

**Hard working**

**Lazy**

**Clever**

**Thrive**

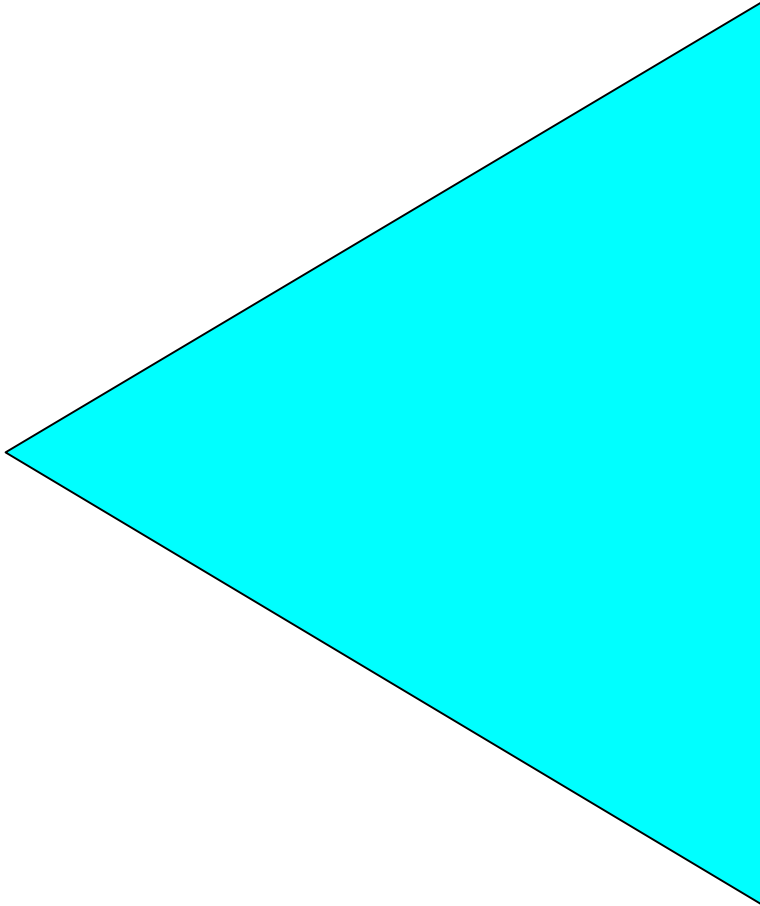
**Survive**

**Stupid**

**Die, but  
even faster!!**

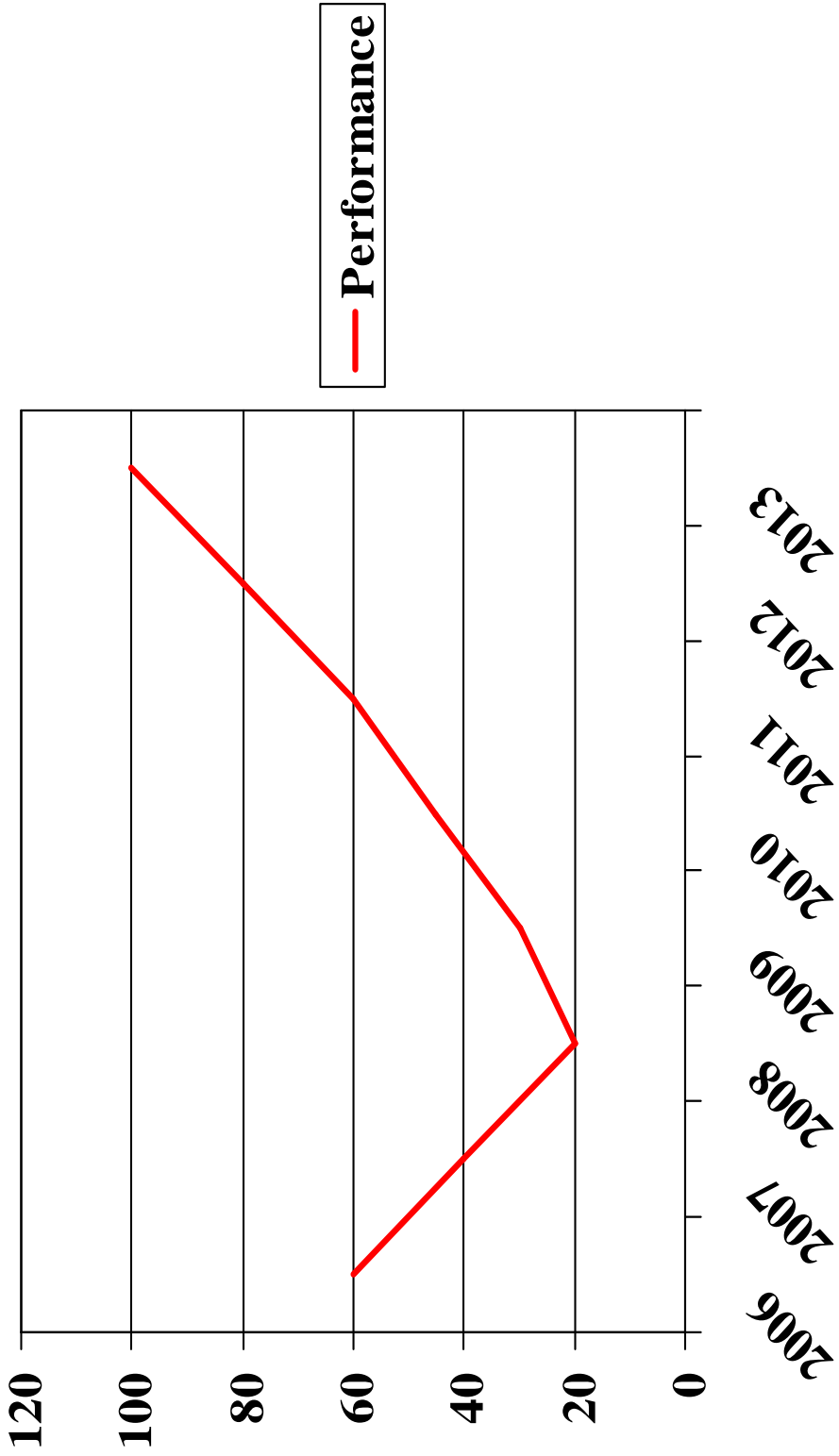
**Die!**


Business Objectives

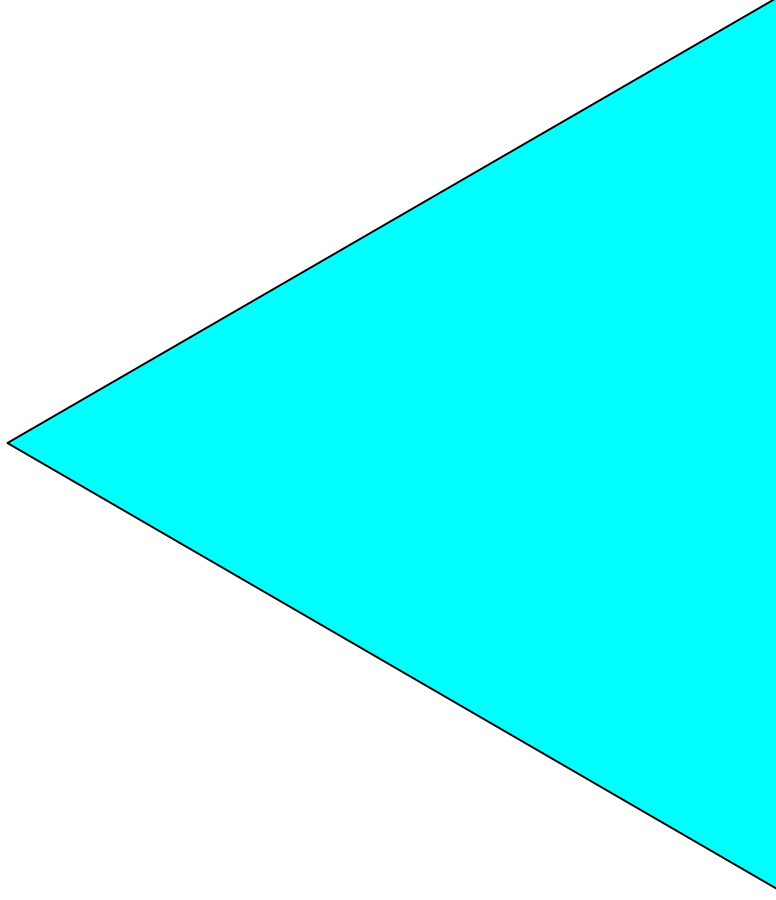


Market Opportunity

Business Resources



Business Objectives

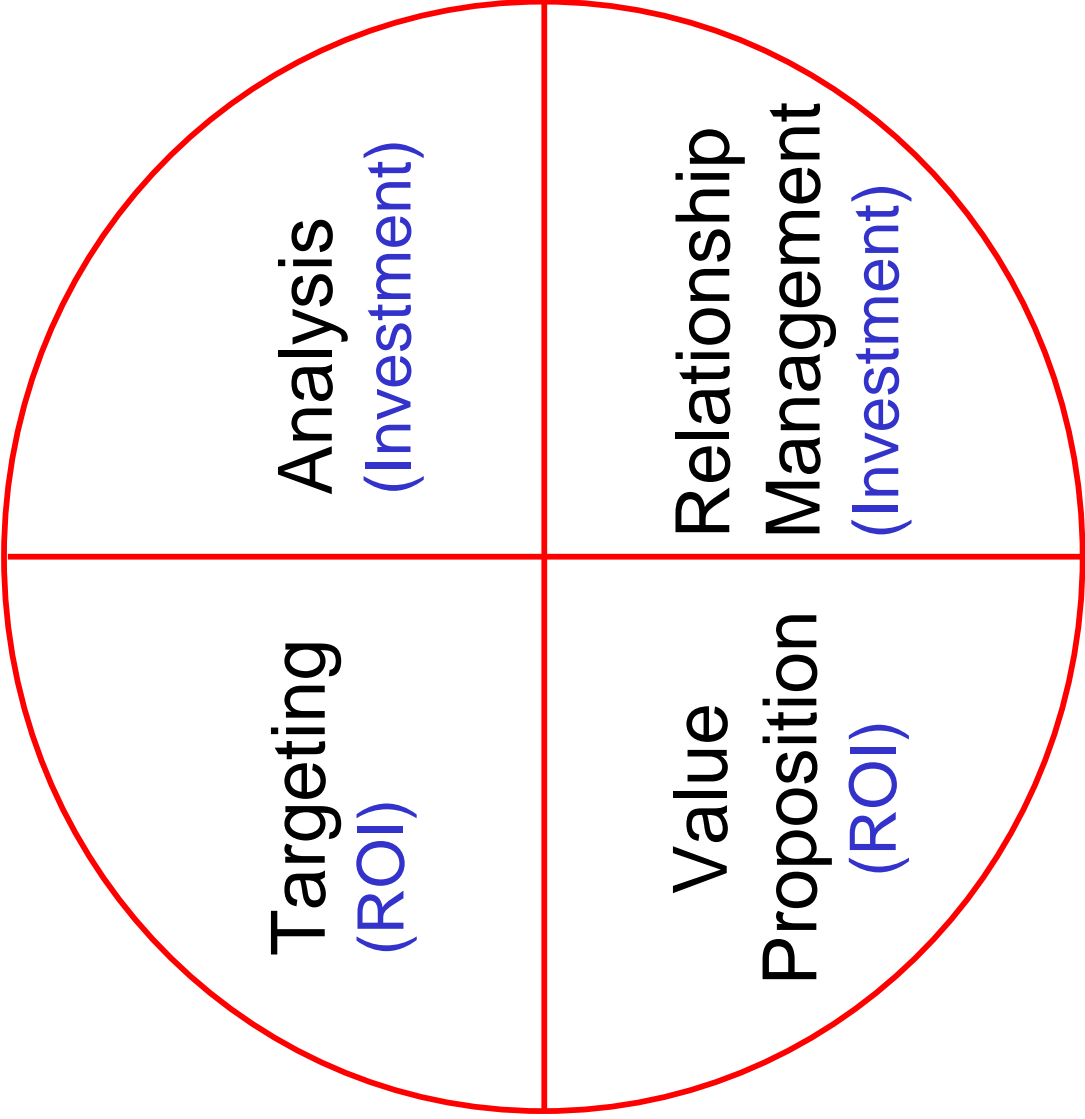


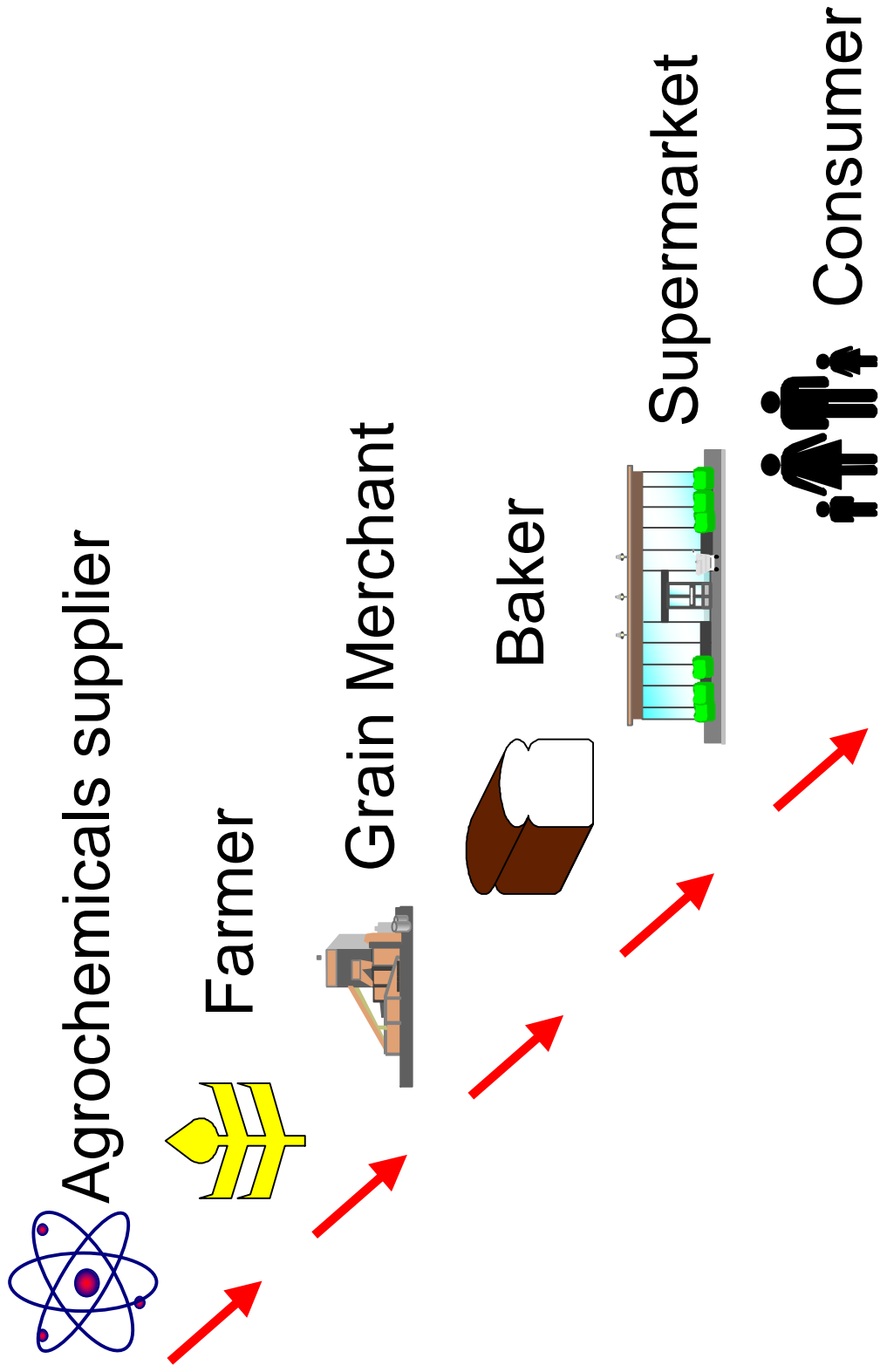
Market Opportunity

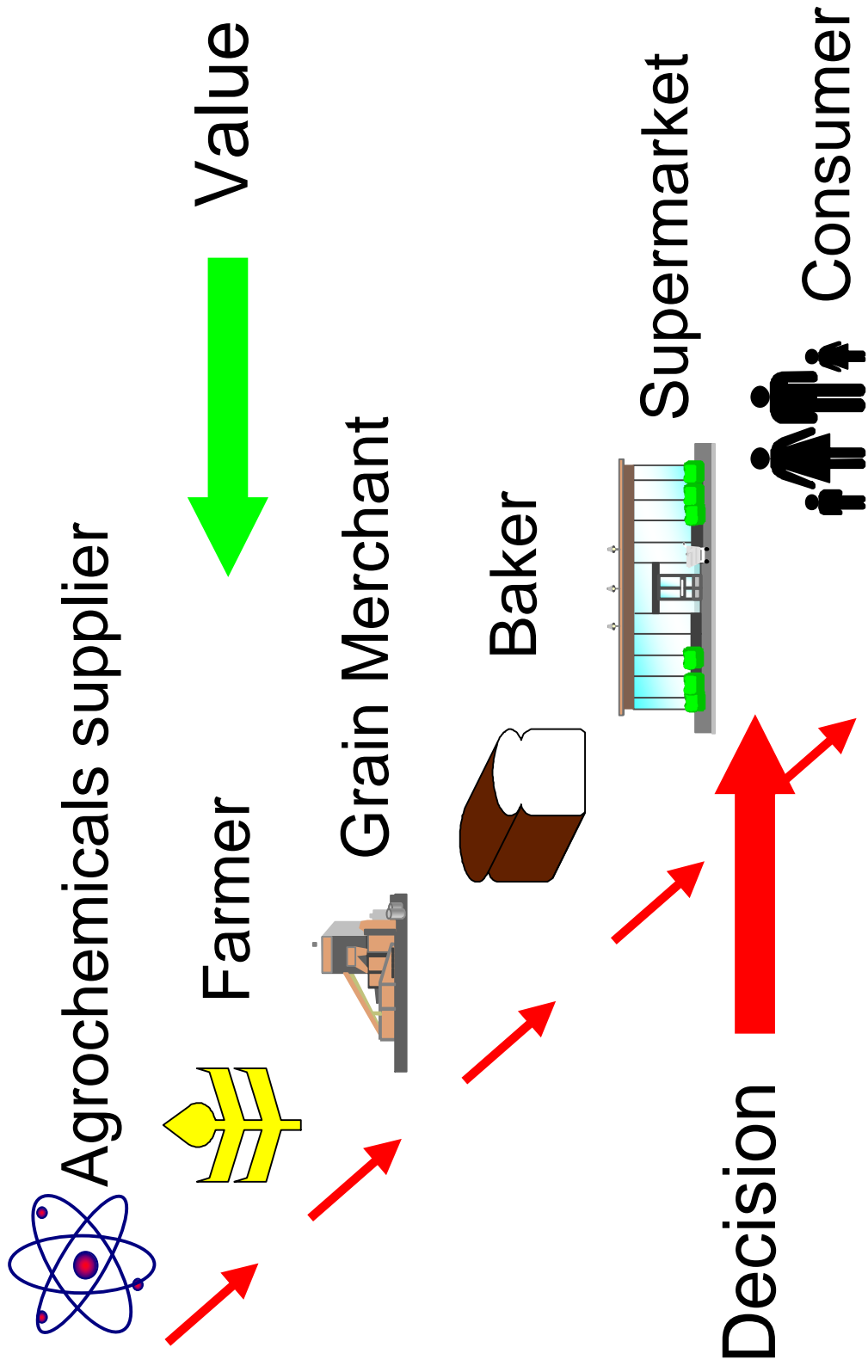
Business Resources



Getting the right balance







Value  
**'inside'** the  
customer

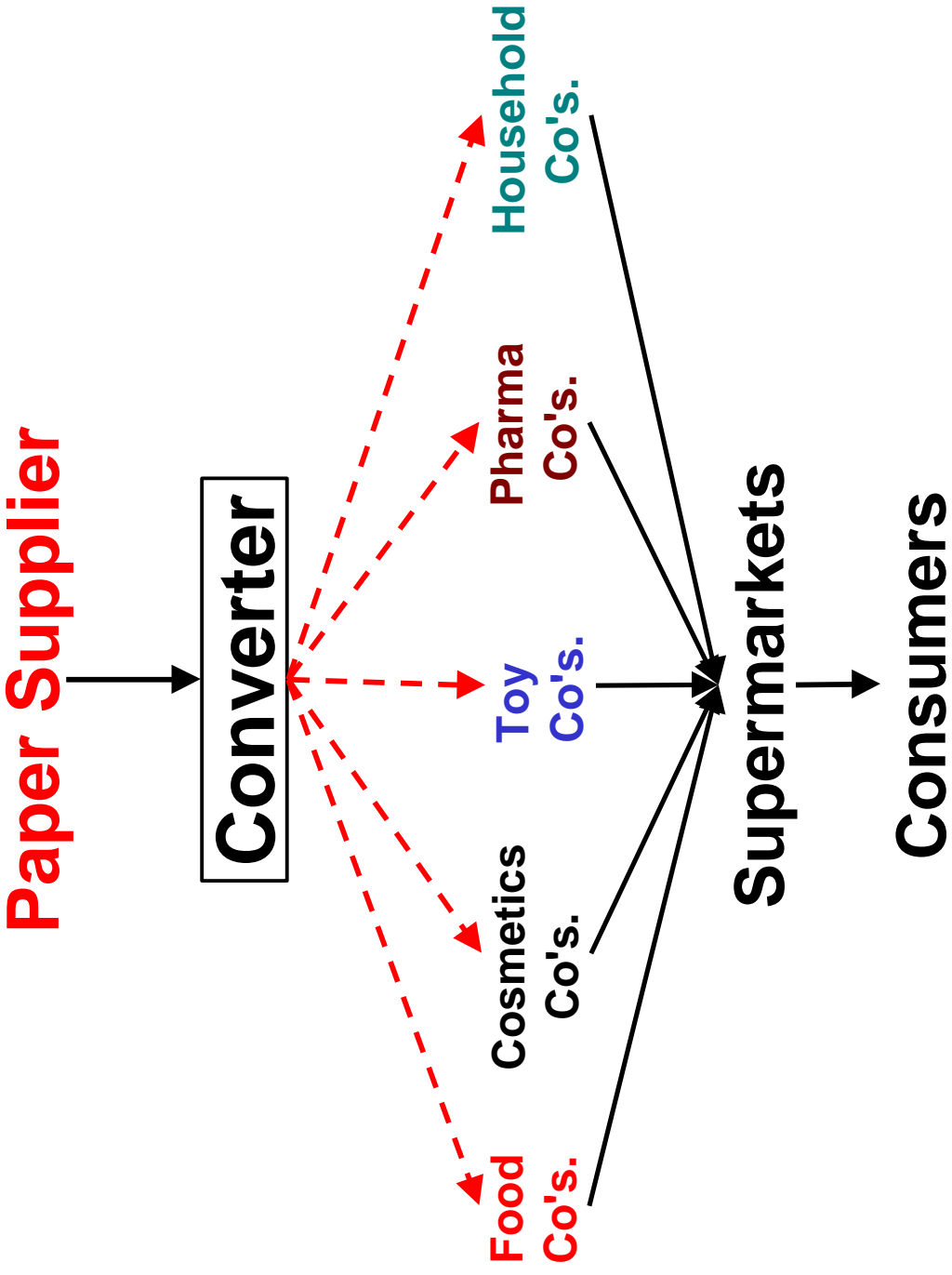


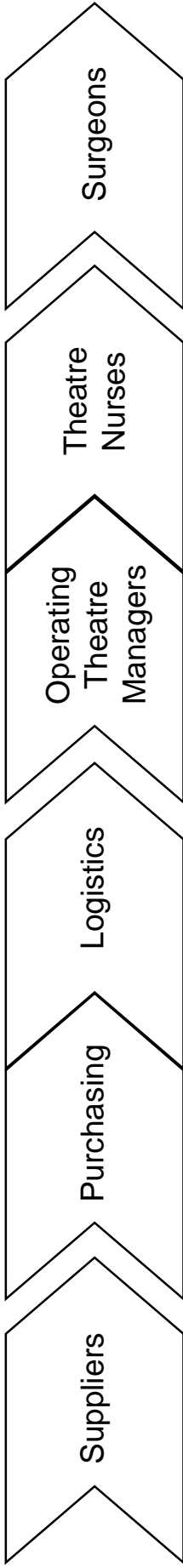
- = cost reduction
- = process improvement
- = waste reduction
- and etc....

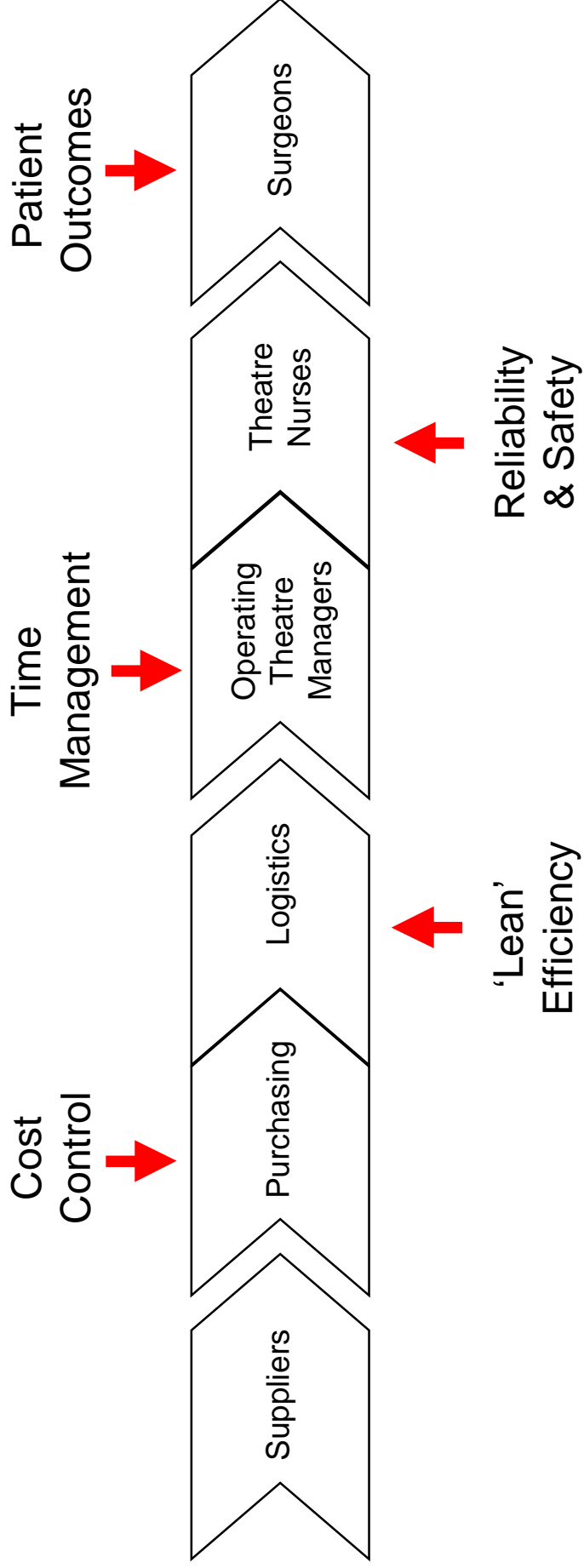
Value  
**'beyond'** the  
customer



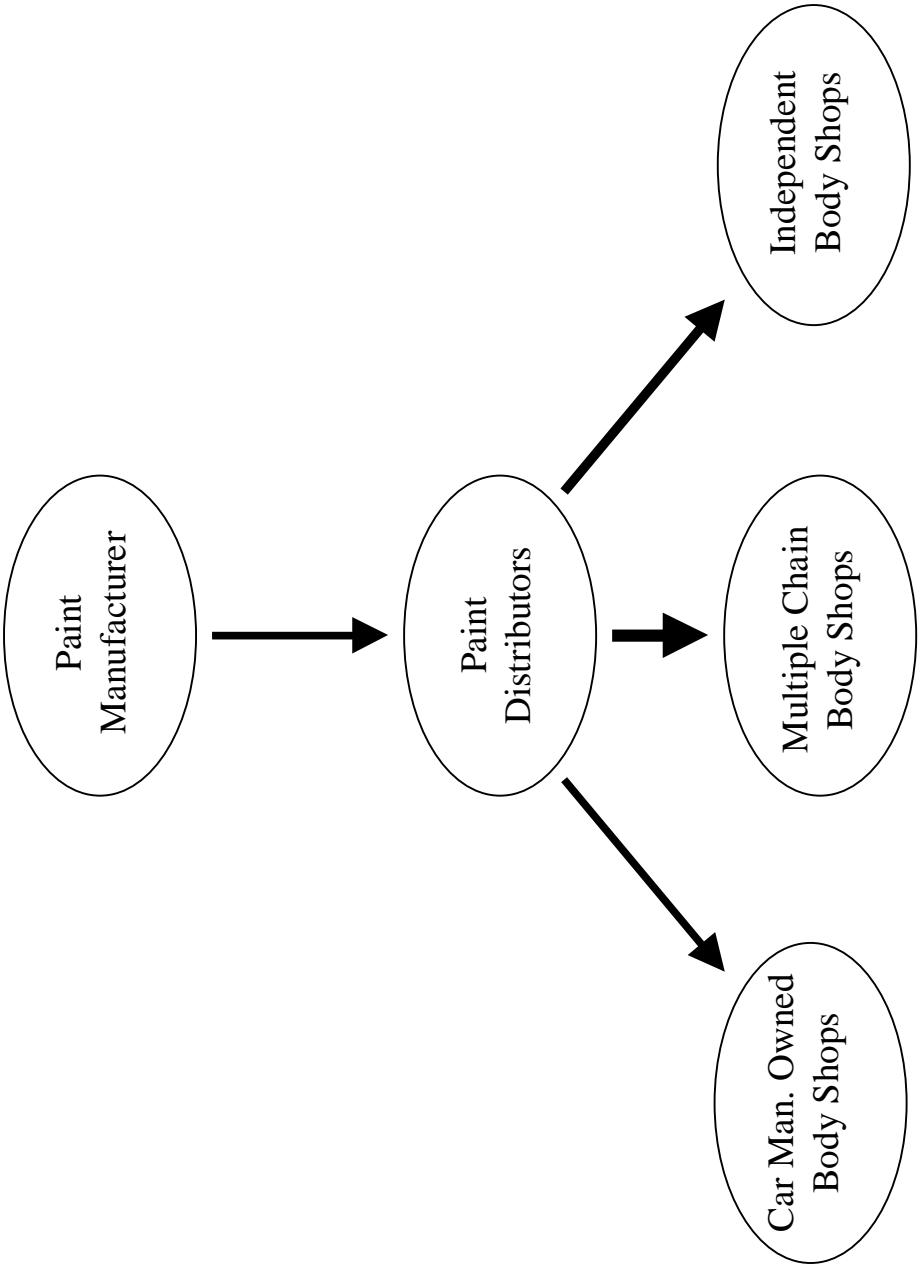
- = quality improvement
- = price increase
- = market development
- and etc....

