
WANT TO ACCELERATE YOUR SAM JOURNEY? START BY CREATING A CENTER OF EXCELLENCE

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Disruption, although most times unwelcome, gives way to innovation. This last year has certainly proven this saying in our customer-centric aspirations. Could the mother of creativity and innovation, in fact, be disruption?

We have seen seismic shifts in industries like events and hospitality that have been devastated by the pandemic. However, many have pivoted and transformed themselves by, for example, providing office spaces for people in need of a quiet working environment. Customer buying behaviors have also reshaped Amazon and other retailers to deliver everyday goods.

In general, and across businesses, engagement models have been shattered. Although we are all looking forward to going back to having human interactions in our day-to-day lives, we all know that the end of the pandemic will not mean a return to what used to be our norm. This past year has created a new normal, one where virtual engagement will remain even as we re-introduce some face to face into our lives. Organizations we work with are already planning for this new or next-normal hybrid model and have spent tremendous efforts to elevate the needed skill sets of their commercial teams - especially strategic account managers.

Drawing some positives from the year that just passed, COVID-19 has accelerated and catalyzed several exciting aspects of the future work and organization design. These changes would otherwise have taken years to do, but the pandemic has forced all of our organizations to pivot and reinvent the

way we engage with our customers. As a result, we have seen an increased interest in moving to a more focused, value-bringing and high impact engagement model. This is leading many companies to accelerate their strategic account management journeys and transformations.

On the customer side, we see companies seeking interactions that bring them new insight, knowledge, ideas and innovations. They are looking for business partners to help them return to growth. Companies that have seized the opportunity and cared for their customers have elevated their trust level and customer loyalty.

Based on our recent clients' work and interviews, we have discovered three areas we believe are essential to establishing and accelerating the SAM journey:

These critical success factors are:

- 1: Having a Center of Excellence – an emerging best practice
- 2: Executive “buy-in and be in” – to ensure resource allocation and the necessary cultural shift
- 3: Account-based marketing – as a co-orchestrator of the strategic account teams

Having these three pillars in place will lead to the key ingredient for success: the ability to differentiate yourself, sustain and ensure continued evolution while successfully and positively impacting the growth of your strategic customers.

In this three-part series, we will deep dive into each of the three critical success factors, starting with the Center of Excellence as the

lighthouse to the strategic account management journey.

Center of Excellence: A critical lighthouse to provide successful journey direction and leadership

One could argue that in today's environment the term COE (Center of Excellence) is overused. Whether you call it COE or "SAM program office," the message is the same: These enabling structures are critical to your SAM roadmap's success.

As we work with organizations on their SAM journeys, we see the impact a SAM commercial enablement structure can have on the SAM roadmap's success and sustainability. A COE serves to accelerate and ensure the needed transformation, evolution and sustainability plans.

So, what is a COE?

By COE, we mean a centralized group of SAM experts and people who "get it" and who should be leveraged as the catalyst for instilling the mindset, processes and skill sets for distinctive go-to-market and customer-centric engagement models. These are the people responsible for the day-to-day global strategies and operational execution of the SAM roadmap, and "shepards" of its future evolution as it grows and adapts to customer changes.

From our practitioner background of both building these COEs and leading SAM journeys, coupled with our consulting experience, we have found the five most essential components and building blocks for establishing a COE designed to ensure SAM roadmap success.

1. Having one! Making the decision and investment to have a dedicated Center of Excellence
2. Having the COE report directly to the executive team to ensure strategic impact
3. Developing and enabling the cultural shift needed in the new SAM business model
4. Creating customer-centric curricula
5. Thinking globally and acting locally for enhanced customer intimacy

An illustration of these critical success factors is shown in Figure 1.

1: Having a dedicated Global Center of Excellence

Each year, SAMA issues awards for "Outstanding SAM Program of the Year." Looking at the past 10 years' winners, we see at least one thing nearly every winning company has in common: a dedicated COE. Is this a coincidence?

We think not.

Establishing a COE is the number one most critical success factor for implementing an effective strategic account management business model. Despite this fact, only 10 percent of SAMA member companies have a COE, let alone an effective one.

When I started my career as a commercial and SAM roadmap leader, you always had the commercial team and enabling functions working together to collaborate in their day-to-day customer engagement.

