

Getting started with strategic account management: winning hearts and minds at Cushman & Wakefield Investors

By Edmund Bradford

Managing director

Market2win Ltd.

and Paula Viner

European marketing manager

Cushman & Wakefield

Investors

Let's face it: Many strategic account management initiatives have a shaky start. Initial enthusiasm by one or two company champions often is sapped as the exercise's scale becomes apparent. Other priorities get the focus, the challenges are too large, compromises are made, and the solution begins to look complicated. Before long the whole thing is seen as optional and scaled back to a few ideas about how we manage customers. Been there, done that, got the SAM T-shirt! Does such a company receive a significant return on investment for the whole thing? No. Do its customers see any difference? Maybe new titles for their main contacts but not much else. Worse, SAM has been done and is off the agenda for the foreseeable future.

The idea is good, but the implementation is weak. Of course this is not a problem unique to SAM. In their book, *Executing Your Strategy: How to Break It Down and Get It Done*, authors Mark Morgan, Raymond E. Levitt and William Malek lament the graveyard of failed corporate strategies: "The global business landscape is littered with expensive, well-intended strategies that failed in the execution phase. ... Studies have found that less than 10 percent of effectively formulated strategies carry through to successful implementation." Implementation is tough. Yet we as SAM pioneers are partly responsible if it fails. The internal sell is the hardest sell of all, and we need to take a proper professional approach to it. What we suggest is that we look to another profession, that of change management, to help us.

In 2008 we started a SAM program at Cushman & Wakefield Investors. We applied change management thinking to ensure that the program got off to a solid start and would bring in a new enthusiasm across the company for customer relationship excellence. Why adopt a

change management approach at CWI? Because we knew from experience that investment managers are not natural adopters of SAM but can benefit greatly from it. We knew if we went in with just a bunch of good SAM tools and ideas, we would not put fundamental change in place. The program has introduced ways of approaching client management that have proven to be very successful in helping the company stay focused during massive market turbulence. This case example will help all organizations attempting to start (or re-start) SAM in a challenging environment and pays particular attention to:

- Applying a change management approach to win hearts and minds
- The key steps to invest in during the first year
- The key tools needed to give your SAM program an early boost

Some background first: CWI

CWI is an investment manager dedicated to real estate. The company has provided an investment management service in the United Kingdom for more than a quarter-century and had a continental European platform since 2004. CWI has offices in London, Paris and Frankfurt, Germany. CWI is the independent investment management house of Cushman & Wakefield Inc., the largest privately owned real estate company in the world with 230 offices in 58 countries. CWI manages real estate portfolios with assets worth anything from €40 million to over €1 billion to ensure that clients receive maximum ROI. This is done for a wide range of clients, including one of North America's largest pension funds, the United Kingdom's largest charity and the pension fund of one of the world's largest retailers.

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The situation in first-quarter 2008

CWI has won substantial clients and grown its reputation and fee income. Although small compared to its major rivals, it is now firmly established as a serious European player. This growth came from a lot of good work in individual offices. However, to continue to grow, CWI needed to ensure that it worked more effectively and efficiently together, fully utilizing all of its people and their skills. This meant:

- Developing better cross-company teamwork that pools the staff's knowledge, skills and resources across the business
- Maximizing both the domestic and international opportunities with clients
- Building the infrastructure to support cross-company collaboration
- Creating one overall company with a common culture that puts the client at the company's center

To achieve this, CWI wanted to improve its client management and use this as a key vehicle for delivering the above goals. Its chief executive officer, David Rendall, came from a company that had done good work on client management, understood what that meant and was keen to see the benefits of that approach at CWI.