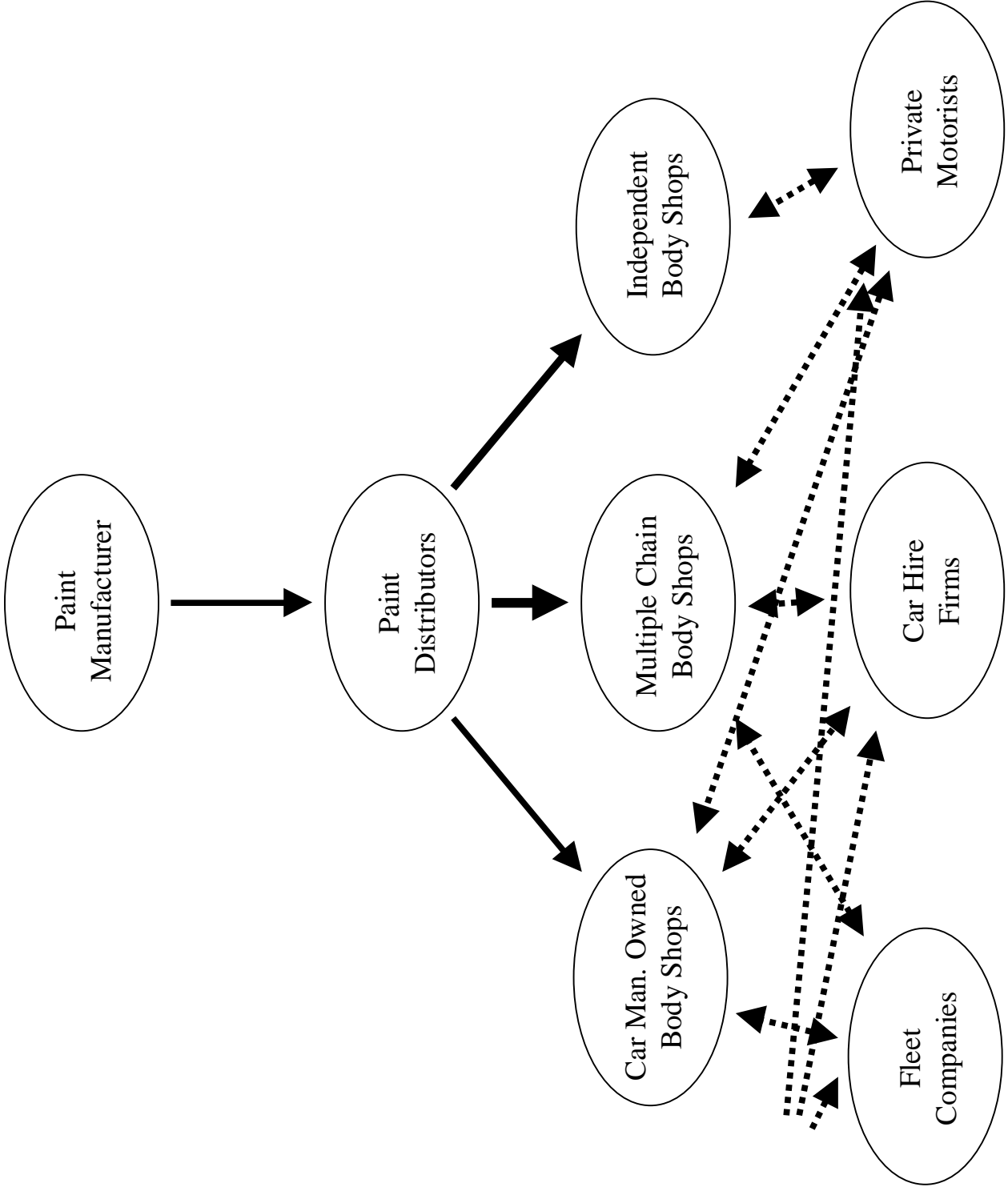


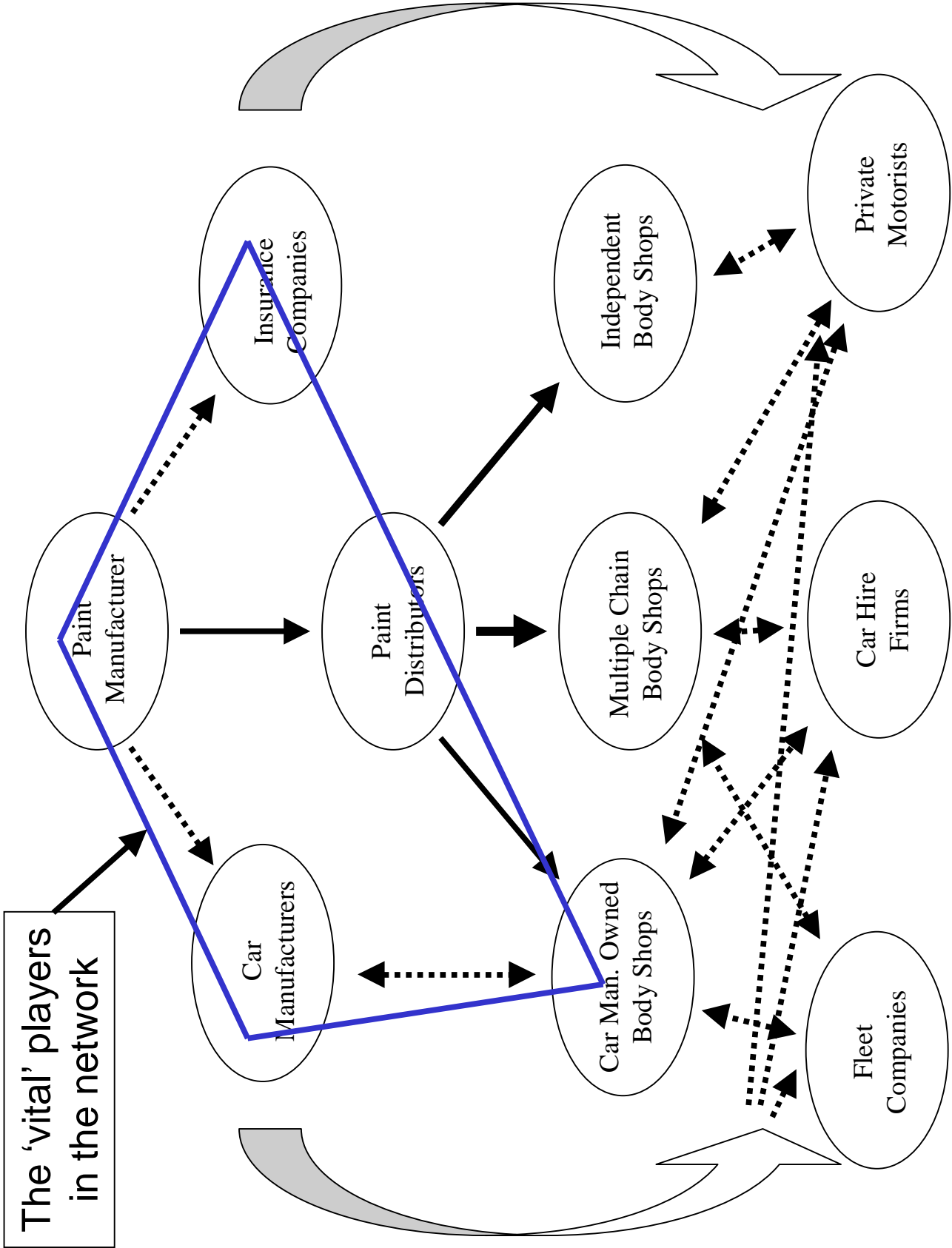


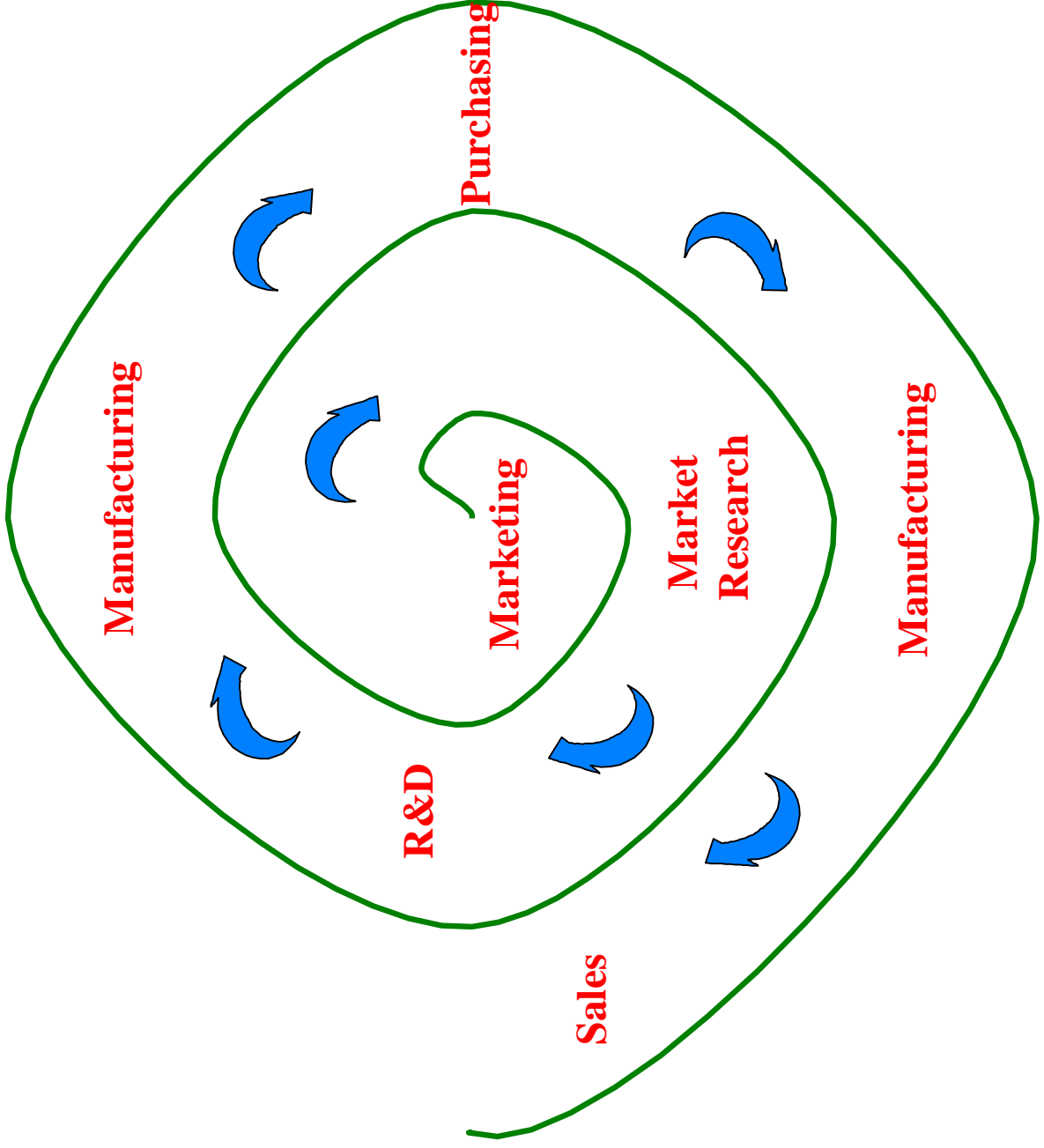


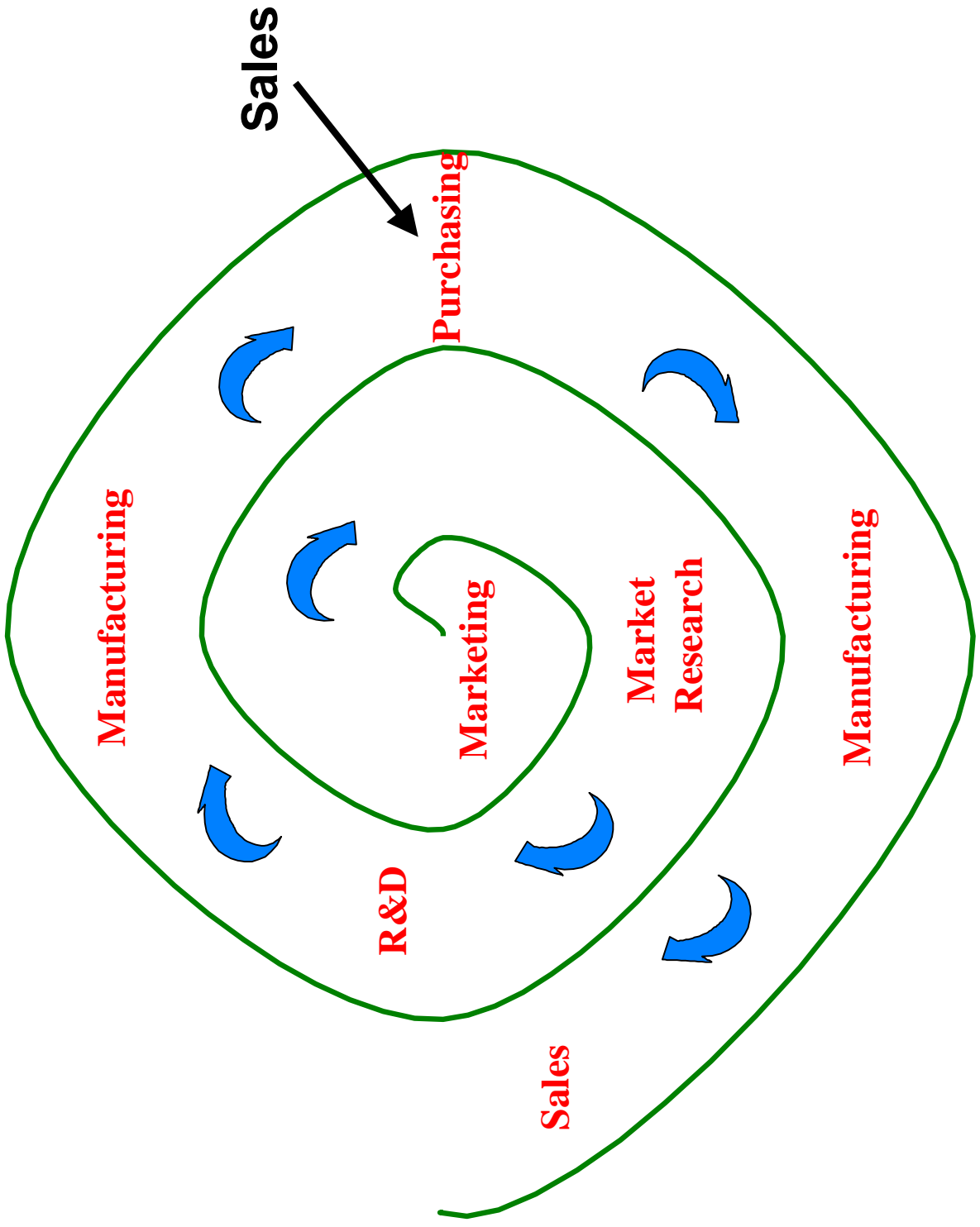


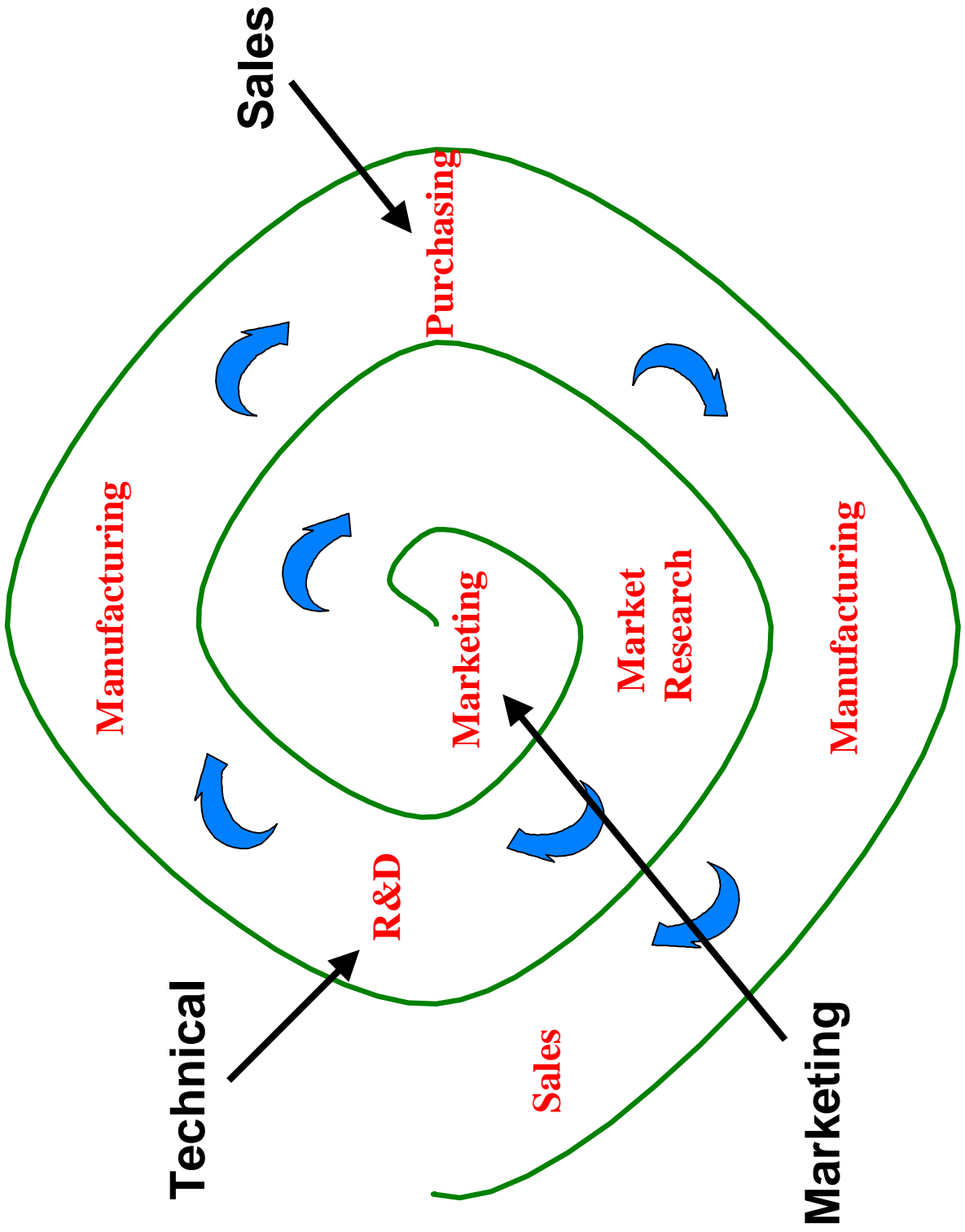


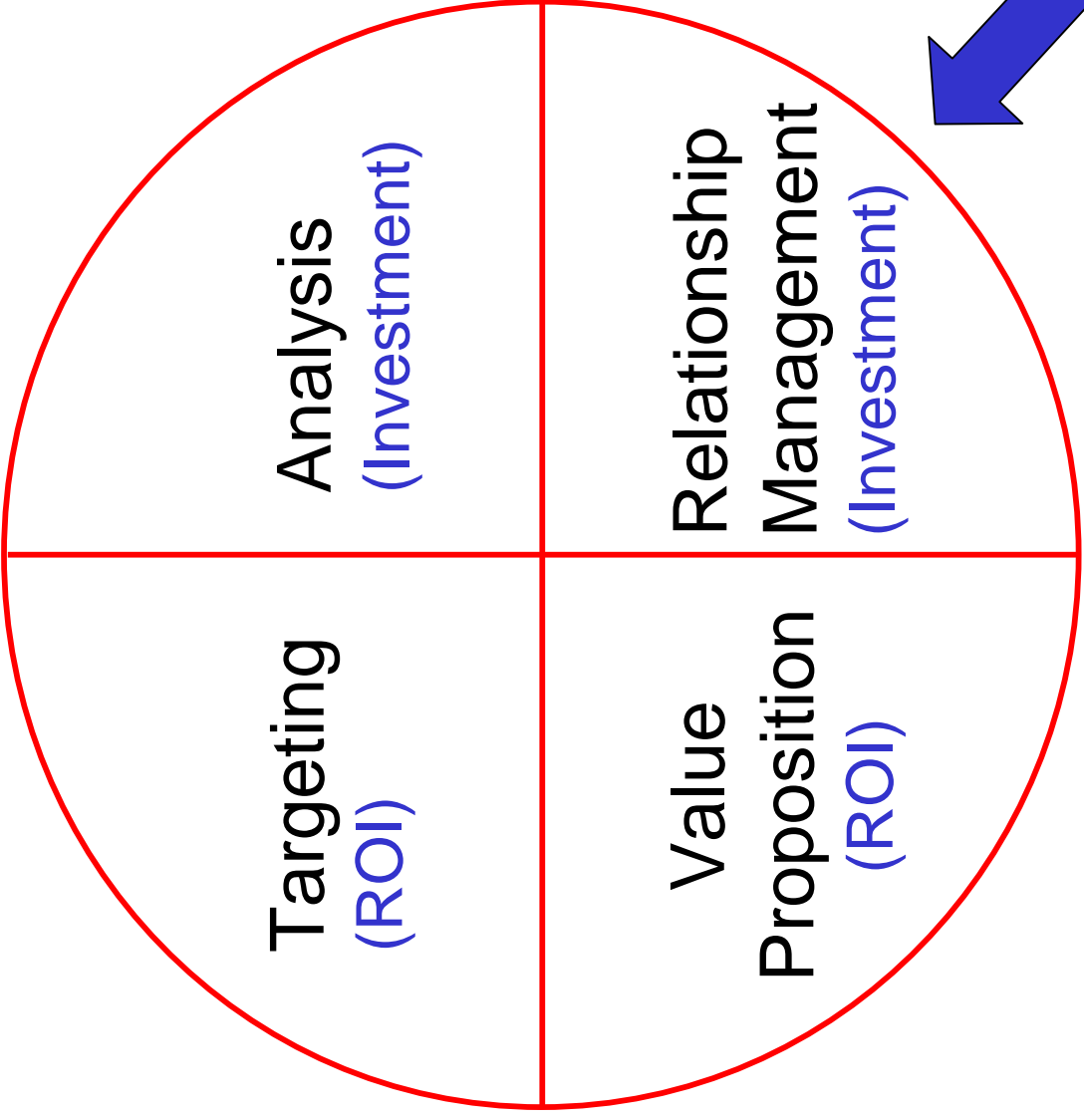


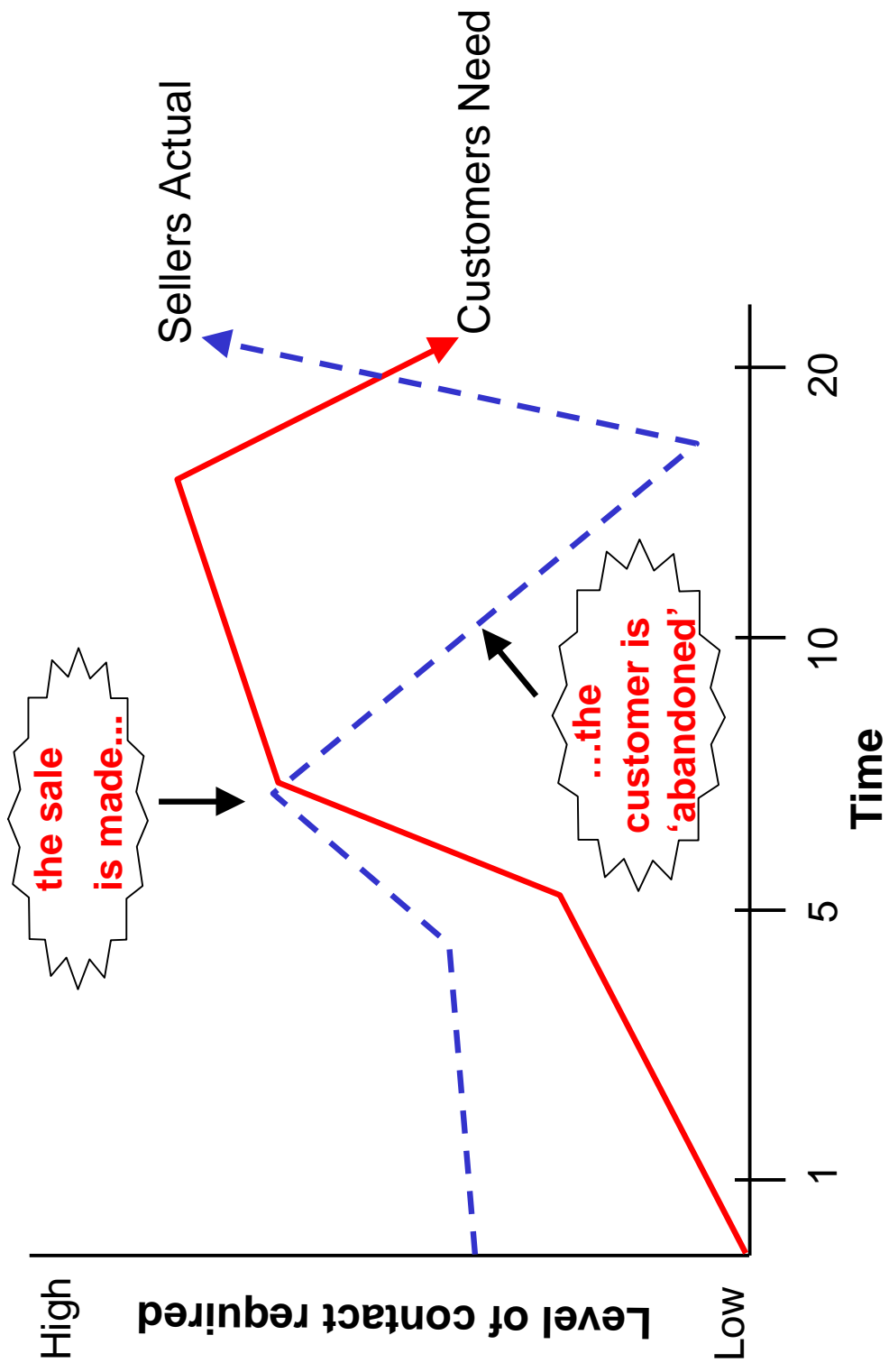


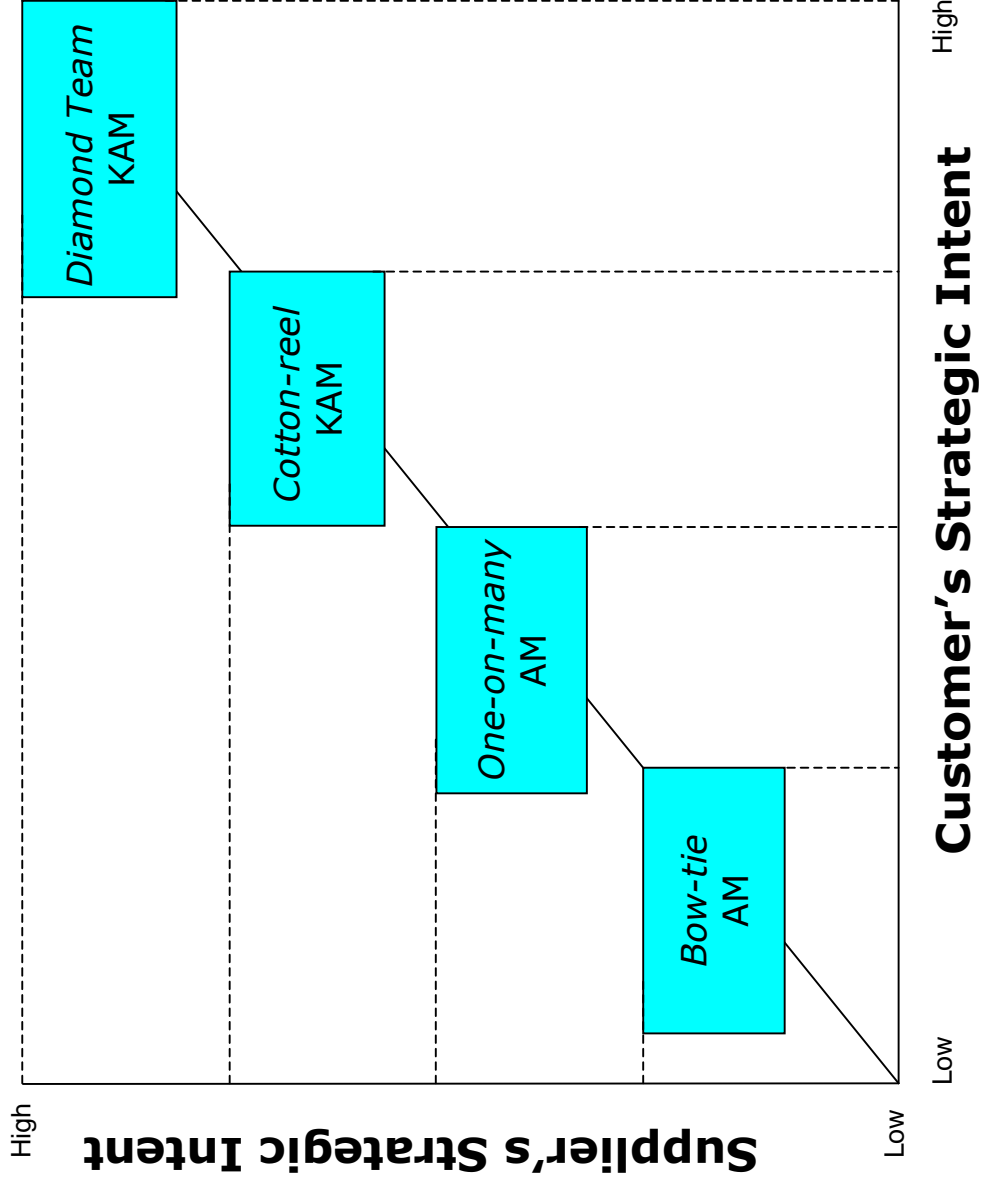


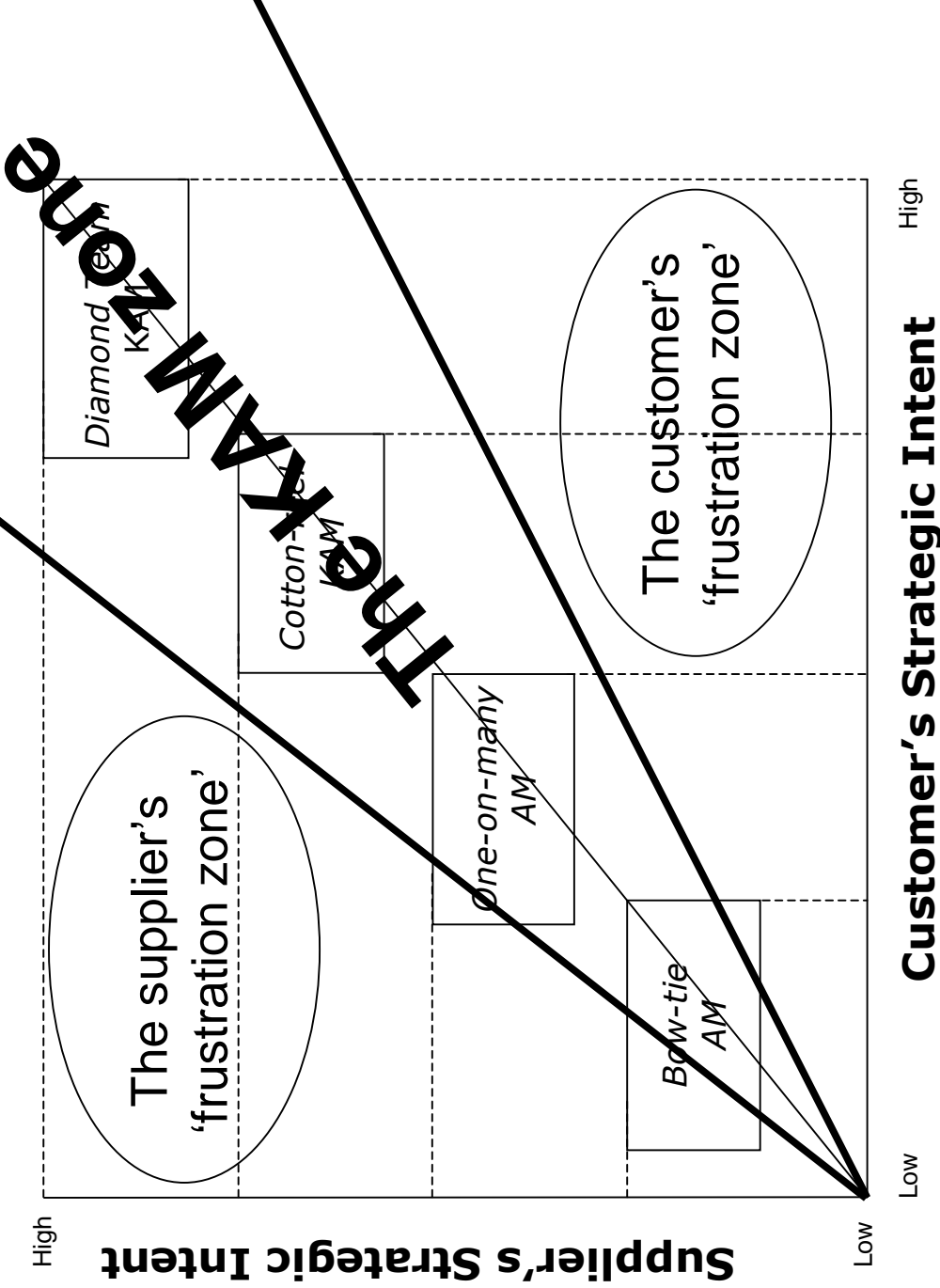


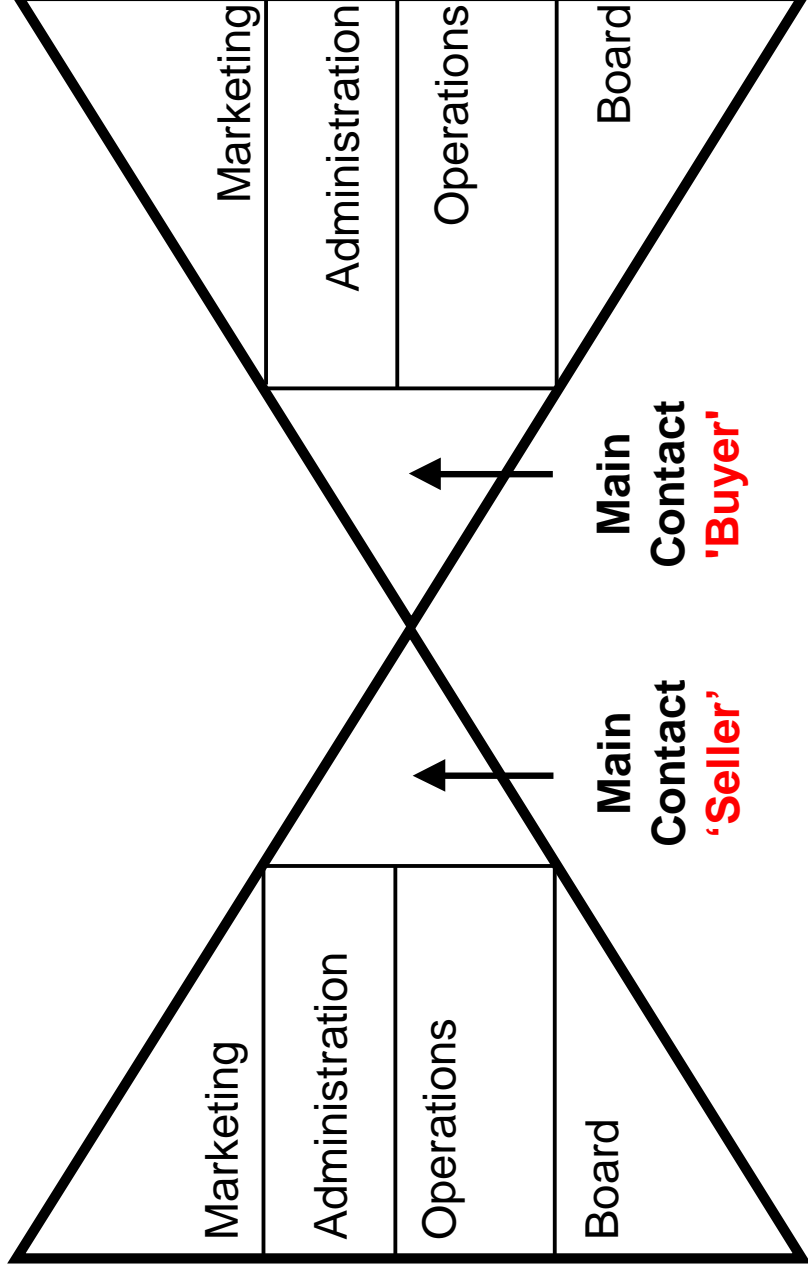










