

## How to Select Key Accounts

### Step 1: Create a spreadsheet

Start by creating a spreadsheet to populate with all existing accounts.

- Include columns for:
  - Sales rep name
  - Company/Division
  - Each product or product line or group you sell. (Narrow that down to 3-4 main products or product groups).
  - Annual Revenue
  - Annual Profit
  - Add a few more columns to measure potential. For example:
    - Company Revenue
    - Number of Employees
    - Number of Locations
    - Number of Computers
    - Marketing Spend

Most of the information you need to populate this sheet should be in your accounting software, rather than your sales software. It might require some research to uncover the data that will give you potential.

Sales Rep	Company	Product 1 \$	Product 2 \$	Product 3 \$	Total Annual Expenditure	Annual Profit	# of employees	# of Locations	Annual Revenue	Annual Marketing Spend

## Step 2: What does your spreadsheet tell you?

Now that you have a populated spreadsheet, let's see what it tells you.

- First, sort by Annual Revenue
- Then divide that into 3 categories
  - Large – anything large enough that you can't afford to lose it. It might be your top 10 accounts, or maybe your top 20%. It might be anything over a certain dollar threshold.
  - Small – likely to be ones that aren't worthy of much attention and in fact, wouldn't matter if you lost them. In some cases, those small ones all add up to one large one. (In fact, sometimes there is a 4<sup>th</sup> which is companies that aren't a good fit that you should consider parting ways with).
  - Medium – Medium will be those in between.
- Color code them in the Annual Revenue column. For example, green for large companies, blue for medium and yellow for small.

## Step 3: Look for White Space

Your next order of business is to look for white space. White space is any place where you have a solution they could be buying, but are not.

- Sort column Product 1 from smallest to largest.
- Highlight the cells in column 1 that represent 0.
- Do the same for each of the product columns you have.
- Once the blanks are highlighted, sort again by revenue.
- Are there opportunities you could be pursuing with your largest customers? Are there opportunities with mid-sized customers that could be large customers if they bought other product lines?

## Step 4: Where is there potential?

Beyond white space, there are capacity opportunities or what I call “potential.” In this section, you are looking for underutilization. For example, do they have 2,000 employees, but only purchase enough for 500 employees? DO they have 500 locations but only utilize your services in 3?

- Select a column to sort by. Annual Revenue for example.
- Based on history, decide what Annual Revenue would make a good Large account.
- Now compare the Annual Revenue with the Annual Expenditure.
- If there is a gap that can be filled, highlight that as a potential Key Customer.
- Do the same with each “Potential Column.”

## Step 5: Key Accounts

- Pick the top 10 account that need your attention either because you can't afford to lose them, or because they have the greatest potential to grow.
  - You may want to create a separate spreadsheet with just these 10 accounts on it.

Now that you have selected your Key Accounts, you are ready to start creating Key Account Plans!