What we did: applying a change management approach

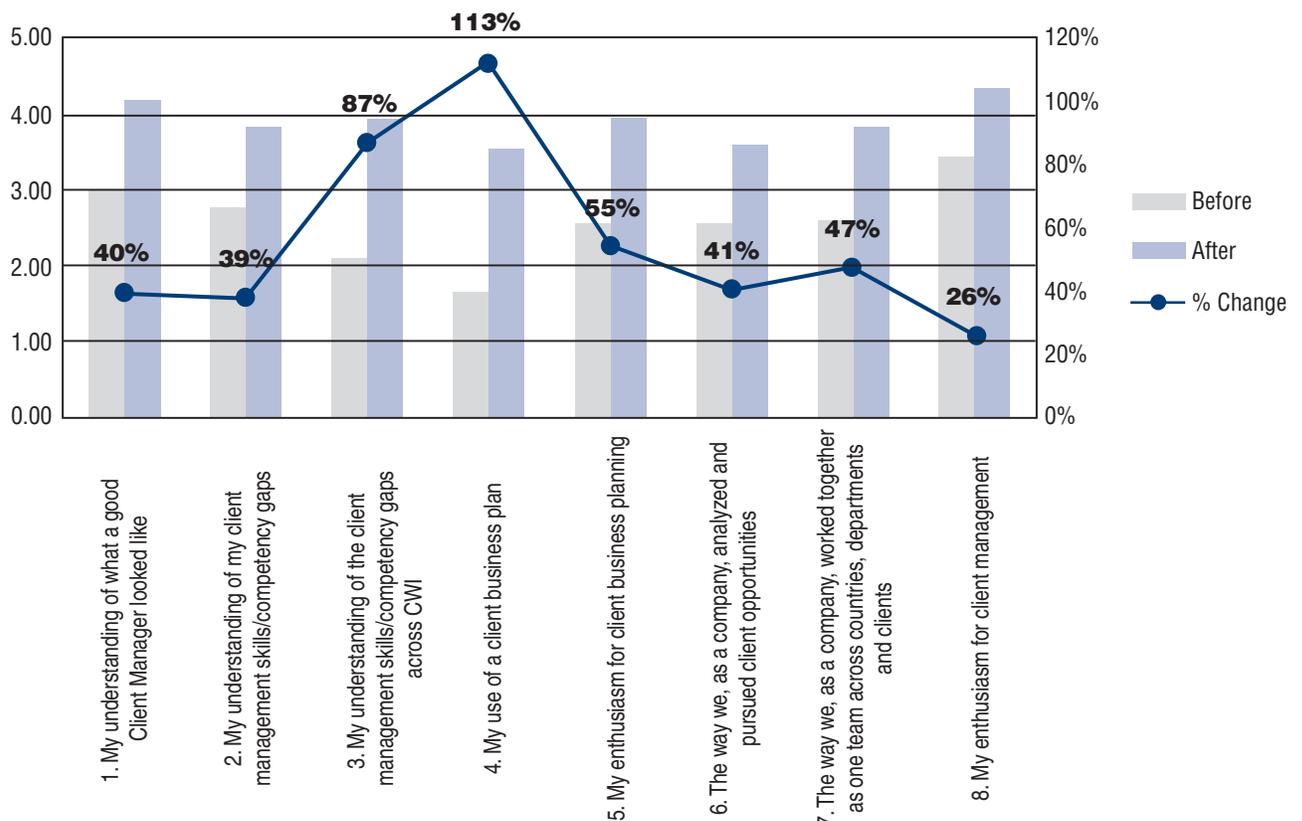
We started a client management project focused on the most important accounts. By the way, in this article, client = strategic account, and client management = SAM. To maximize our chances of success, we followed five key principles. These combined our experience of working on previous SAM programs with good change management principles. (See for example *Leading Change* by John P. Kotter.) They were our guiding principles for implementing SAM change.

First principle: Secure executive commitment.

We were fortunate here in that the project was commissioned by the CEO and had his personal interest. However, to help turn that interest into commitment, we first discussed the CEO's wishes in depth and translated them into our reference terms for the project. These laid out the project's challenges, scope, objectives, approach, costs, suggested project team and time scales. We then sought the CEO's feedback and approval. This was essential to making sure we understood his priorities and had his support for how we would come up with a solution to them. We also split the project team into two parts:

1. A *core team* that would do most of the work and develop the recommendations. The core team was cross-functional, -geographic and -business to ensure a balanced approach.
2. A *steering group* that would act on

Figure 1. Overall change in perception of SAM



the recommendations and ensure resolution of any issues that could not be resolved within the core team. The group was made up of the key CWI executives and became our "guiding coalition." (See Kotter.)