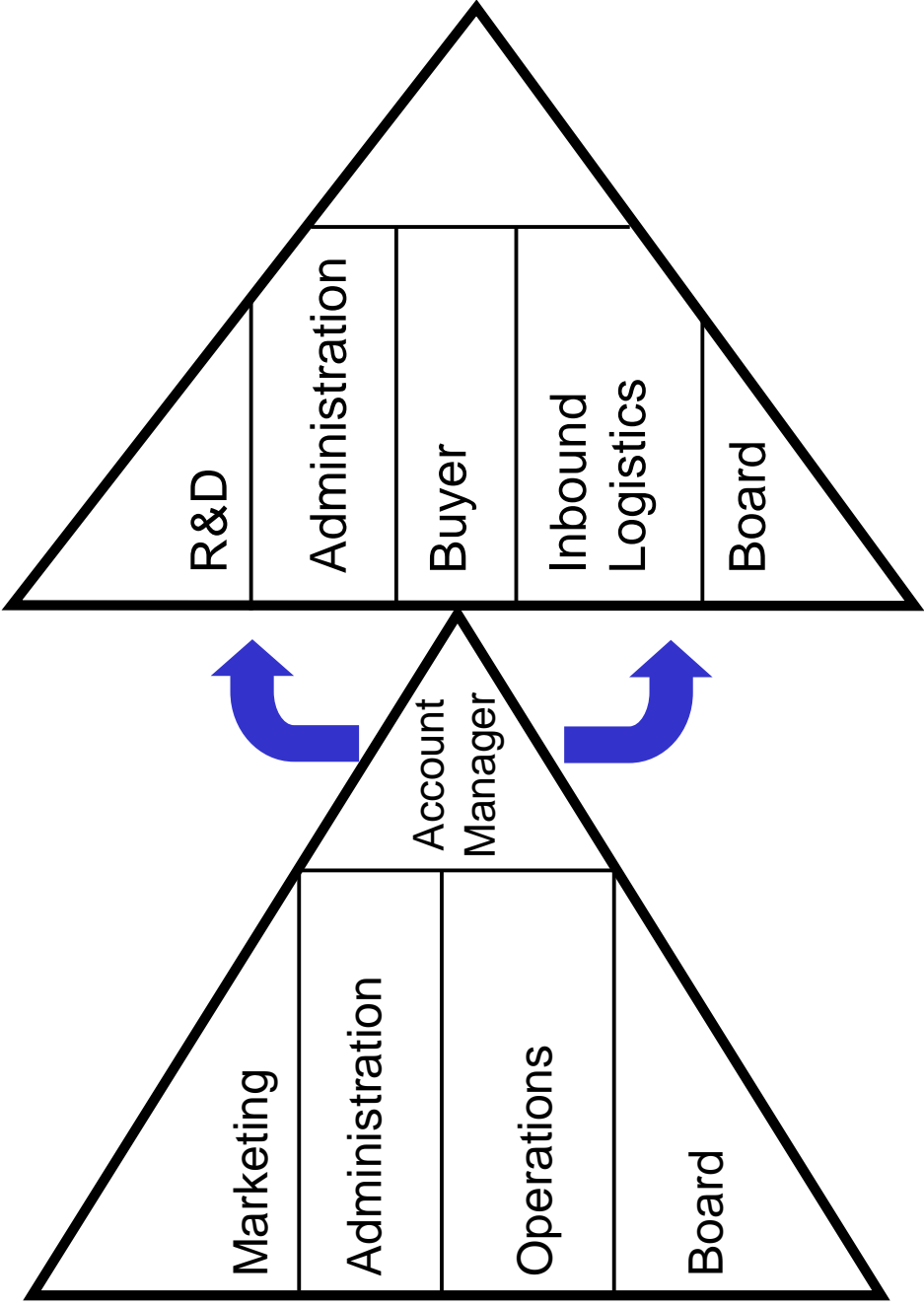


**Selling Company**

**Buying Company**

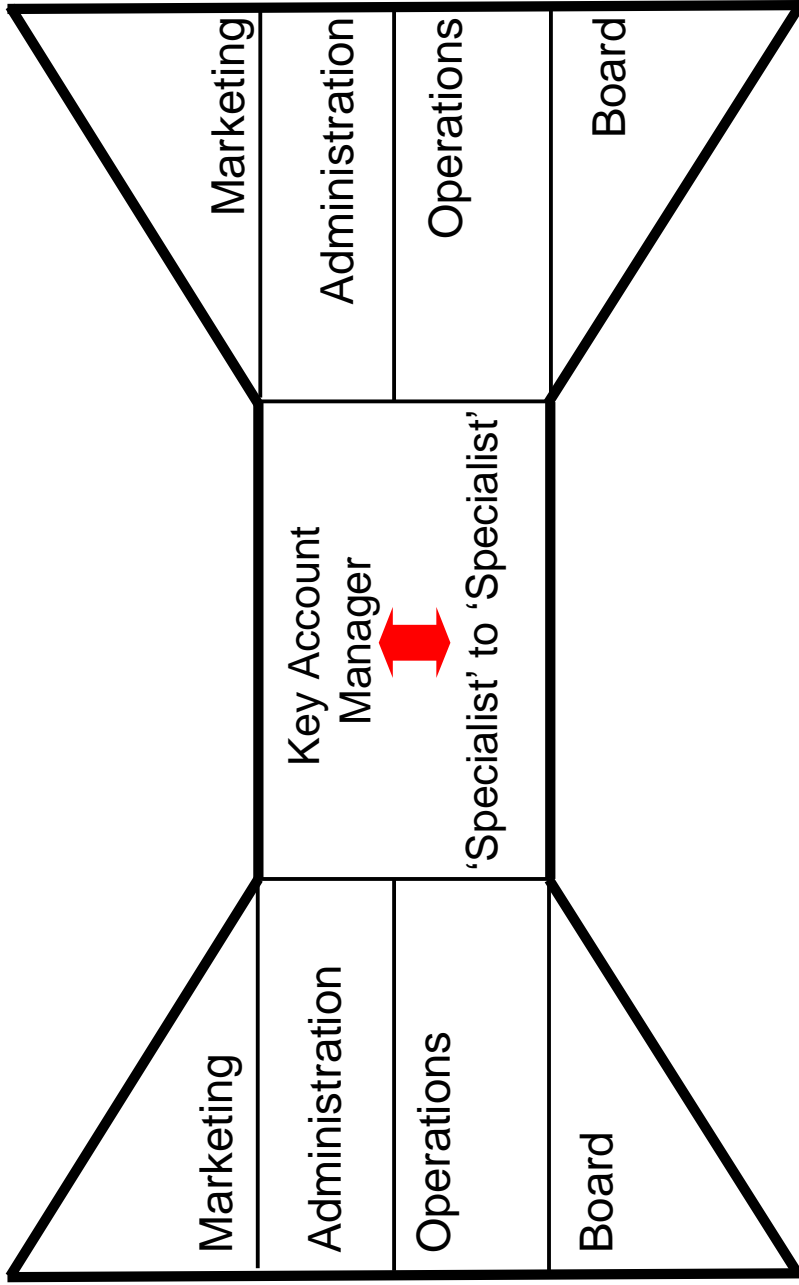
**Main Contact  
'Seller'**

**Main Contact  
'Buyer'**



**Selling Company**

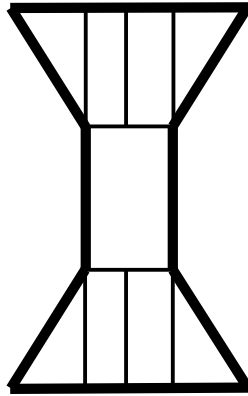
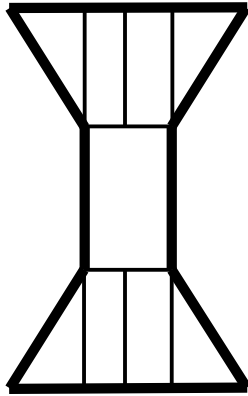
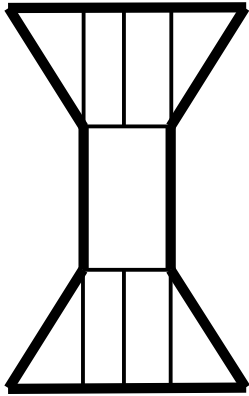
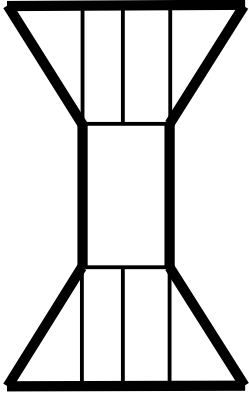
**Buying Company**



