

The executive dilemma: Part 3

Going beyond executive phone calls and perfunctory meetings to effect change in customer relationships

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Alice Evans hangs up the phone on her credenza and stares out the plate-glass window at the immaculate office campus below. As the vice president of operations for Tech Inc. she has actively participated in the executive sponsorship program initiated 18 months ago by the company's chief executive officer. She has learned important lessons through the program, especially in her interaction with account manager Jim Bryant and his strategic client, Network Way.

Today, Alice feels increasingly comfortable interacting with customers. She no longer thinks she has to parrot a canned speech or push the company line when she meets client executives. Instead Alice knows that her primary job in customer conversations is to listen and really understand a client's perspective on its strategic direction. She smiles, reflecting on the recent shift in her relationship with Al Carlisle, Network Way's operations vice president. The relationship's frosty beginning had shifted to cordiality, even mutual comfort. Now Alice and Al occasionally pick up the phone to share ideas, an outcome that neither Jim nor Alice would have predicted after their first meeting with Al.

Against all political odds, Alice and Jim have become friends while working together on Network Way. At Tech Inc. the operations and sales departments often have very different agendas, but working on the Network Way

account has cemented their relationship despite the typical distance between silos. Alice is well-connected in the company and outside Jim's direct chain of command, so he has begun to confide in her. Alice and Jim have just finished a conference call with the Tech Inc. team devoted to the Network Way account. Immediately afterward, she dials Jim's cell.

"Hi, Jim. How's my favorite sales guy?"

"Great," he says half-heartedly.

"You're not convincing me," she says. "Maybe you should tell your voice."

Jim laughs. "Permission to speak freely?"

"Jim, it's me, the operations queen and sales rookie—remember? Fire away."

"OK, here's the deal. You know those account team meetings we have?"

"Like the one I think I just attended, unless I

'PEOPLE THINK AN EXECUTIVE SPONSORSHIP PROGRAM IS A NICE LITTLE SALES OR MARKETING INITIATIVE. WE TRIED IT THAT WAY ONCE, AND IT FAILED MISERABLY.'



was dreaming?"

"Yeah, those. Honestly, they feel like a big ... exercise."

"All right, I'll bite. Why?"

Jim takes a deep breath. "We say we have account teams so that we focus our company more on customers. We say *we consider the customer in everything we do.*"

"Uh-huh," Alice says, chuckling at Jim's use of a mock corporate voice.

"But it's a farce," he continues. "Take this executive sponsorship program, for instance. Listen, I know that you think you're a sales rookie, but compared to the attention given by most other leaders in our company, you're a dreamboat in how you get involved with clients."

Jim pauses, feeling a little awkward about his outburst. However, having already gone out on a limb, he presses on. "I get all sorts of calls from other executives in our company. Sure, they want to meet with customers—and especially with Network Way since we've grown it into one of the top three accounts here. But they want to do it because they have to report back to Celia," Jim says, referring to the CEO of Tech Inc. "So they call me, usually near the end of a quarter because they were too 'busy' to do it earlier, and ask me to set up a meeting on a certain date in a certain city because it's convenient for them!" (Like the client is just sitting there, waiting to help our executives meet their call quotas, Jim thinks but doesn't say aloud.)

He is only warming up. "And Alice, I could deal with all of that if we actually used the information we gathered from clients. I'm glad we get information from people like Al, and I've had a few similar conversations with other leaders from Tech and counterparts at Network Way. But in the end nothing seems to change in how we run our business or work with Network Way. We're so internally focused, and I can't figure out how to break that mindset. ... I just don't want it to be a colossal waste of time."

Alice knows that Jim is overstating his case. She has made several changes in her own area as a result of interactions with Network Way. But his overall point remains valid.

I don't want to waste anyone's time either, Alice thinks. The executive sponsorship program has made some progress, but she doubts that Tech Inc. is getting as much benefit from the initiative as it ought to. Worse yet, she worries that the program may die a quiet death due to a lack of interest by strategic account managers resulting from the half-hearted engagement of senior executives.

She decides to solicit feedback from

'EXECUTIVE SPONSORSHIP CAN BE PART OF A REVOLUTION IN HOW A COMPANY THINKS AND WORKS WITH ITS MOST IMPORTANT CUSTOMERS.'

people at similar, non-competitor companies that have implemented executive sponsorship programs. Alice calls a consultant she has worked with in the past. The consultant introduces her to John Perez, the vice president for strategic marketing at a company called Gensys. She asks John to join Jim and her for lunch.

"I can identify with your situation," John says after hearing Tech Inc.'s story.

"People think an executive sponsorship program is a nice little sales or marketing initiative," John says as he puts his fork through a crouton. "We tried it that way once, and it failed miserably. I'd go as far as saying that it's better not to do executive sponsorship at all than to do it with that method. But it doesn't have to be a waste. It is – or can be – part of a revolution in how a company thinks and works with its most important customers. The revolution doesn't begin in a memo from the CEO. It springs from the core

beliefs of people at the company."

The Tech Inc. employees blankly stare at John. Alice and Jim typically approach their work with results and actions as the primary values. Beliefs seem as squishy as the grilled eggplant on the appetizer plate before them.