Once we formed the core team, we defined what we meant by good client management. This was effectively our mission statement: "CWI sees long-term strategic client relationships based on excellent client service as essential to its future success. We will therefore deliver innovative solutions to clients through teams of professionals working together to build relationships that generate sustainable long-term income and profit growth for all involved." Based on previous SAM programs we worked on, we also developed a single diagram to show the key steps in six essential areas necessary to help us achieve that mission. This diagram was our road map. It contained all the key areas that make up a good SAM solution and showed when they would be tackled in the overall program. Together, the reference terms, mission and road map became our core team presentation for establishing the basis for change.

Second principle: Involve and engage the business units.

We then went on a roadshow around each business unit across Europe. Our purpose was to:

1. Listen to the local issues and concerns relating to client management
2. Share the presentation and gain feedback
3. Align the understanding of what good client management looks like
4. Secure input into the project

This was an important step in gaining the business unit's trust in the project team's professionalism and genuine nature, backed up by its local representative being formally involved in either the core team or steering group.

Third principle: Create the tools required to change.

We developed two key tools:

1. The client business (strategic account) plan template: This was *the* tool for helping turn great client management from theory to reality. Using the consultancy Mosaic SRM Ltd.'s experience, we developed a plan template that combined both commercial and relationship factors into a single, succinct strategic document. Interestingly it was the relationship mapping page in the plan that several people found most helpful. As one of the client managers said, "The structured approach and useful tools you guys gave us helped organize our thoughts. The relationship mapping tool especially was very powerful. Having that in my tool box has scored me points. Colleagues now better understand the complexity of my client and are more collaborative and supportive."
2. Client manager competency profiling: It was important for everyone to understand what a good client manager looked like so he could compare himself against that profile. We interviewed each of the client managers using the Mosaic 12-point competency framework.

This helped each of the client managers understand her own skill gaps and business leaders understand the common skill gaps across the entire European team.

Fourth principle: Build a common vision.

We then brought all the client managers and executive leadership to a workshop in London. Over one-and-a-half days we discussed client management's key aspects, including the client manager role, vision for client management at CWI, key challenges to putting the aspects in place and spending of time looking at the subject of strategy. We took a lot of time to use the client business plans to establish our current position with the client. A second workshop was convened a few weeks later to allow each client manager to present

his draft client plans and discuss key business development issues relating to his client. The workshops were essential to developing a shared understanding of the business and client management itself, challenging the existing thinking and developing enthusiasm for client planning. Jens Göttler, managing director of the German business, said, "It was a fantastic workshop and an interesting exchange of knowledge. We achieved a better understanding across the firm of both how to do client management and how to share knowledge of our main clients."

Fifth principle: Focus on piloting.

We did not try to make significant change across all the clients. That is not the way to accomplish change. Instead we adopted the piloting principle. We chose only four clients to take through the workshops. That meant we could focus all the company's efforts on gaining an in-depth understanding of those few clients and helping the client managers develop better strategies for growth. In addition the good news was that the client managers who were not pilot client managers were very keen to get client management running on their own accounts. So rather than having to continuously push the idea uphill we had a lot of client managers who wanted in on the act and to run with the idea downhill. Guiding enthusiasm is a much easier task than generating it.

The project results

In November we surveyed all the CWI employees involved in the project. (See Figure 1 on Page 34.) This included client managers and the business directors. We asked them to rate their knowledge, skills and enthusiasm for client management (based on a 1-to-5 rating where 1 = very poor, 2 = poor, 3 = OK, 4 = good and 5 = excellent) for both *before* the project started and *after* it finished. We also asked them for project feedback and key lessons learned to take client management forward. In essence we asked them to rate how successful they felt that the project was in delivering

its original objectives. The results were quite dramatic:

- On all eight metrics we measured, there were significant improvements in client management's perception.
- Across all metrics and respondents the average client management perception moved from 2.6 (not OK) to 3.9 (just under good).
- The largest improvement came in the use of a client business plan. This improved by more than 110 percent from an average of 1.7 (below poor) before the project to 3.6 (halfway to good) afterward.
- There was an 87 percent improvement in everyone's understanding of the common skills/competency gaps across CWI.
- The project also helped everyone gain an improvement – on average 40 percent – in their understanding of what a good client manager looks like and the key skills/competency gaps they have against that profile.