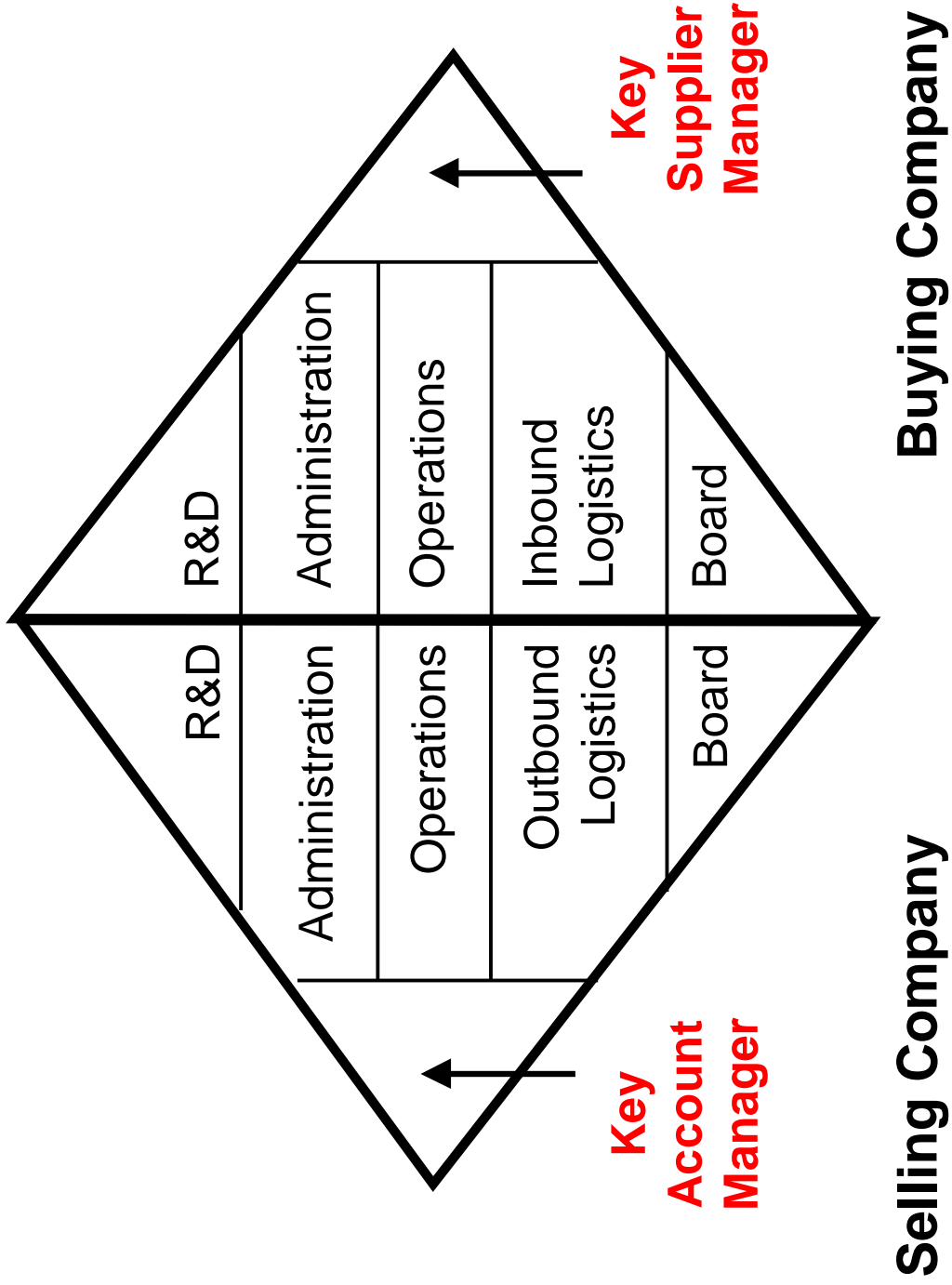
**Selling Company**

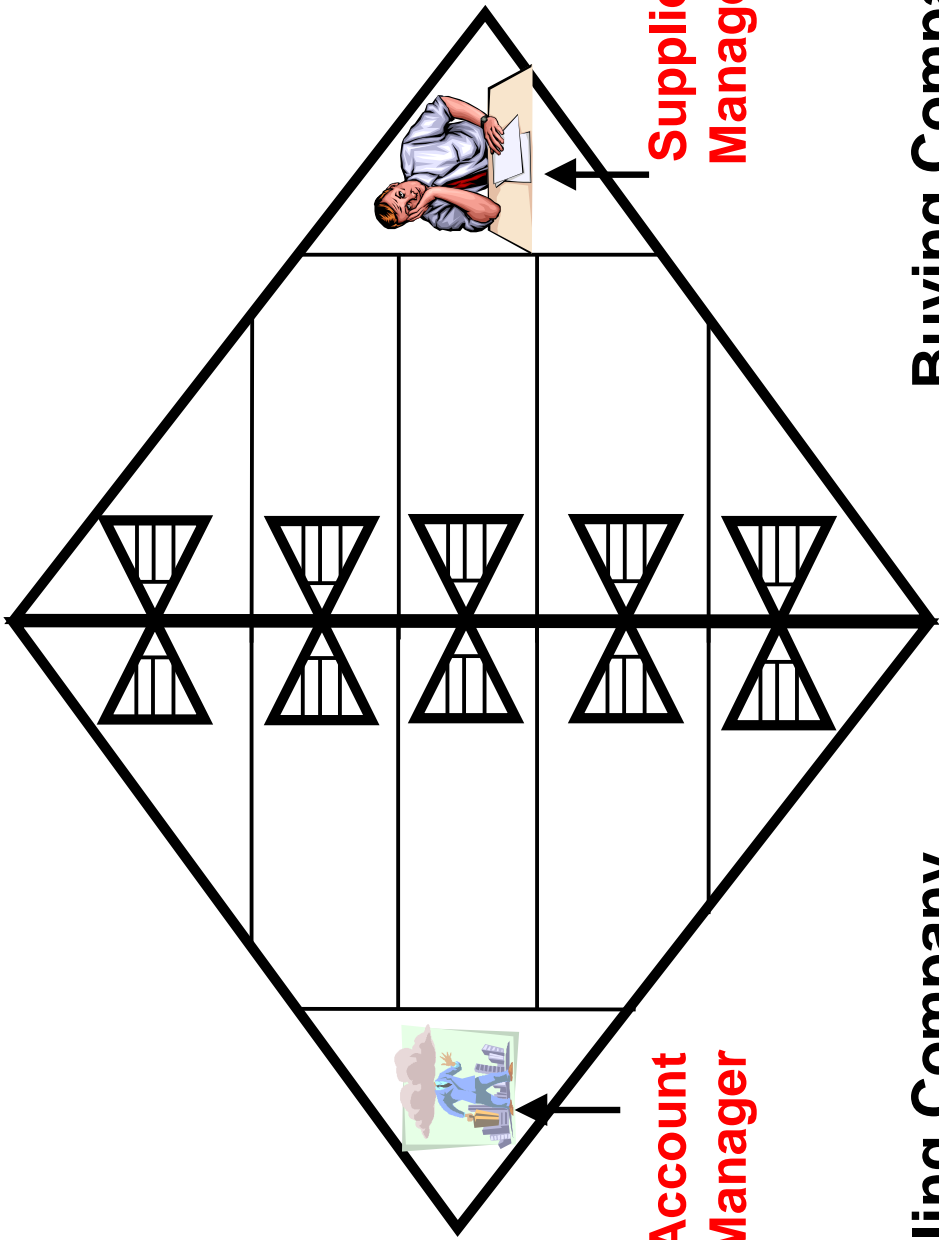
**Buying Organisation**

**Customer**



**Supplier**



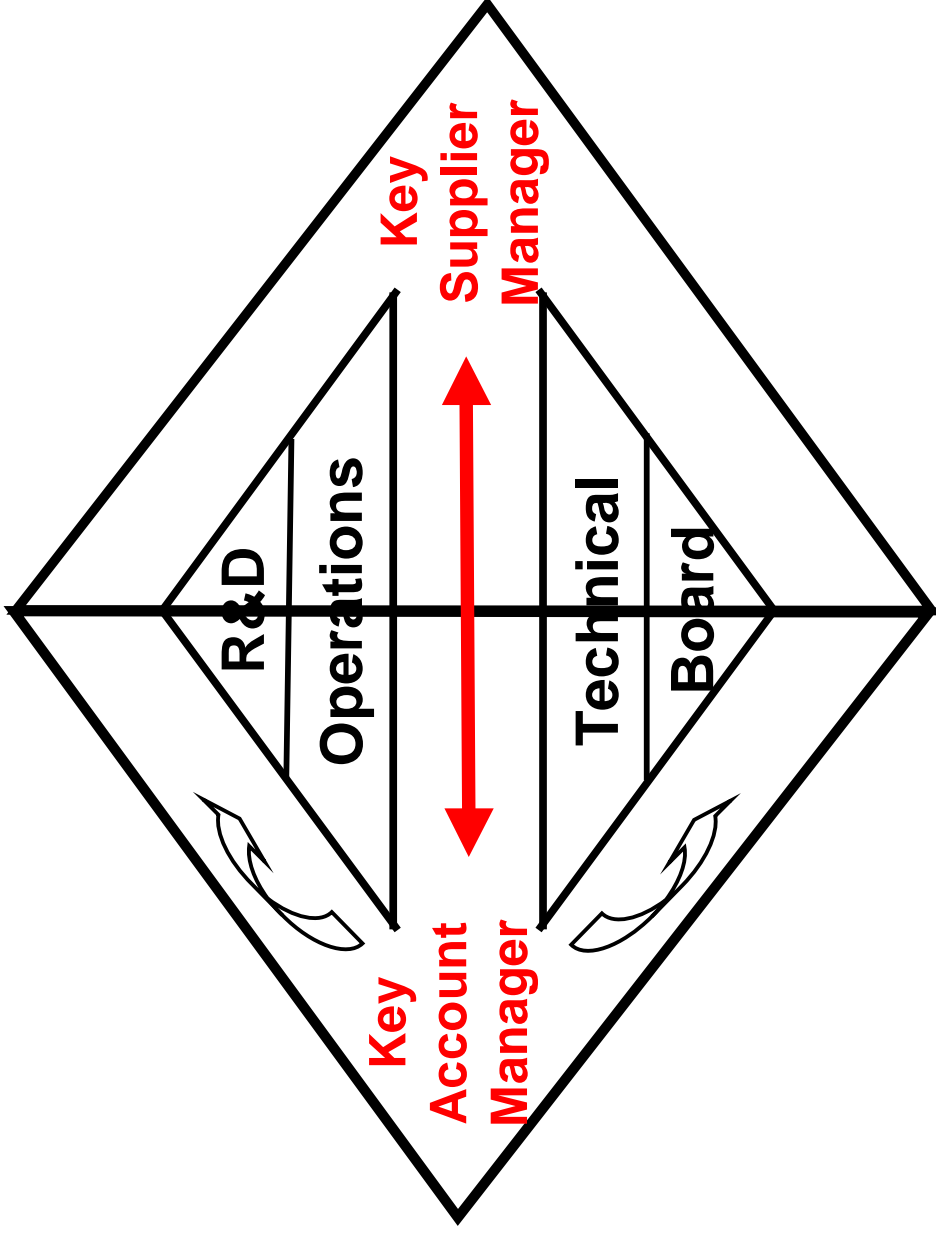


**Supplier  
Manager**

**Account  
Manager**

**Buying Company**

**Selling Company**



**Key  
Account  
Manager**

**Key  
Supplier  
Manager**

**R&D**

**Operations**

**Technical**

**Board**

**Selling Company**

**Buying Company**

The Role of the Buyer

The Influencer Wheel

The Influencer Matrix

'User/Specifier/Economic/Sponsor' types

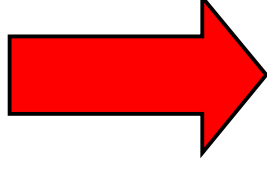
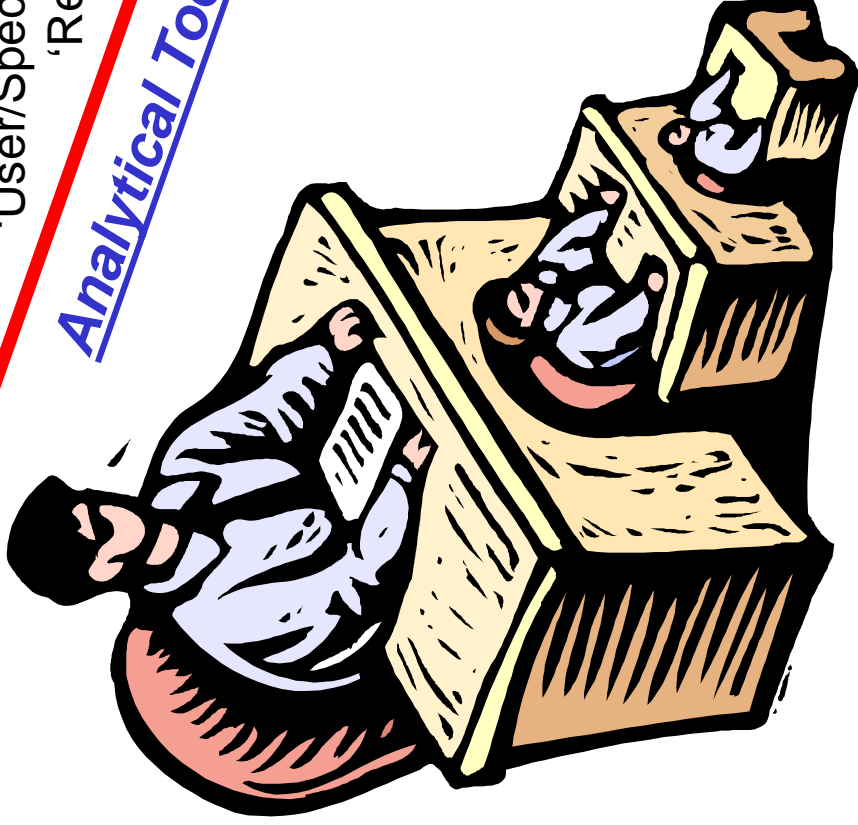
'Receptivity/Dissatisfaction/Power' types

'Adopter' types

Levels of Seniority

Supporters/Opponents

Analytical Tools



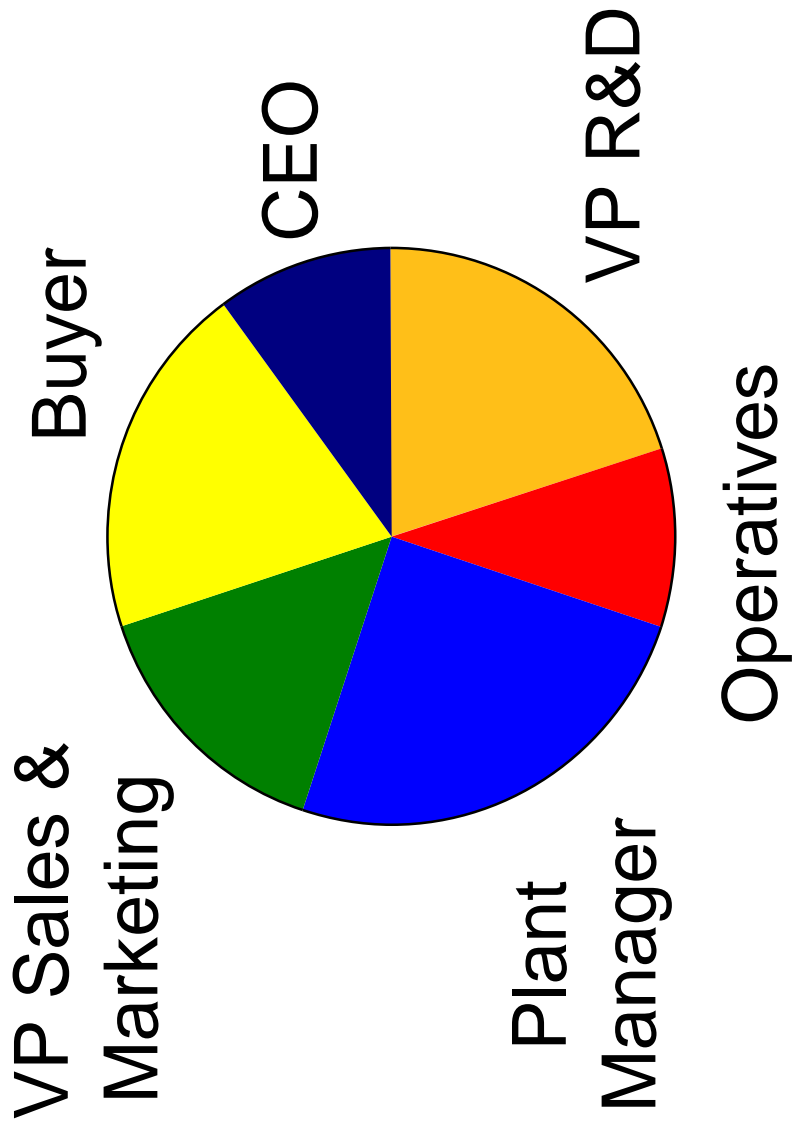
Action  
Tools

The Contact Matrix  
G.R.O.W.s

High	<p style="text-align: center;">Specifier Buyer</p>	<p style="text-align: center;">Lead Role Buyer</p>
Low	<p style="text-align: center;">‘Gatekeeper’ buyer?</p>	<p style="text-align: center;">‘Service’ buyer</p>
	Low	High

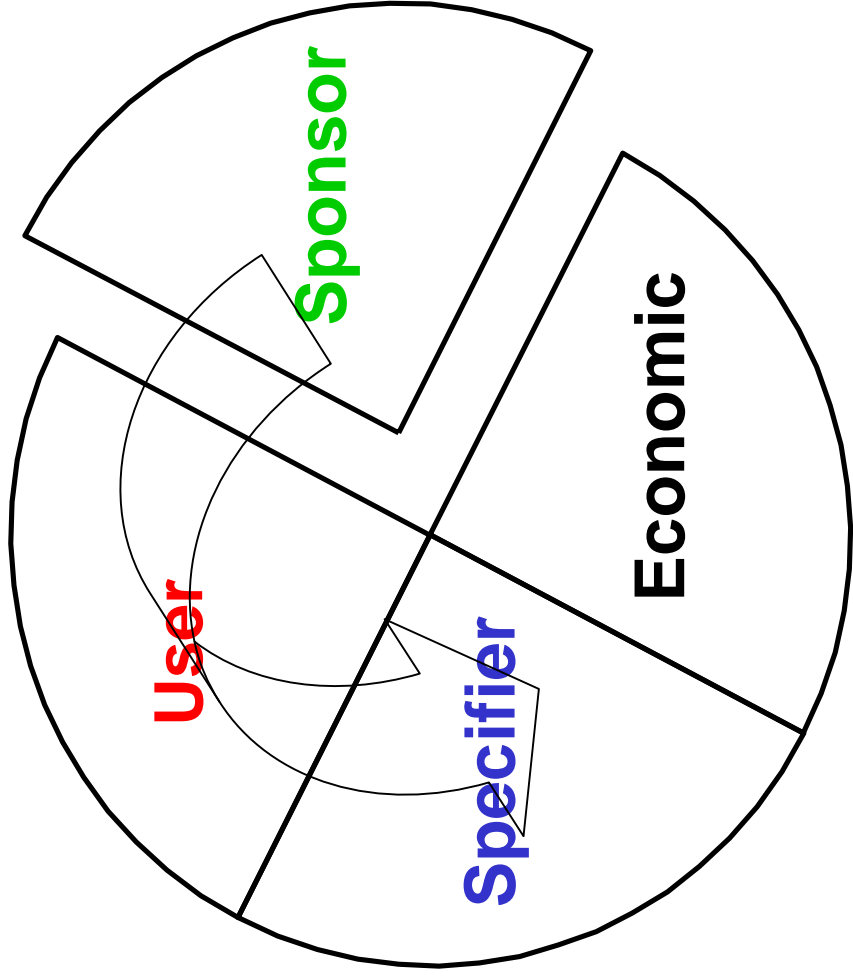
**Level of Interest**

**Level of Involvement**

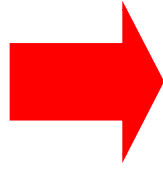


		IS INFLUENCED BY ...						
		←						
		John Smith	Sue Rogers	Terry Paine	Alex Holland	Steph Higgins	Barry Munroe	Alice Hill
John Smith			**		**			
Sue Rogers						***		*
Terry Paine								
Alex Holland				*				
Steph Higgins								
Barry Munroe		*****	**	**				
Alice Hill		**	**					

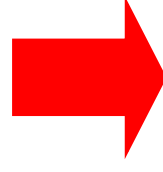
THIS PERSON ... →



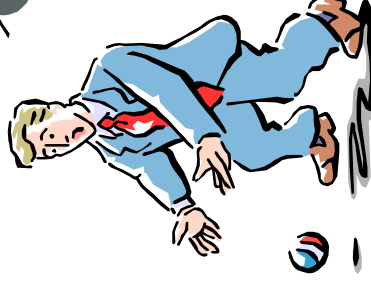
- Those who are **Receptive** to new ideas