When we see the investment that some companies are making in pivoting their engagement model to be more strategic, customer-centric and value enabling, we are always surprised to see the enabling functions still being focused on supporting the more transactional model where the number of interactions is the metric – what we used to call in the pharma world the share-of-voice model. We continue to see the difficulty in shifting the

Figure 1. COE Critical success factors

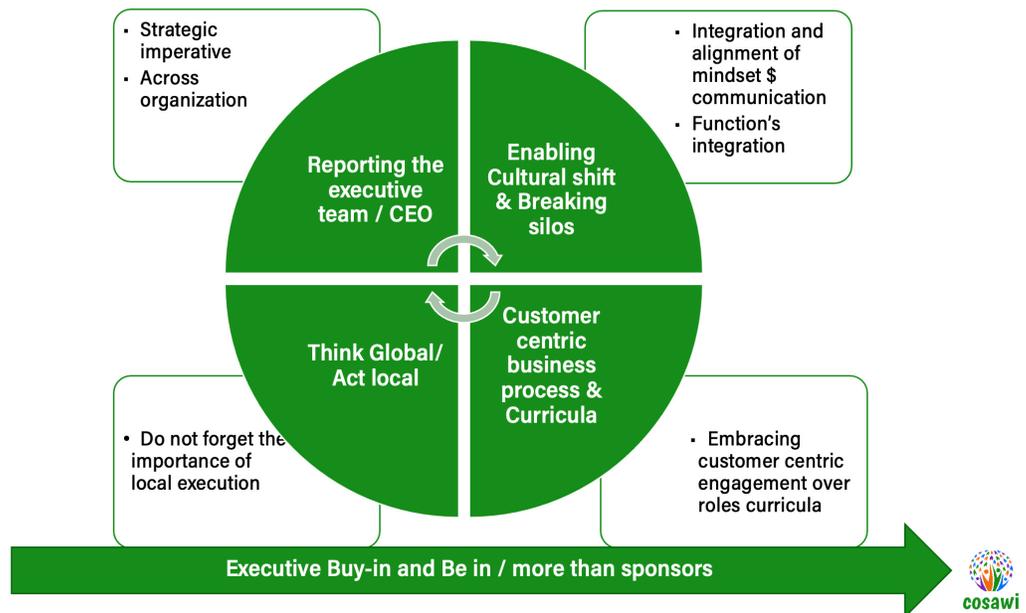
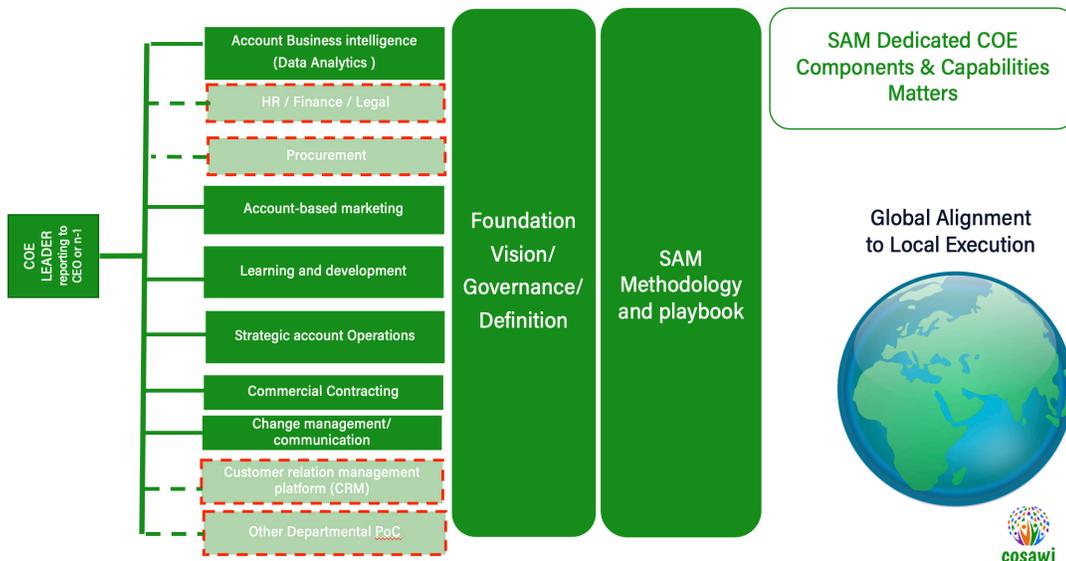


Figure 2. COE Illustration : A step approach to avoid complexity



enabling structure to support the SAM journey instead.

