

Top 7 Mistakes of Account Planning

1. Analysis paralysis

- It's absolutely necessary to understand your customer and gather data on them and the market place dynamics. In the information age in which we live, there is a mass of data available. This varies from report and accounts, industry/ analyst reports, market research company's data, to your own systems and customers sales out (EPOS) data. It can amount reams of data and can be overwhelming. There is a world of difference between data and insight. Data requires structure, knowledge and analysis to be applied to it to make it into usable insight that actually contributes to account planning. Too much data can swamp you and make it hard to assimilate, draw conclusions from and use. It's therefore important to either get the right resource and outputs to help account managers with the data and the analysis or to set reasonable expectations of what level of analysis you can expect account managers to complete.

2. Retrospective focus

- You do need to understand what has happened, and have a good sense of the current situation but by spending the majority of time looking backward can mean that not enough focus goes into the critical part of the plan which is what to do going forward

3. Poor balance between top down & bottom up objectives

- An account plan needs to balance what the company wants with what the customer wants. What the company wants is reflected by its corporate targets that are committed to by the senior management to the owners or shareholders. The objectives are therefore often imposed on account managers in a cascade process from the top line corporate objectives. What the account wants is their requirements from you, and it's the account manager's job to work with those requirements and build them in to a bottom up plan. All too often the bottom up approach that reflects the customer's needs is squashed by the corporate imperatives. This can result in unachievable objectives being imposed which are spurious because they bare no relationship to the realities of the customer's situation. Ideally there needs to be accommodation of both approaches to arrive at workable plans and objectives.

4. Too numbers driven; not enough focus on people & issues

- Many account plans are in fact not plans at all but merely a set of numbers with little or no focus on how those numbers will be achieved, or maybe at best cursory explanation to accompany the figures. This misses the point. The numbers are merely the starting point the important part, which requires careful and detailed thought is how the numbers can be achieved.
- Too much "finger in the air" extrapolation. The numbers focus starts to get into the fantasy land when it comes to forecasting vs the objectives. Often account managers attempt to, or

are asked to forecast in unknowable detail, either down to the minutia of specific units/ sku's or at unrealistic, futuristic time frames. Sometimes these are levels of detail that the account doesn't even look at. If the customer doesn't even have an estimate how realistic will yours be.

- The critical part of influencing other organisations to understand their organisation and the people within in. Who are the decision makers, what's important to them, what's their organisation culture, what do they value? What are their burning issues? How do they make decisions? This is a world away from pure numbers and this is critical to influencing decisions and getting results. This is where the bulk of account planning focus should be but rarely is.

5. Too internally focussed; not customer centric

- Managing an account is a two way relationship. All too often account planning is undertaken with little or nor customer input. Sometimes there is precious little customer focus let alone input! It can be easy to fall into the trap of being 100% focused on your company, your objectives, your requirements and lose sight of the customer. How successful is a plan likely to be with only one side of the relationship involved?
- Companies that have strong heritages in finance, marketing/ brands or technology can tend to try and drive their whole business that way. This can mean that the plans reflect mainly the numbers or the brands for example not the needs of the customer.

6. Over complexity

- Account plans can be massive pieces of work with exhaustive analysis, reams of data, finely detailed plans and projections. Where many plans fail however is that while the plans themselves may be impressive academic pieces, they are in reality unusable. They have become so complex that they merely serve to confuse and overwhelm the account team with the enormity of the task. So if you are going to produce an exhaustive and comprehensive account plan, ensure that you have the resources in place to execute against that level of detail. If you don't, then scale back the level of detail in your plan and put greater emphasis on distilling out and focussing on the core objectives
- Unpopular, burdensome processes. Sometimes account planning processes that are put in place that are so burdensome and disproportionate to the level of resources (people, time, money, experience) available that all they do is alienate the people meant to execute them. If the account managers do not buy-in to the planning, objective setting and forecast processes then how successful are they likely to be in executing them?
- Too many metrics to work sensibly with.

7. Missing link from strategy to action

- To be effective account plans need to guide day to day actions and deployment of resources. The missing link is often the action plan that distils out of the analysis and strategy. Too often it's as if the energy runs out at this stage and the action plan is a hurried bolt on. A good account plan has an output of a brief, clear and regularly updated action plan or critical path. This is the part that translates the thinking into something tangible, something actionable, and something that moves the business forward. If an account plan is written and only gets referenced once a quarter or less at formal reviews, then it is probably not being very helpful in guiding activities and determining priorities in the day to day hurley burley. In which case was it really worth all the time and resource that went into creating it?
- The account plan needs to be measured to ensure that it stays on track. Part of the action plan / working document, is a clear metric that can be easily and regularly monitored. The complexity factor sometimes gets in the way here too. Clearly many measures are relevant and important but if you ask people to track too many metrics then it won't get done or will do, but only at infrequent intervals. It's better to focus on the one or 2 absolutely critical measures and monitor those regularly that way you'll ensure clarity and control.