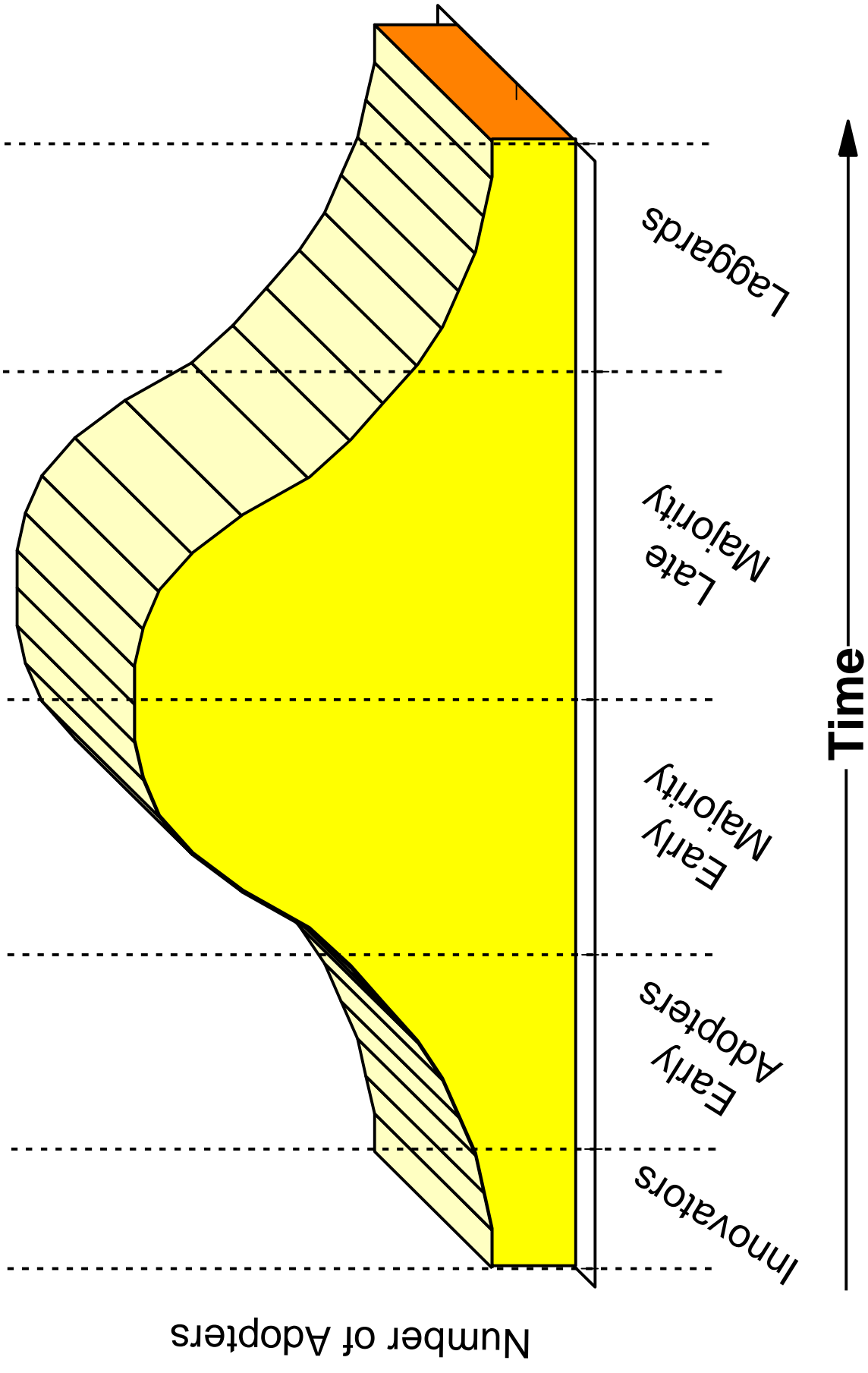


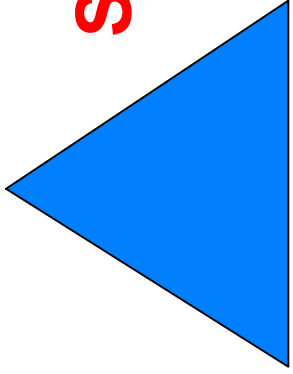
- Those who are **Dissatisfied** with current circumstances



- Those who seek **Power or Control** over the solutions

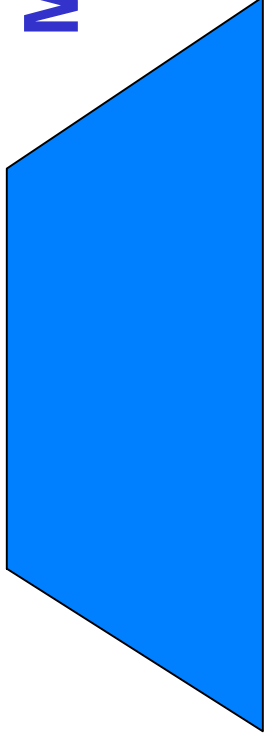






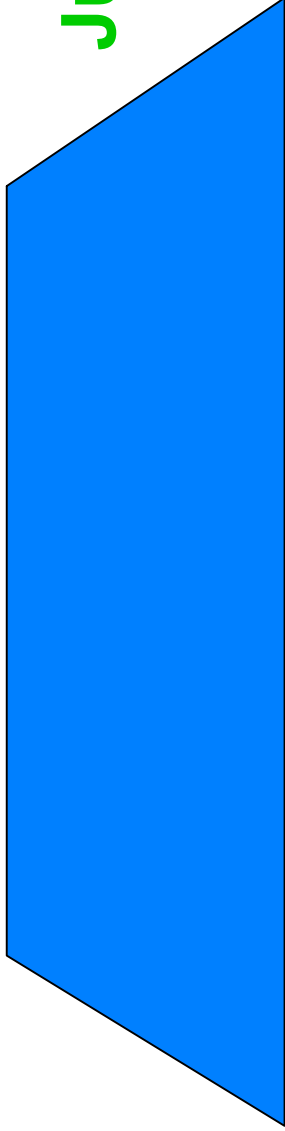
## **Senior Management**

Making the Commitment



## **Middle/Junior Management**

Managing the Relationship  
Ensuring Satisfaction



## **Junior Staff**

Meeting Expectations

<b>Cautious Supporters</b>	<b>Supporters</b>
<b>Opponents</b>	<b>Constructive Critics</b>

High

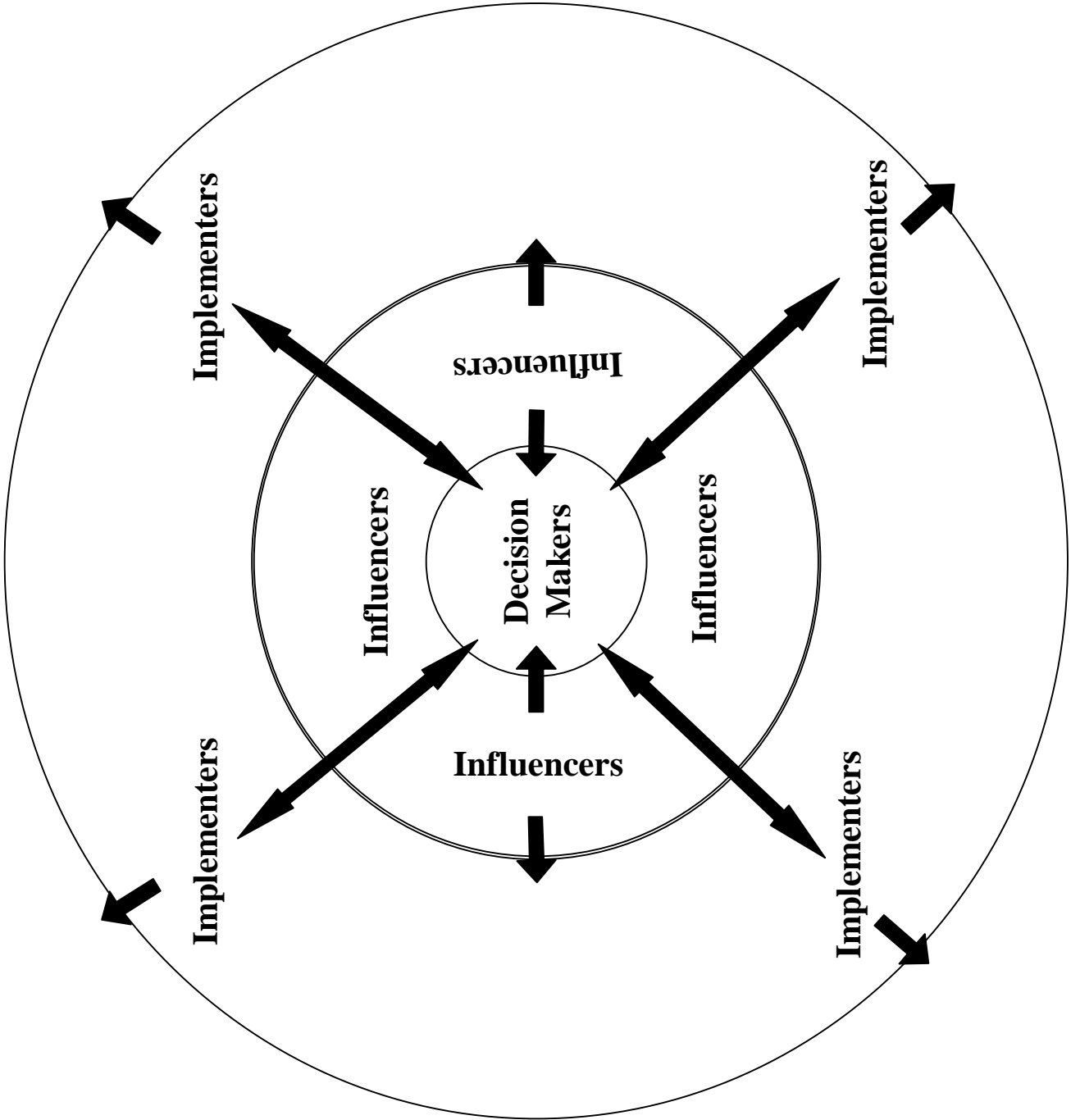
**Business Agreement**

Low

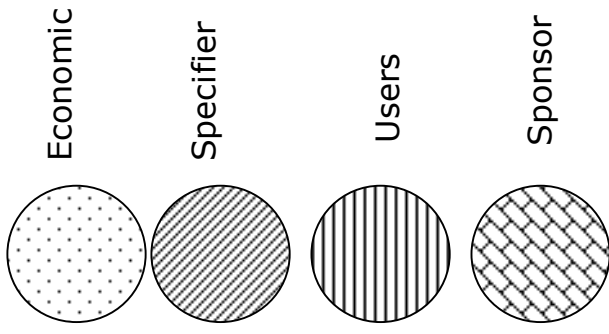
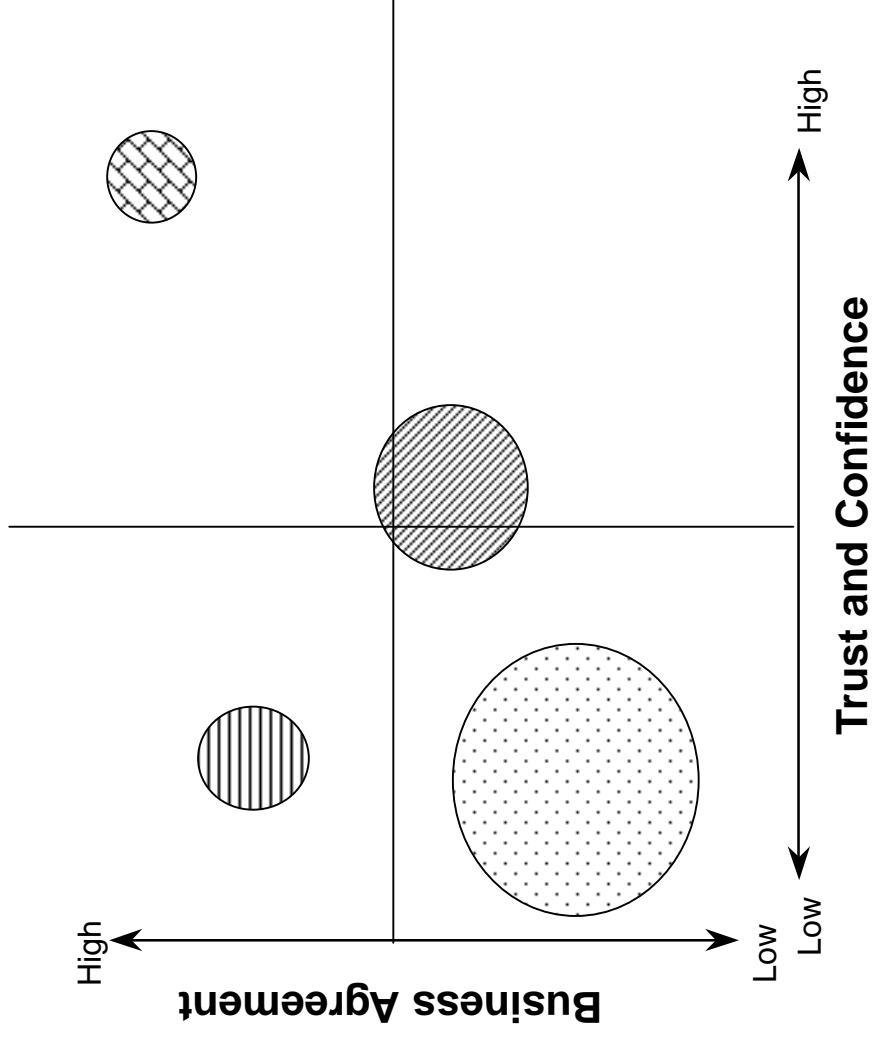
Low

High

**Trust and Confidence**



*(Circle size indicates significance of influence)*



	Account Manager	Your team member	Your team member	Your team member	Your team member	Your team member
Buying Director	XXXX					
Their team member	XX		XXXX	X		XX
Their team member		XXXX			X	
Their team member	X				XX	X
Their team member						
Their team member	X					XXX

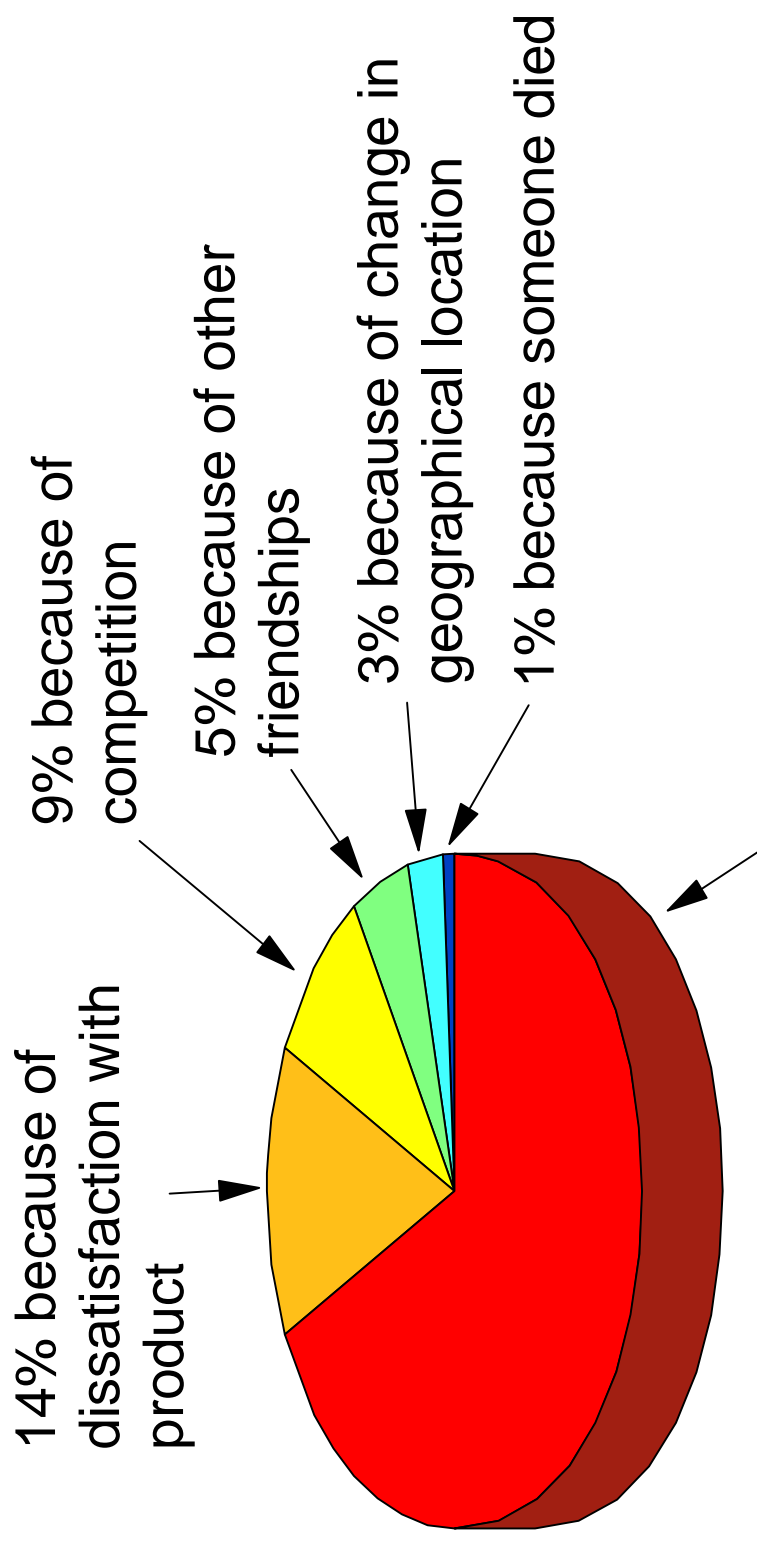
	<b>Ken Reilly</b>	<b>Your team member</b>	<b>Rob Jones</b>	<b>Your team member</b>	<b>Your team member</b>	<b>Your team member</b>
<b>John Smith</b>						
<b>Their team member</b>	XXXX					
<b>Their team member</b>	XX			X		XX
<b>Paul Knight</b>					X	
<b>Their team member</b>						
<b>Their team member</b>						

**Ken Reilly - John Smith**  
 G - Secure order for xxxx  
 R - Present solution yyyy  
 O - Brief team on progress  
 W - By 7th Aug, London

**Paul Knight - R&D**  
 Specifier  
 Early Adopter  
 Cautious supporter  
 Is influenced by....

**Rob Jones - Paul Knight**  
 G - Develop new market for xxx  
 R - Deliver training yyy  
 O - Feedback learning to KA team  
 W - By 3rd July, Zurich



**68% because of 'indifference' shown by the supplier over a period of time**

## Power



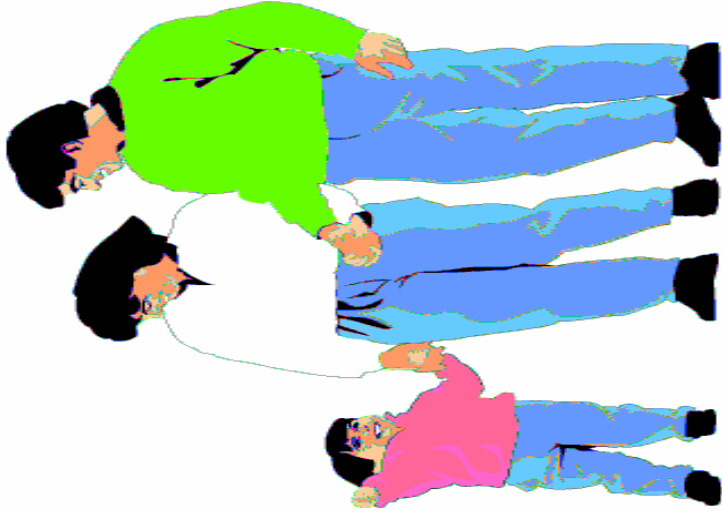
**Desires influence**  
**Seeks status**  
**Controlling**

## Achievement



**Desires results**  
**Seeks challenge**  
**Competitive**

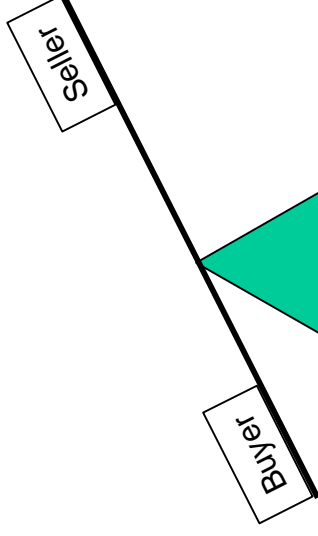
## Affiliation



**Desires relationships**  
**Seeks teamwork**  
**Co-operative**



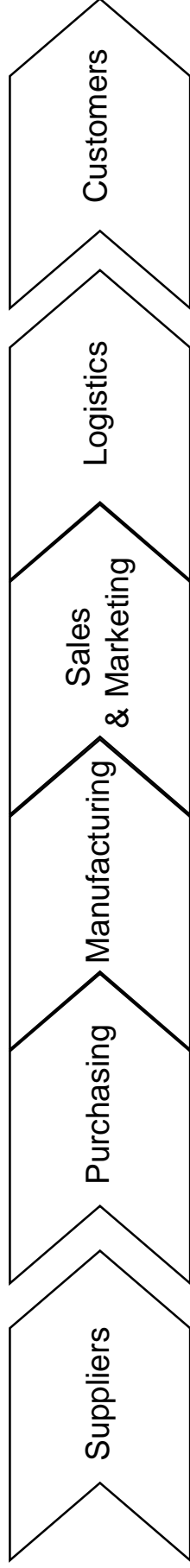
The traditional 'seller-buyer' relationship

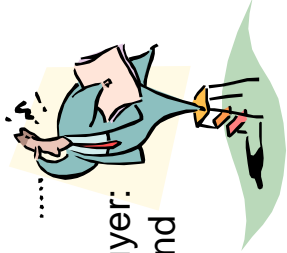


The impact of the Purchasing Revolution

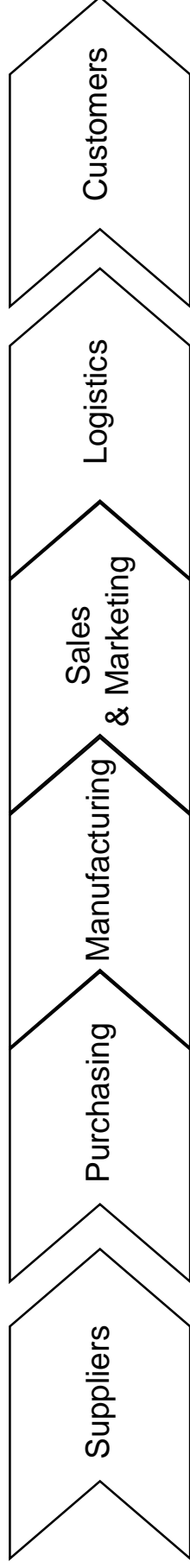


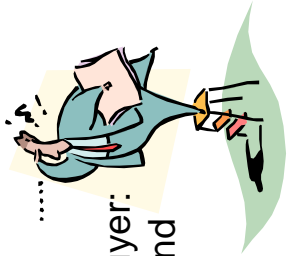
Redressing the balance through Key Account Management?





