

J. Michael Locke

Musings

#49: Hunters vs Gatherers May 10, 2020

Happy Mother's Day to all of the moms out there. As I wrote yesterday, women (and especially moms) are the lynchpin for the future of our society and business. From the title, you might think this is a follow-up to yesterday's musing. It is not. Today, I write about how best to organize your efforts around new sales, upsells and account management in a B2B business.

Bookings come in two forms --- new relationships and more business from current clients (upsells). Every B2B company must decide how to organize these efforts. In addition, you must determine your account management strategy and who owns the care and feeding of a client after it has signed. Personally, I believe it is best to separate the professionals seeking new business (the hunters) from the professionals taking care of clients (the gatherers).

New client bookings are the hardest to achieve. The sales executive must develop a relationship, effectively communicate a value proposition, find budget dollars, box out competition and manage the process through legal and finance. I believe society generally underestimates the sophistication of this activity and thinks sales is about three martini lunches. Good B2B salespeople are talented practitioners of a craft, not entertainers. Fortunately, the under appreciation for the art form of B2B sales is changing and you even see more development of sales programs in higher education as it is seen more as a profession.

Selling new business is harder than selling into an established account. With an existing client, there already is a relationship. The client has received services and is hopefully satisfied. They will be inclined to buy more from you if you are doing a good job. As such, I recommend you keep your hunters focused on selling new business. Make sure they have the proper incentive compensation. Usually, sales people are competitive and they will want to bet on themselves with lower base salaries and higher over all compensation potential based on their success. There is nothing wrong with a salesperson making more than the CEO if they do an exceptional job and deliver an extraordinary amount of bookings.

It is critical *not* to have sales and account management together. There will certainly be some transition period where you need the sales team involved (they have developed the relationship and established the solution) but after a smooth handoff, sales needs to go hunting again. Otherwise, sales executives can get comfortable "clipping client coupon commission checks." Have you ever met a hardworking State Farm agent? They leave account management with sales. Once a person has built up a book of business, it becomes an annuity and off to the golf course they go. Mine was never in the office. This expensive distribution technique is why they are losing share to Geico and Progressive.

With account management separated from sales, you need to train your account managers on sales techniques. There is likely lots of additional business to be had in the installed base of clients and they need to be looking for it. Some companies have a dedicated sales executive within the account

management department. What is clear is that you need someone who is constantly looking for new revenue in the client base. Give account management an assigned quota of bookings they must generate with some variable compensation tied to success. Make them submit opportunities and manage a pipeline of upsells.

Be safe.

Jml

Second Thoughts

I have commented in musings on the peek into individual homes we are getting with the zoom phenomenon. Well, the ratings are out on who has best background (thanks Jean Locke). [Rating Zoom backgrounds](#)

Most companies are thinking through how to “reopen” their offices. Good PPT deck attached put together by some business leaders in Seattle (thanks Travis Hughes).