

ACCOUNT REVIEWS

Wins business and customer loyalty

BY JANE SMITH

If you were to look around you'd be forgiven for thinking I've gone mad. Yes, I'm going to talk about good, old-fashioned customer relationships and looking after your existing customers first. Unlike our mortgage lenders, utilities, credit card and mobile phone companies who appear to be spending vast fortunes recruiting new business and never contacting existing business to offer them a better deal? I just don't understand it and it makes me mad. Okay, so I hear it's a numbers game but in business-to-business I just don't think that theory works and that looking after your existing customers is the way to keep them. That's why I'm a firm believer in account reviews.

Your new 2005 catalogues are now available and it's not just the time to get out to your customers to sell, sell, sell, there's also a great opportunity to carry out an account review to help you and your customers. It will require some preparation on your part but will prove well worth it. The objective is basically to realise a saving on current spending and at the same time capture a higher level of spend.

Catalogue time is a good time to do account reviews because you would naturally be going in to see your customers to present the new catalogue and new products in the catalogue could well be used to your advantage in a number of ways. For example, an extended own brand range

could present good switch-selling opportunities, new categories could now be attractive to your customer e.g. catering and janitorial or you may now be featuring a product that historically your customer has been sourcing elsewhere.

■ First of all prioritise and plan customer visits. Account reviews take around an hour, so book well in advance and explain to your customer what you want to discuss and how long it will take. Also, bear in mind that to achieve your call rate you should intersperse the larger reviews with routine visits. I should also point out that an account review is also possible over the phone if your customer is used to dealing with you in that way. Also bear in mind customer size. See the larger ones first for maximum impact upon your profitability.

■ Analyse your customers spend over the last 6 months in a number of ways to understand their buying habits:

a) by frequency of spend and average order value – do they order every day or once per month. It will save you money if they order less often but in higher volumes. Is there a way you can encourage this? Could you offer an incentive to do this?

b) monthly spend by product category, for example, paper, writing instruments, computer supplies, presentation products, machines, furniture and general stationery. You can make this analysis as broad or as detailed as you like. The objective is to find gaps. What don't they buy from you? How could you win this business? This typically happens on categories like computer supplies or furniture where they might be buying from a specialist because either they think it is cheaper or they are not aware that you can supply them.

c) monthly spend by gross margin, by category to make sure you are making money on the account and where improvements may be needed or could be made.

e) own-brand purchases against proprietary. Does your customer buy any own-brand or mostly own brand? This analysis will help when you look at opportunities for switch-selling.

■ Get to grips with your new catalogue. What's come out and what new products have gone in? Where does this affect your customer? Look at the new products and understand what new technologies and consumables are there. Also see whether you have an extended own brand range. This will help with the next step.

■ Put together a list of objectives for each key customer based upon what you have found out from the analysis and bearing in mind what you want to achieve. This could be to increase the amount of own-brand they buy to increase overall margin, or to win a specific category of business such as computer supplies. It could be a combination of a number of things. Look for specific opportunities that are relevant to the customer. You know your customer best, what is it they will be looking for and what will specifically interest them. If appropriate mark up relevant pages in the catalogue so that you can review them together.

■ Once you have your objectives plan the review by making notes and even putting together a proposal you can leave with your customer to demonstrate what you are proposing and why.

■ *The structure of the review is up to you but here are some suggested headings.*

a) Current spend and how the customer could save money e.g. switch-selling certain lines to own brand and changing order volumes and frequency

b) Fill gaps What should they be buying from you that they are not? Now might be a good time to ask for the opportunity to quote for the

business again. There might be some new products previously unavailable to you that will now enable you to compete.

c) Range selling and up-selling – Use the meeting as an opportunity to ask about the customer's plans for the coming year. Are they upgrading any equipment, moving offices, expanding or offering new services themselves. Any change in their circumstances could be good business opportunity for you.

d) New products – Focus on maybe half a dozen new products that you think will appeal to your customer and why

e) Sell your company – you can use this more 'formal' meeting to reiterate the company's credentials and usps. Make a point of any new developments and tell your customer about them. This will show professionalism and give them more reasons to stay with you.

AND FINALLY... BUT MOST IMPORTANTLY

■ Make sure you understand the service levels your customer has been receiving and any issues there may be now or in the past. Your customer will certainly know about them.

■ Likewise, make sure you understand any issues there are or may have been on the financial side of your relationship including any outstanding invoices or queries etc.

■ Your customer's say is vital. Allow for time for your customer to ask questions and provide feedback.

■ Make sure you create a situation to book another appointment in the future.

■ As a result of the meeting make sure you do what you say you're going to do. ■