Establishing a COE is a step approach, and the structure needs to grow as the strategic account managers and strategic accounts grow in number and needs. Starting slow and evolving at the pace of changes in the customer landscape is critical.

As shown in Figure 2, a COE can be structured with a combination of full-time dedicated roles and part-time roles that report back to their respective departments. The lighter-shaded boxes illustrate part-time resources or those connected, but not full-time dedicated, to the department. The structure is meant to be illustrative, and it can and should evolve as your program’s circumstances change.

To be successful, the people who comprise the COE need to understand what strategic account management is and align on the fact that it is a business model, not a sales model and requires change management. One common

role that COE colleagues have is being a change agent and a champion for the journey. This should be a mindset requirement in selecting the people to drive the COE structure, strategy and work and part of every COE member’s role. It takes alignment for strategic account management to be successful and the COE is the guardian of this alignment.

2: Having the COE report directly to the executive team

There is more than one way of doing this. Some organizations start this journey by creating a COE as a separate unit to support the SAM organization with a remit to test, iterate and pilot for speed. They then integrate this with the rest of the commercial group. Others will start with an already commercially integrated COE working across their business units.

In both models, shifting the corporate focus from short-term goals and objectives to mid- and long-term partnership

is not an easy task. The corporate world has for generations been trained to think inside out and sell products or services. In executing SAM transformations, we ask organizations to think outside-in, build trust and long-term objectives and focus on the customer objectives first in order to generate growth and revenue for the customer and the organization.

Although we know from SAMA research that a strategic account will generate two times the revenue of a non-strategic account¹, we also see that strategic

account management requires our corporate minds to think differently by providing value beyond products and services, aligning to what matters to our customer (as opposed to our own internal organization) and co-creating innovative value offerings that are customized to the account and customer needs. This has been shown, time and time again, to be the best avenue for sustainable revenue generation.

We are asking the COE to move its organization from a go-to-market strategy based on its own products and services to one based on creating customized solutions to respond to the unmet needs of its customers (and, in turn, their customers). To drive a business transformation and cultural shift of this magnitude, two things must be present: This evolution must be among the company’s strategic imperatives, and the COE must sit at the right organizational level.

Reporting at the executive level enables the COE to have a broader view

of the organization, including its imperatives, goals, strategies and capabilities - as well as being peer to peer with business leaders who are necessary to the execution of the SAM roadmap.

3: Developing and enabling the cultural shift needed in the new SAM business model

The COE is an essential unit for driving the cultural shift mentioned above. To do this its members need to be experts in the strategic account management world and dedicated to driving this journey. They are part of the strategy and lead the operational steps, from outlining the vision/mission to creating business processes, building the structure, outlining the desired competencies and equipping the SAMs.

They should be instrumental in selecting the account team and extended teams as well as the departmental point of contact. These points of contact are technical experts providing intermittent support for specific topics. The COE team is the one responsible for identifying champions who understand the SAM journey and purpose and who have the right mindset and willingness to be part of the transformation.

Being SAM experts, it is critical for members of the COE to work with groups like human resources and line managers to define competencies and traits needed to be successful in the SAM role. Finding those individuals with the right mindset, passion and resiliency to drive change will be a catalyst for the strategic account organization's success. For strategic account management success, mindset, talent and traits are more important than past roles. It is a combination of mindset, experience and skills that create the right SAM.

Clients tell us that, in most cases, their internal organizations are more challenging to navigate than their customer organizations and often present the most

significant barriers to action and partnership with strategic accounts.

The COE can certainly help and be accountable to break these internal silos by providing an aligned business process and communication. The COE members need to drive the passion/resilience to think outside-in for revenue generation. Being a centralized expert group, they can work across units to align matrix and complex organizations to the strategic accounts that have been identified. They can provide change management, business processes and a strategic account toolbox for an aligned way of working.

In leading the cultural shift, the COE can then establish the mid- to long-term roadmap and next steps of the journey. They can prioritize what needs to be done, from aligning business leaders and upskilling the strategic account managers to providing an aligned integrated business process.

4: Creating customer-centric curricula

When looking at the SAM's competencies and skill set, many of our clients struggle to integrate and connect with the diverse competency models used by the different commercial or customer-facing teams. Each of these roles often has its own curriculum, and the complexity this creates divides the customer-facing groups in the way they engage.