Although less dramatic, of equal interest is the way that better client management has helped improve how the company pursues sales opportunities and its level of teamwork. (See figures 2 and 3.) Seizing opportunities was seen mainly as poor or OK before the project, with no one rating it excellent. After the project concluded, it was rated mainly OK to good (with 20 percent rating it excellent). Furthermore the company teamwork level was rated mainly OK before the project (with no one rating it good or excellent), but this shifted mainly to good afterward (with 10 percent rating it excellent). A client manager summarized it by saying, "Countries in particular have certainly come closer together. ... We worked in our own little bubbles, and greater exposure to others and their clients expanded everyone's understanding of the skills available across the firm."

Finally, there was greater enthusiasm for both client business planning and client management as a whole. (See figures 4 and 5 on Page 37.) The planning enthusiasm was one of the

project team's initial key concerns—and with good reason. Forty percent of respondents said they had poor or very poor enthusiasm for planning before the project. However, after the project 70 percent said they had good enthusiasm for the idea. One client manager thought one of the greatest benefits was being proactive rather than reactive and "recognizing the importance of taking stock and planning; not just being busy doing what the client asks us to do."

For the whole idea of client management 40 percent of respondents said they were poor or OK about it before the project. That changed completely, and afterward 100 percent reported having good or excellent enthusiasm for the subject. Rendall said that one of the project's main benefits was "changing scepticism about some areas of client management into enthusiasm for taking it further." This is

supported by a client manager who said, "I was enthusiastic about client management before, but I was really, really enthusiastic after the project finished."

In answer to the question, "What were the project's main benefits to you and the company?" the top benefit reported in our survey was the additional cross-company networking. This included learning different approaches to client management, sharing experience, skills and knowledge internally and learning about the whole business. Göttler said, "We achieved a better understanding across the firm of both how to do client management and how to share knowledge of the main clients we have." Peter Balfour, managing director of the U.K. business, highlighted "integration of the different offices and our handling of clients, tapping into different skills and approaches. Client managers generally

Figure 2. The way we, as a company, analyzed and pursued client opportunities



Figure 3. The way we, as a company, worked together as one team across countries, departments and clients



have their own thought habits and can benefit from others' ideas."

For the individuals in the project, learning how to take a more strategic approach was also seen as key. This is one typical comment on this point: "The project made me aware of the importance of stepping back and seeing the big picture, not just working on the job in hand but thinking more strategically about objectives and how to achieve them." The company's other main benefits were seen as gaining a deeper insight into clients, adopting a more systematic approach and gaining a better understanding of the company's strengths, weaknesses and gaps in client management. Rendall summarized it by saying, "We now have a better understanding of the deficiencies of the business and what to do about them. We also have a better understanding of our

strengths and have greater confidence to progress." Göttler thinks CWI now has "a more systematic approach to client management and more knowledge about particular clients, particularly those shared by different countries."

Overall there is clear recognition that although performance in carrying out clients' instructions is paramount, understanding the clients' strategic objectives and managing relationships in the most professional way are also key to customer loyalty and mutual trust. Among the program's tangible results were:

- A sale-and-leaseback idea generated at the workshop that was followed up on and has progressed well
- A service change to better suit a longstanding client's needs and that secured future revenues from it
- Protection of a mandate through a

period of change that could have led to the client taking the service in-house

- Four completed client plans, each identifying the best opportunities, mapping key relationships, identifying new strategies, identifying new value propositions and setting out action points to achieve the desired results
- Competency profiles of CWI's client managers showing their strengths and weaknesses and indicating development needs
- Introduction of an online system to enable collaboration of documents across three offices and a customer relationship management system to share contacts

Furthermore CWI went into the recession much better armed and would certainly have performed less well without the focus and teamwork this project generated.