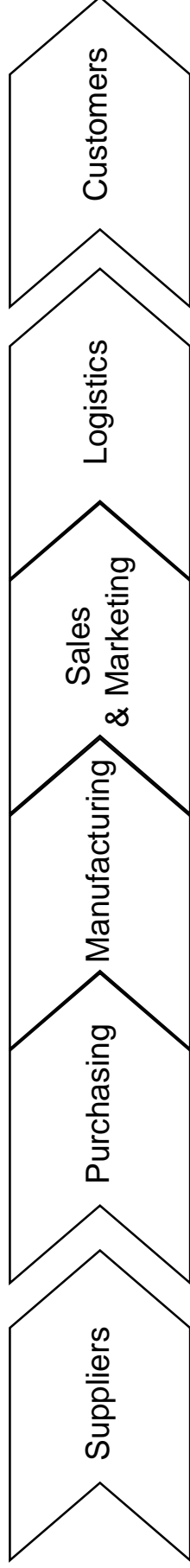
.....  
The old-fashioned buyer:  
interested in prices and  
delivery terms...





.....

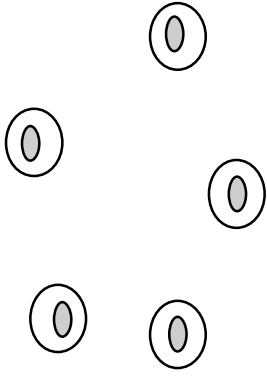
The *old-fashioned* buyer:  
interested in prices and  
delivery terms...



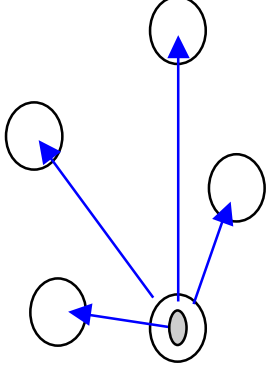
.....

... still interested in  
prices and delivery  
terms...

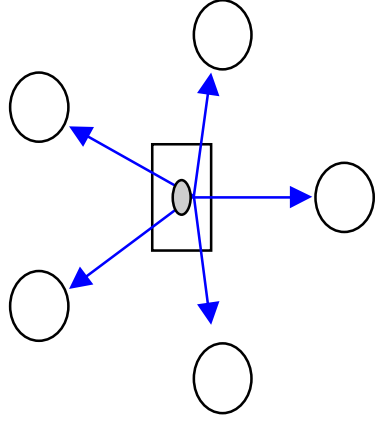
The *new-fashioned* buyer: increasingly interested in:  
faster NPD, lower manufacturing costs, higher sales values,  
and satisfied customers...



