



PESTEL implications

The most important PESTEL issues which will impact my Key Account growth plans

Name of Key Account:.....

Most important PESTEL issues	Implications for my business with this key account
1	
2	
3	
4	
5	

Unit 2 – Understanding the key account's competitive positioning

Objectives of this Unit

- To identify the KA's own competitors
- To identify the KA's profile customers
- To understand how the key account positions itself to be competitive

Output

When you have completed this Unit you will have a good understand of the most important competitive issues for the key account

Video 2

Now watch Video Unit 2 '*Understanding the key account's competitive positioning*' in Module 2.

Assessing the Key Account's competitive strategy

Consider each of the current and possible competitors for the Key Account - how are they planning to position themselves to compete with each?

<u>Competitor</u>	<u>Competitor's strengths</u>	<u>KA's competitive positioning</u>	<u>Implications for us</u>
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