John continues undeterred. "In our company we had a couple of beliefs we needed to change. First was the belief that managing customers and revenue was the salespeople's job. Second, that customers' main purpose in life was to buy our stuff. The first one was difficult. All of us on the executive team gave lip service to being customer-focused. Let's face it: Not verbally ascribing to the customer-focus philosophy is political suicide at most companies. Yet many of us at Gensys didn't organize our time in a way that truly focused on customers. It required our CEO looking us in the eyes one day and saying, 'Make no mistake—everyone here is in sales or sales support.' It was only then that we saw major changes in areas that count: calendars, travel budgets and agenda topics."

"And the second belief?" asks Jim.

"It made the first look like child's play," replies John. All three businesspeople laugh. "I mean, nobody ever says out loud, 'Customers exist to buy our stuff,' but we did focus our conversations with our customers – as well as our internal conversations about customers – on our stuff. It was all about us. We had to change that belief to say that our customers' purpose was to do whatever they had to do to serve their customers."

Jim looks at Alice, hoping she will ask the question. She obliges. "OK, I get that, and forgive me for saying that's pretty deep, but ..."

"What did we do about it?" John says with a grin.

"Yes," Alice and Jim sigh together.

"Well, don't underestimate how much time, conversation and effort it took just to face those crazy beliefs. Beyond that we started weaving business practices into our work that focused us on our key customers."

"Such as?" asks Alice.

"Well, to focus every executive on serving key clients, we modified our quarterly business review process to highlight customer information gathered by the account team and executive sponsors, as well as specific actions taken to help customers achieve their goals. Today the executives participate in the review process along with the account team and share accountability for progress. Our CEO consistently asks about our confidence in our assessment of a client's business priorities—how high, wide and deep we are positioned. We have created a positioning matrix that helps us quickly and graphically illustrate and analyze our penetration of a client and the amount of alignment between a client's executives."

Alice notes that while John likes cobb salad, the stack of uneaten mushroom slices at the edge of his plate shows he's not a fan of fungus.

"It also helps that we added a customer engagement aspect to our talent review process from the top down," says John. "A few executives who received good results but never really got into the spirit of interacting with and thinking like customers were passed over for promotions or even ushered out of the organization."

"I'll bet that raised some eyebrows!" exclaims Alice.

John nods. "To address the second belief – about customers existing to buy our products, not to serve their own customers – we tried a few things that really worked. First, we used that same positioning matrix in our account planning. Before we started that we had nice executive interviews but did virtually nothing with the information. We just pitched our product to clients anyway. But the matrix helped us see where certain goals and critical success factors converged for customers. Then we chose our spots on where to help clients so that we matched their shared goals, not just ours. And in some cases we changed our offering entirely as a result. Having line executives involved



'FIND YOUR OWN WAY THAT HELPS YOU CAPITALIZE ON THINGS YOU ALREADY DO WELL.'

in those internal conversations about our offering for particular key accounts really got things moving."

It's Alice's turn to hope Jim asks a question. Luckily their months of working together are paying off.

"John, I realize how this positioning matrix helps you understand the business priorities across a customer organization," says Jim. "But help me see how you translate that into your own offering."

"That's a valid question. Here's how we make the leap. We've found that business priorities shed light on which customer business processes need the most attention: sourcing, manufacturing, distribution and so on. That often forced us to rethink the solution we brought to the client and how we delivered the solution to actually impact those key business processes."

Light bulbs of understanding began to flicker in Alice and Jim's heads.

John continues, "We also started to see key customers as partners and sounding boards for our own research and development and marketing functions. We began holding regular meetings with our top few customers. I hear that many SAMs do something like that. But instead of just reviewing our operational performance and business agreement for the next contract, we brought our creative strategists in R&D and strategic marketing to try out new ideas, listen to real customer experiences and even do

joint planning on ways to help clients reach their customers better. It takes careful facilitation but can really work. Not only do we understand the dynamics of our industry map better—as a result we also make tangible changes to the way we run our business."

With lunch winding down, Alice jumps in. "Well, that's all interesting food for thought. We need to think about how we can connect our executive program to the way business really runs at Tech Inc., too."

John shrugs, "You'll probably need to do something different than what we did. Find your own way that helps you capitalize on things you already do well."


After lunch Alice debriefs with Jim. Later she sits at her office desk and punches a number in her Blackberry phone.

"Al Carlisle," the voice says in a typical direct, no-nonsense tone.

"Hi, Al, it's Alice Evans."

"Alice, good to hear from you. How are you?"

"I'm doing well, thanks. Busy as always, but who isn't? Hey, here's why I'm calling. Jim and I have been thinking about how to capitalize on the conversations we've had with you and your colleagues in the past year or so. We've got a couple of ideas on how to turn that information into action that we wanted to share with you."

On the other end of the phone line, Al smiles. Now, he thinks, we're getting somewhere. 

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Additional reading

For more information on this subject in SAMAs library, the editors recommend: Ted Harro, "The executive dilemma," *Velocity*®, Vol. 7, No. 2, Spring 2005, www.strategicaccounts.org, and Ted Harro and Jane Blinde, "The executive dilemma: Part 2—how to conduct an executive-to-executive call that drives value and results for all," *Velocity*® Vol. 7, No. 4, Fall 2005, www.strategicaccounts.org.