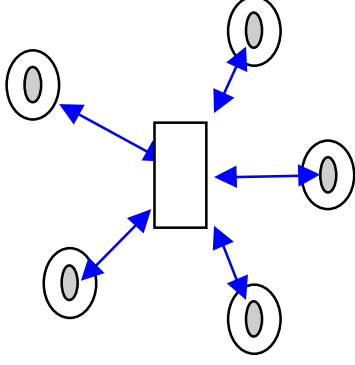
**Single-Site Buying**



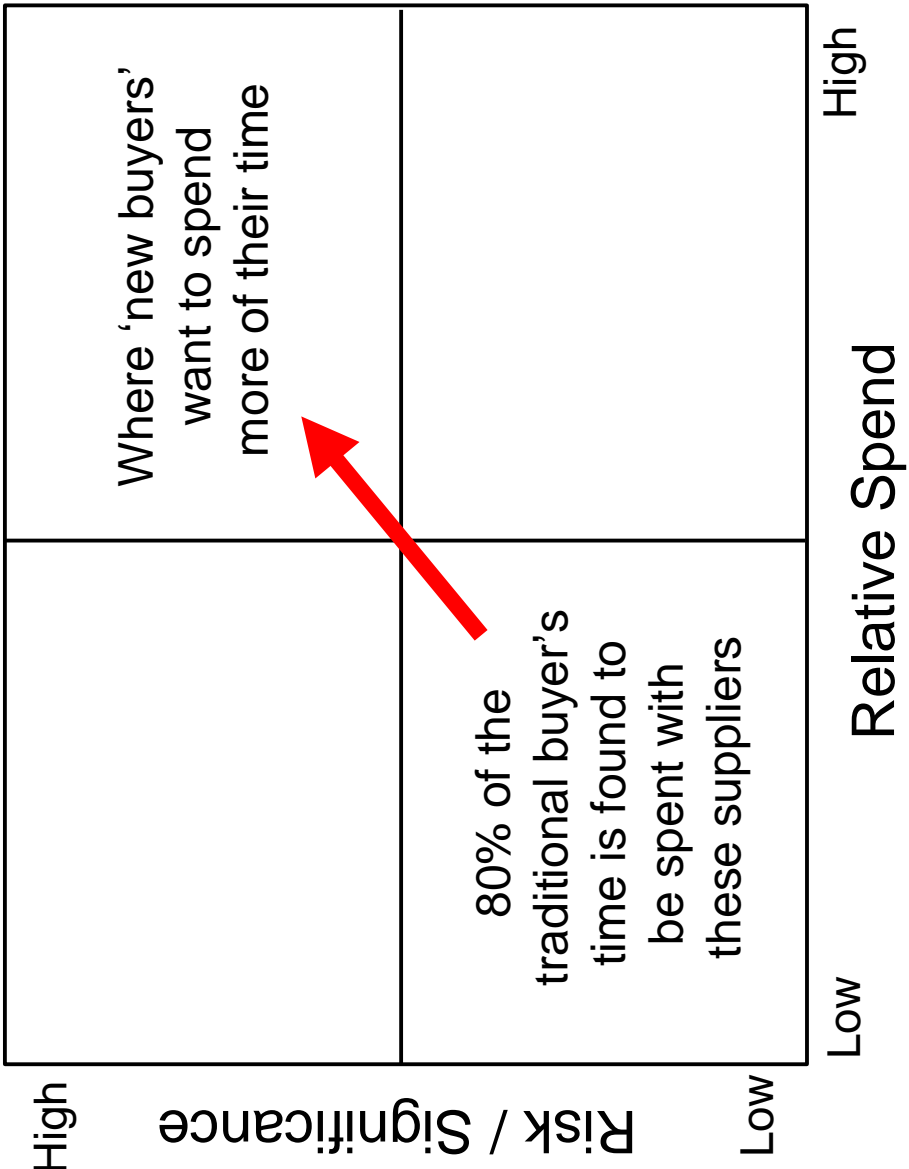
**Lead Buyer**

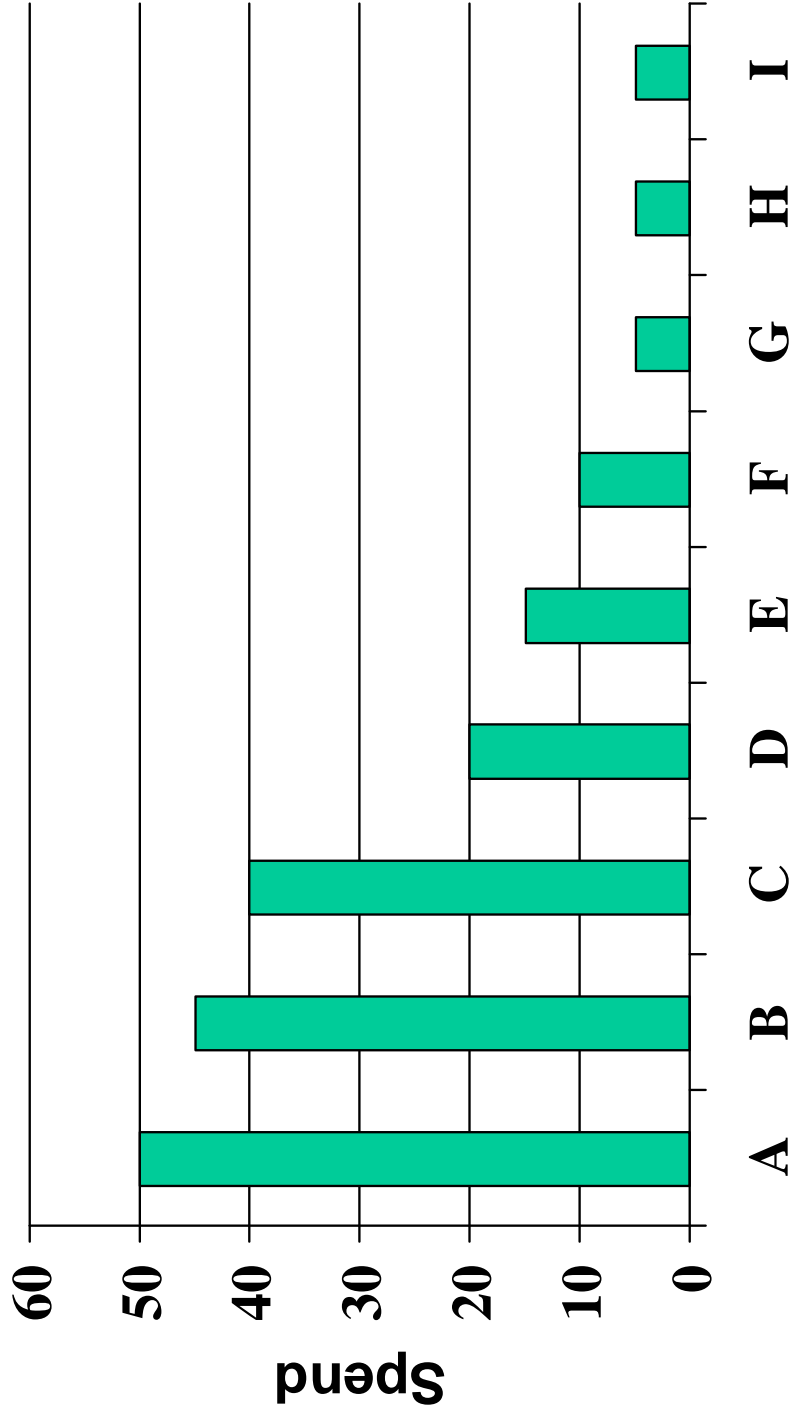


**Corporate Purchasing**

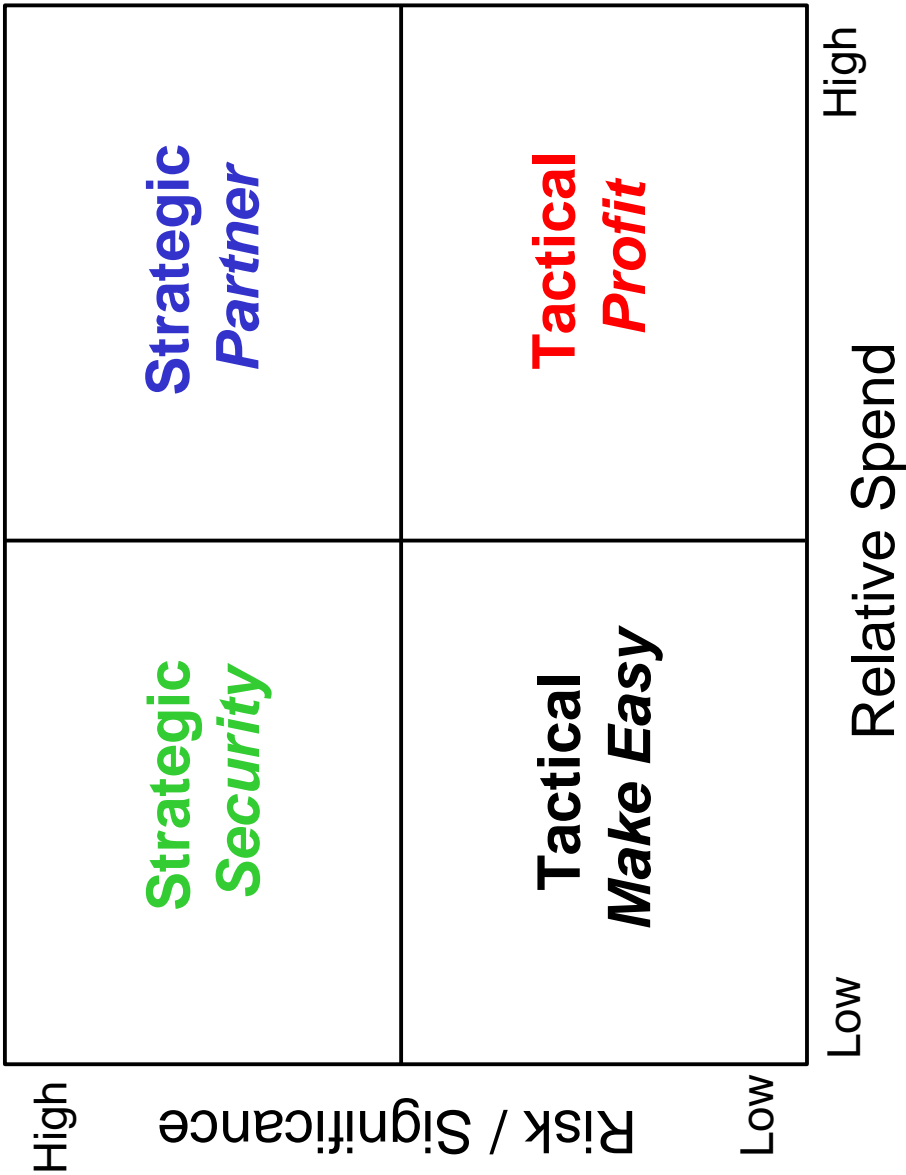


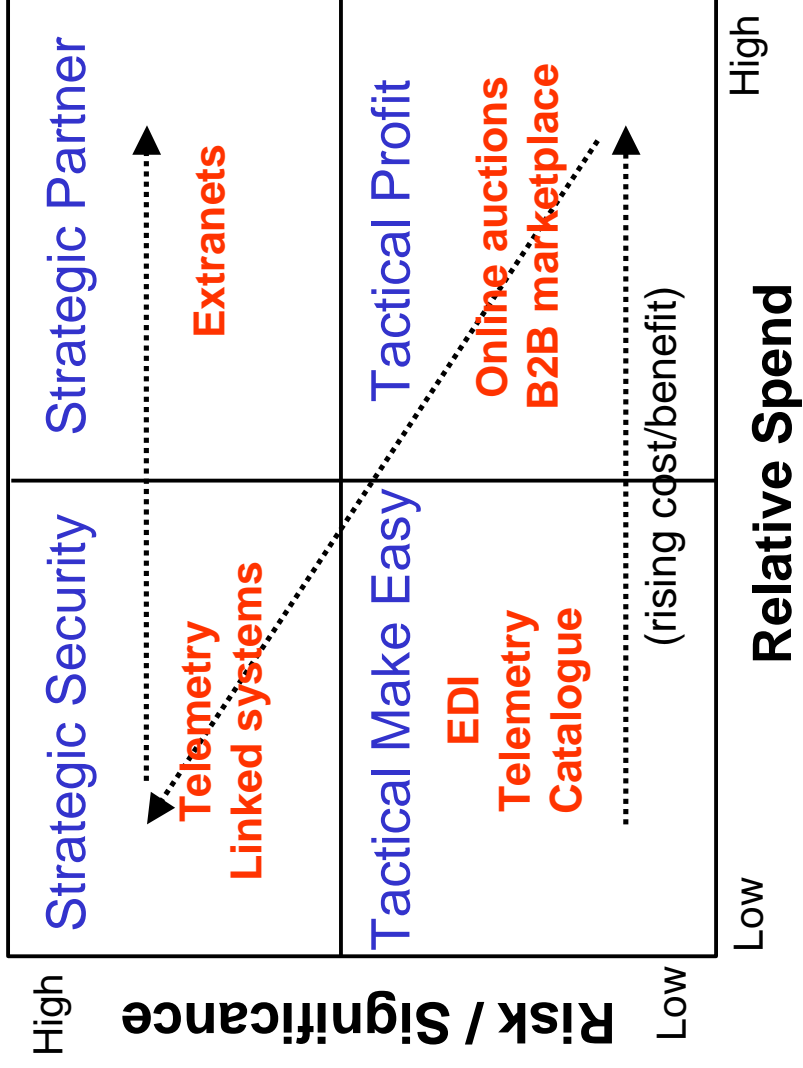
**Corporate Purchasing Service**

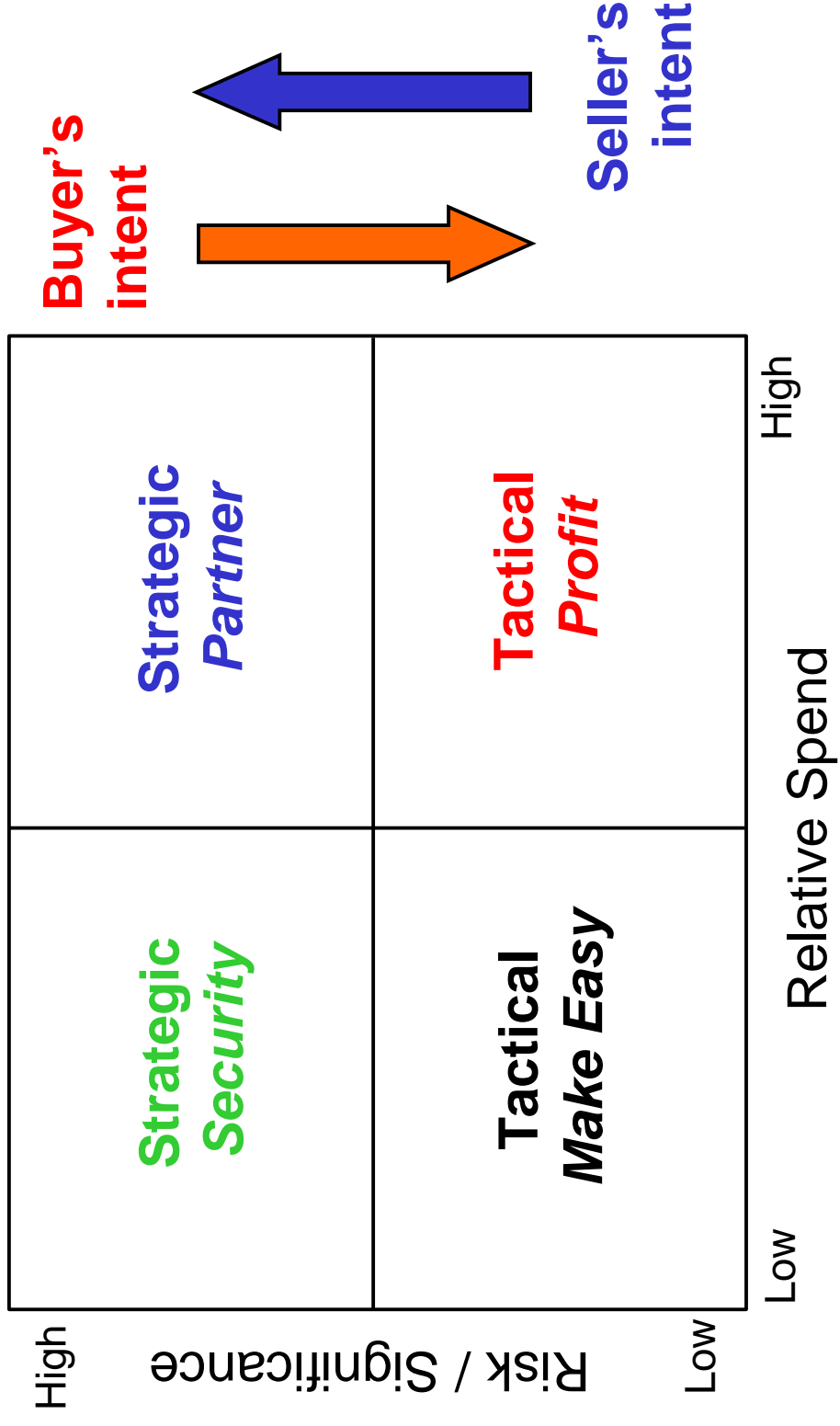


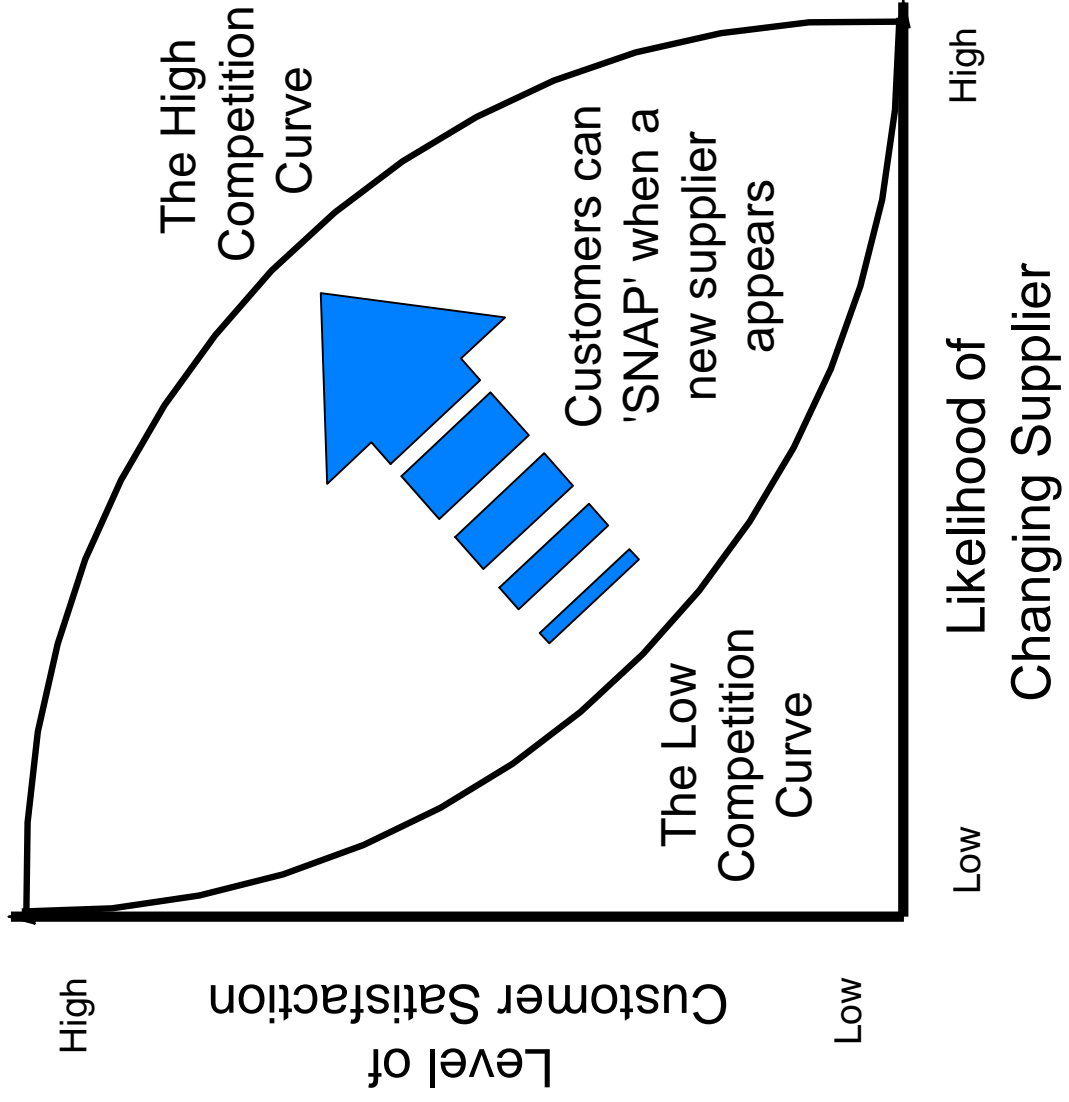


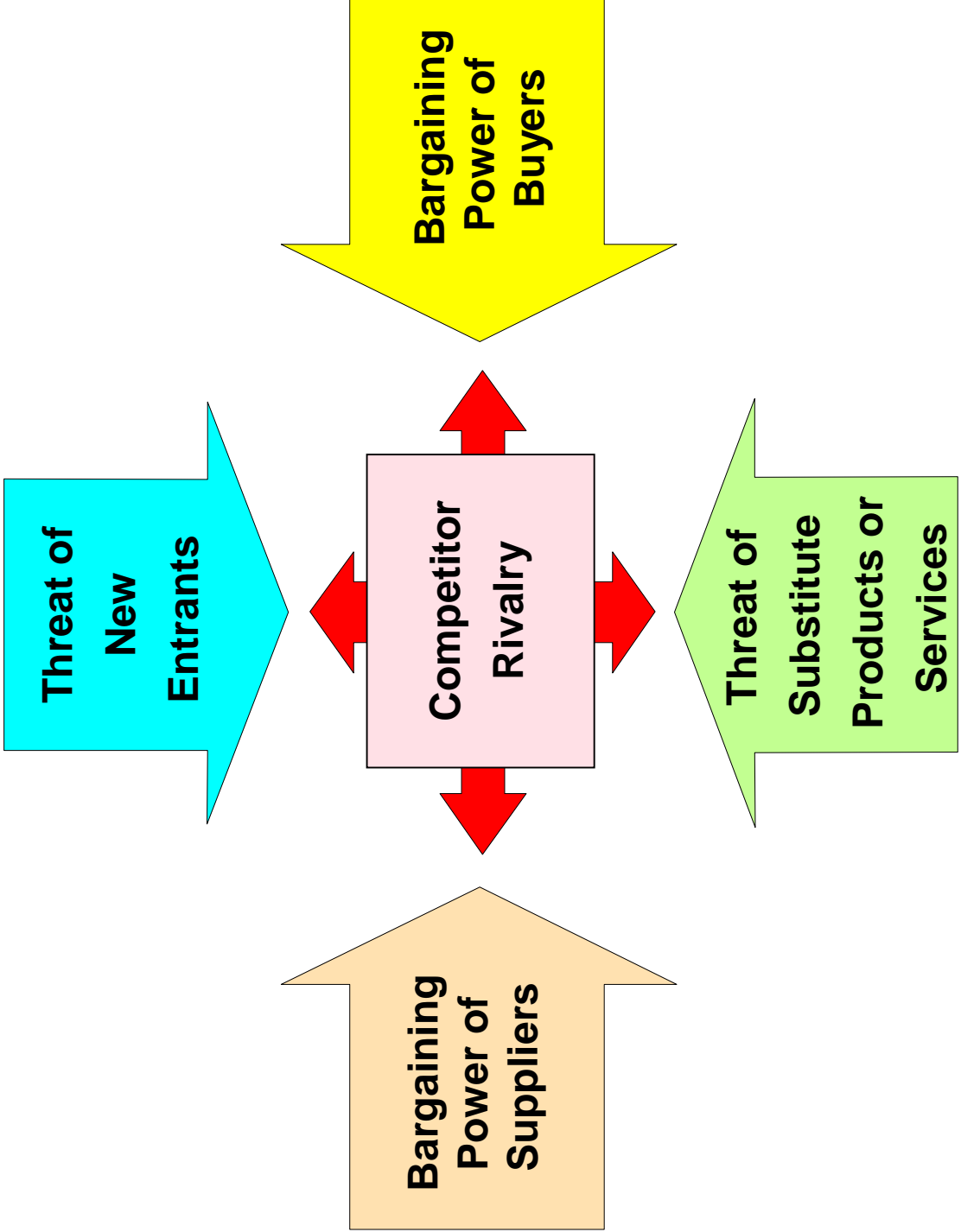
**Suppliers**











<b><u>Strategy</u></b>	<b><u>Question</u></b>	<b><u>Analysis</u></b>