Having the Learning & Development function represented in the COE enables four things:

- Ensuring resources and efforts to support SAMs in developing strategic account management skill sets and in their personal learning journeys to elevate their interactions with their most important customers
- Taking a curriculum developed for SAM to engage and plan with their complex accounts and using the same core principles to align the overall

Simplicity and sustainability are created when we move from role competencies and curriculum to customer-centric curricula.

communication and ways of engaging throughout the organization

- Building the curriculum as a customer-centric curriculum – a curriculum that serves all commercial-facing teams. Shifting from the role-focused curriculum to create a common engagement model and account planning competency model aligned with the complexity or strategic level of the account. This helps in creating alignment on how we engage and communicate.
- Collecting performance metrics and measures on the SAM role and impact of training investment. As this is a mid- to long-term evolution, having a way to measure the behaviors and performance impact of the SAM on revenue and growth is critical in sustaining the organization's attention and focus on driving this business transformation.

The core principles used in complex accounts can certainly be used in more transactional one-on-one interactions. Principles like understanding your customer, being focused on their needs, being authentic and providing value, to name a few, are done at a different level of depth and details – but are universally useful.

This creates simplicity and focus in people's development, provides continuity in career pathing and facilitates personalized learning journeys.

5: Thinking globally and acting local

In addition to everything we've

The COE creates the fine balance by driving the corporate shift, aligning the vision and mindset and providing an aligned communication and business process while enabling the local groups to focus on customer intimacy and relevant value.

covered, the global COE is also responsible for connecting global groups within the company to the local affiliates. They are accountable for aligning the organization to the business and strategic account planning processes, as well as connecting and aligning how the strategic accounts engage with the rest of the commercial teams in the markets and local affiliates.

By providing this central leadership and process, the COE demonstrates the Pareto principle of 80/20 by providing the 80 percent to enable the local affiliates to customize to their local needs but saving them from having to start from scratch and duplicate efforts. The COE can also provide capability and training development and help local affiliates establish their customized strategic account management roadmap aligned with the organization's global strategy.

In return, local teams can look at their market environments and from them prioritize their local roadmaps. The more the marketplace is integrated and features complex customers, the more they will need to move from a transactional sales model to a strategic account management business model. It is by helping the local teams – who are focused on their market and customer

understanding, customer journey and decision making – that the global COE can support localization of the roadmap and prioritize the help and support needed to preserve and enhance local customer intimacy while being the guardian of the “one voice” at the corporate level.

The global COE can also help foster the creation of communities of practice to exchange best practices and scale them. These communities help accelerate the SAM journey, connectivity and dissemination of ideas. They can be the anchor point for business case creation, communication and scaling opportunities across the organization.

We recently helped one of our clients, a company with a well-established COE, customize their role, impact and support investment to the needs of their local affiliate by creating a framework that adapts to the status of the affiliate and focuses on providing a step approach to go from this starting point. This enabled this COE to clarify and enhance its role while customizing its support to the affiliate's market, needs and capabilities.

Having worked with many organizations in this cultural shift and business transformation, our experience is that without a COE, we find the project and transformation are at significant risk of being derailed by lack of resources, lack of focus or lack of leadership needed to instill the required change.

We have also seen that, in this acceleration of adapting how we do business and how we engage with customers in our new reality, some pillars of the COEs are taking on a front-line role. For example, learning and development investment is increasing in these times when SAMs are working from home and the skills needed in this new environment are shifting.

Conclusion

Finally, in creating your SAM Center of Excellence in line with these critical success factors, you will end up with a COE that spans across the organization, breaking silos and driving the SAM roadmap and journey today and for the future. A COE can bring expertise for more customer value and differentiation, which will result in your customer remembering that you care about their success. The COE helps SAMs build trusted partnerships by supporting their processes and needs, focusing on what is important to their customers and enabling customer-facing teams to show up as one organization in a coordinated manner. In short, the COE helps SAMs elevate their game.

What is next?

In addition to the COE, your leadership and executive team need to move from a traditional sponsorship model to a “buy-in and be-in” model.

What we mean by this is that customer-facing activities should be a key part of their day to day. We will tackle this topic in the next installment of this article series, followed by a final treatment on the account-based marketing (ABM) role – what ABM is, its role as co-orchestrator of the value offering and how important ABM is to the SAM journey, looking at the need to shift Marketing's mindset from an inside-out to an outside-in way of working. ■

¹ *Metrics to help calibrate the right investments for a strategic accounts organization (SAO)*. Strategic Account Management Association. 2018.

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