Figure 4. My enthusiasm for client management

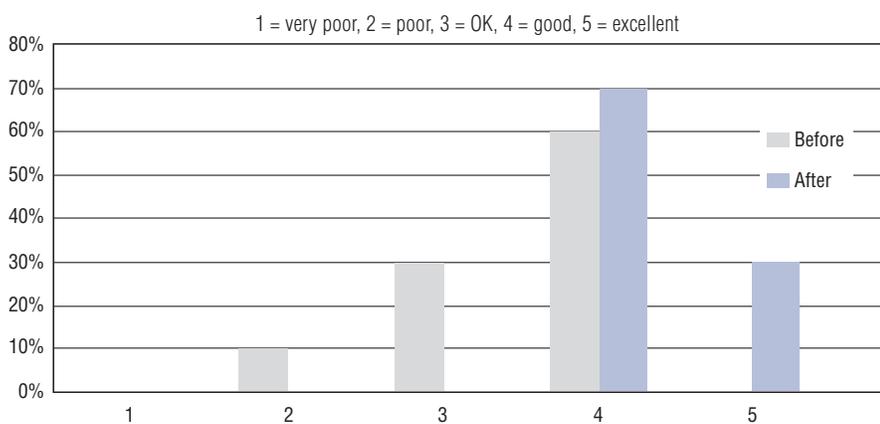


Figure 5. My enthusiasm for client business planning



Lessons learned

Looking back on the project, we think the main lessons learned from our experience are:

1. The pressures of day-to-day business can get in the way. Rendall stressed the need to "step back and take time to understand clients and their needs and what they are asking for and why." Sufficient time needs to be freed to do client development work. It should be scheduled, made routine and linked to personal appraisals early in the program.
2. A clear monitoring system should be established early to track implementation progress both internally and externally.
3. SAM can also be used to get better alignment on internal relationships—e.g., with CWI.
4. Do not take your foot off the gas once the first round of plans is produced. Beware of the chasm that follows the initial excitement (see *Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers* by Geoffrey A. Moore), and remember

that the collaborative process of producing plans is at least as important as the end plan itself.

Future plans

Client management is not a tick-box exercise but a journey—or “adopting a philosophy of continuous improvement,” as Rendall puts it. In this spirit CWI looks forward to building on its achievements so far, including:

- Improving the client plan review and approval process
- Rolling out client management to other clients beyond the pilot group
- Embedding client management into the company’s culture—for example by linking client management to broader business development activity and client managers’ appraisals
- Using technology better to share information across the company

Conclusions

Yes, SAM *can* be applied in situations

where relationships are secondary to performance. Whatever is being traded, if you can help your client achieve its personal and commercial objectives, you have an opportunity for an enduring relationship beyond the day-to-day metrics. But do not underestimate the scale of change. *Plan* your approach professionally. Regardless of your actual job title become a SAM *change agent*. Read up on change management, and utilize its tools and models. Celebrate and share achievements, but be wary of making SAM walk too early. You may think that after your first couple of good workshops SAM can stand on its own two feet, but you will have to support and nurture it for a while yet. Rendall concludes, “The program helped us to structure effectively what previously we had been trying to do individually and is another significant step forward in the development of this business.”

Unfortunately and paradoxically many SAM programs actually sap the enthusiasm for SAM! The SAM champion is like a salesperson banging on about how good

the product is and asking the audience to buy into her logical arguments about the ROI. However, while the mind may agree, it is the heart that commits. This program shows that with the right approach to winning hearts and minds, the first steps you take on the SAM journey can actually stimulate enthusiasm rather than sap it. 

Edmund Bradford is managing director at the consultancy Market2win Ltd. (www.market2win.com) and can be reached at e.bradford@market2win.com. Paula Viner is European marketing manager at Cushman & Wakefield Investors (www.cwinvestors.com) and can be reached at paula.viner@cwinvestors.com. Neil Bamford of Market2win also contributed to this article.

Additional resources

For more by these writers in SAMAs library, the editors recommend: Jeroen Kurvers and Edmund Bradford, “Compass Group: revitalizing and relaunching a healthy strategic account management program in an unhealthy economy,” *Velocity®*, Vol. 11, No. 1, Winter 2009, www.strategicaccounts.org; and David Atkinson and Edmund Bradford, “The relationship race: applying key tools for developing customer insight and relationship strategies,” Pan-European Conference, Feb. 11, 2008, www.strategicaccounts.org.