Markets & Products	How are they growing?	Ansoff Matrix Product Life Cycle
Competitive Advantage	How do they aim to win?	Michael Porter Money-making-logic
Value Drivers	What drives them?	Wiersema Culture

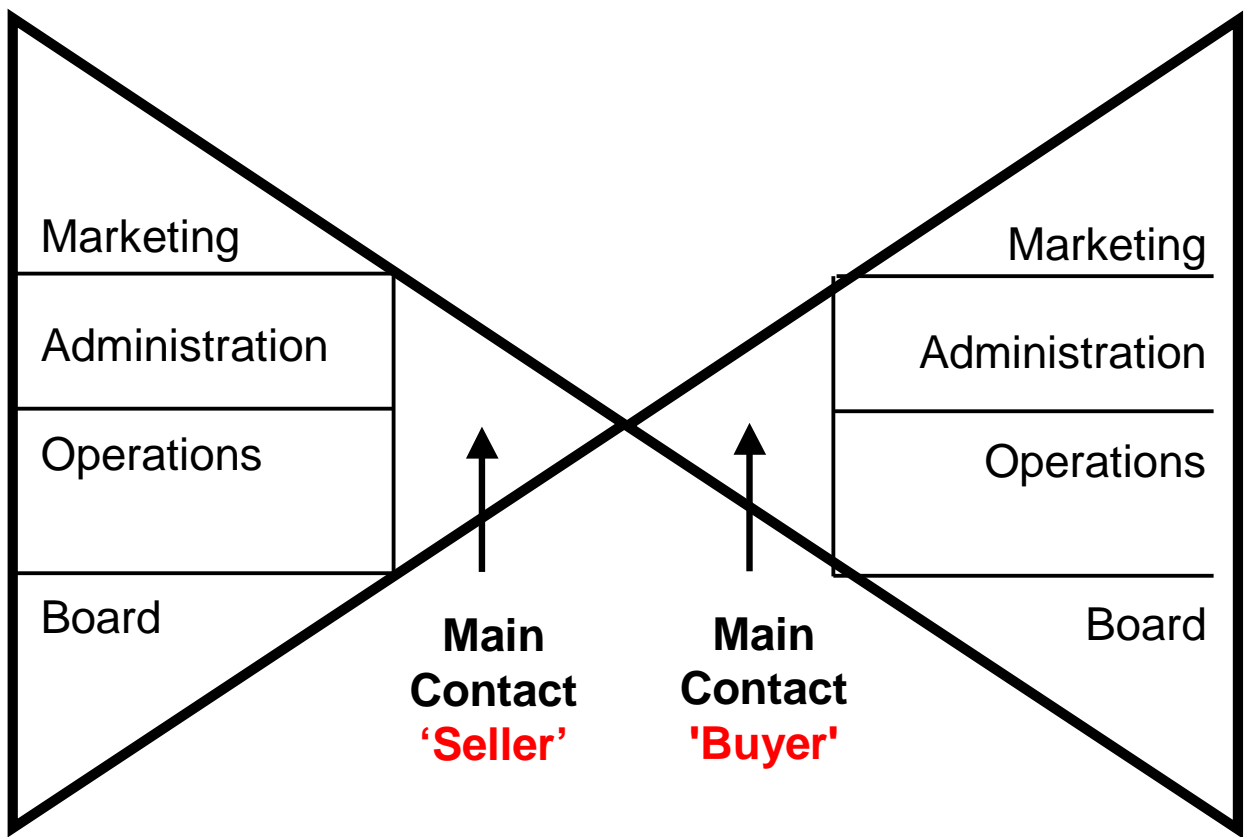
<p><b>Penetration</b></p> <p><b>65%</b></p>	<p><b>New Product Development</b></p> <p><b>30%</b></p>
<p><b>Market Extension</b></p> <p><b>45%</b></p>	<p><b>Diversification</b></p> <p><b>15%</b></p>

Exist

**Markets**

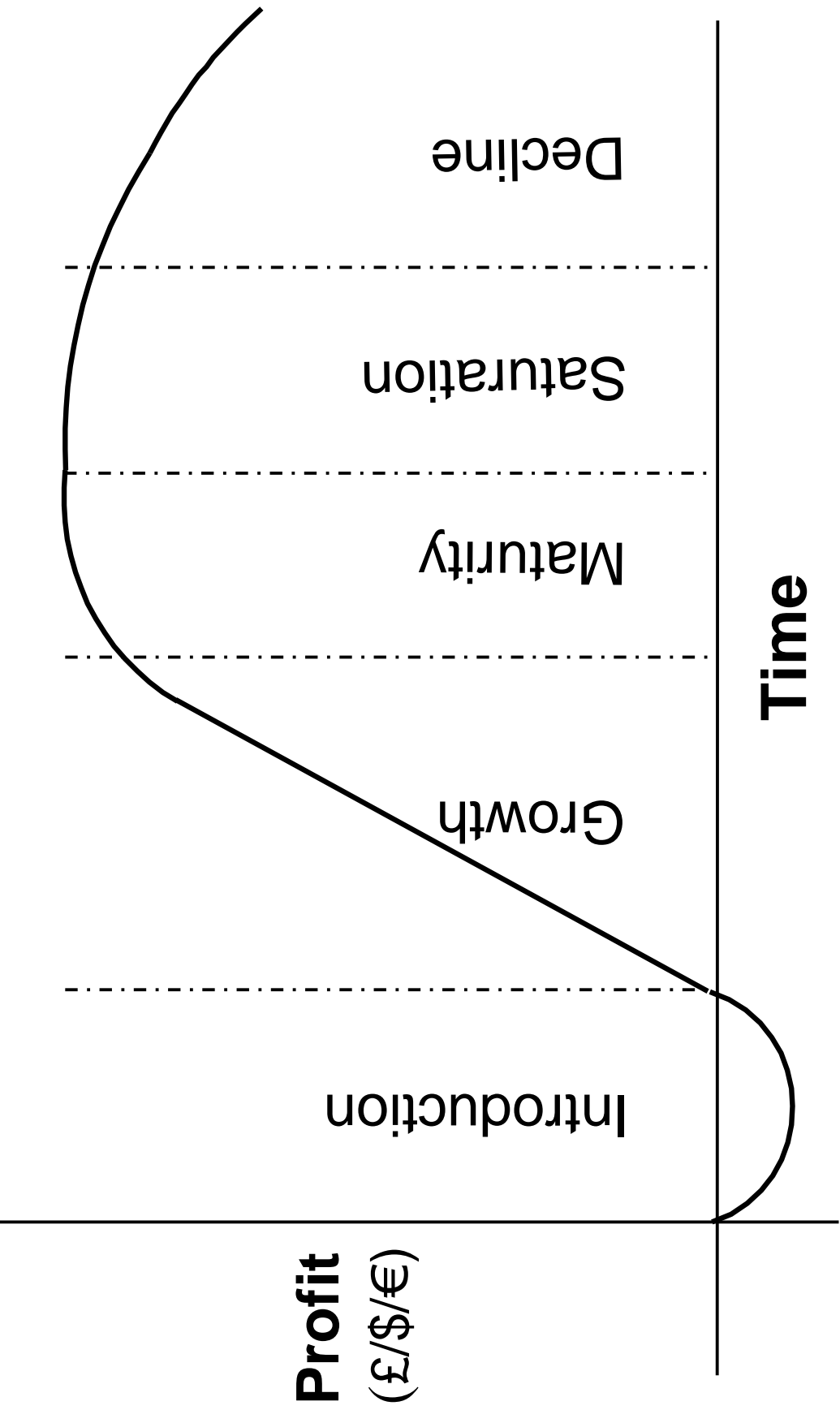
New

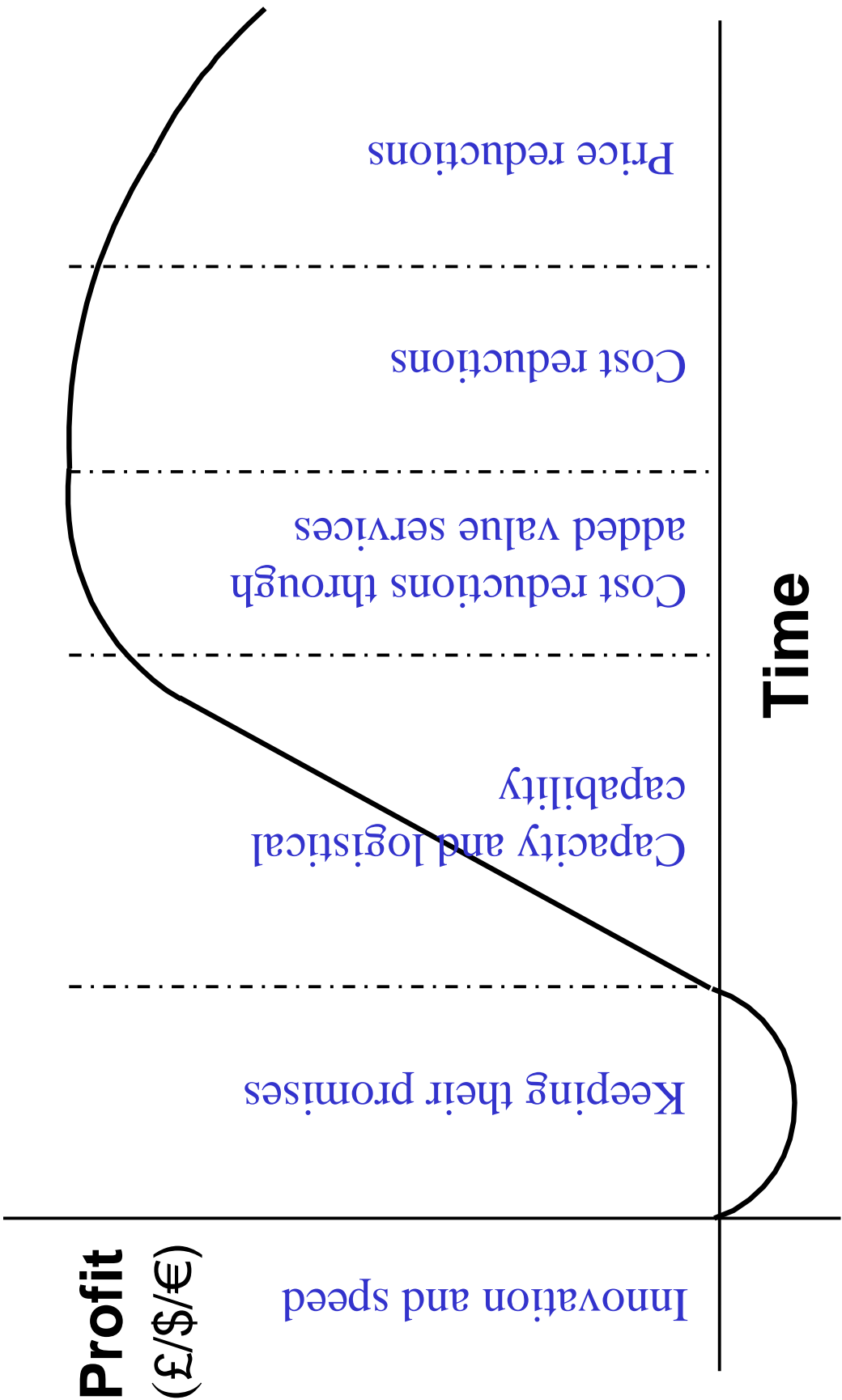
Exist   **Products**   New

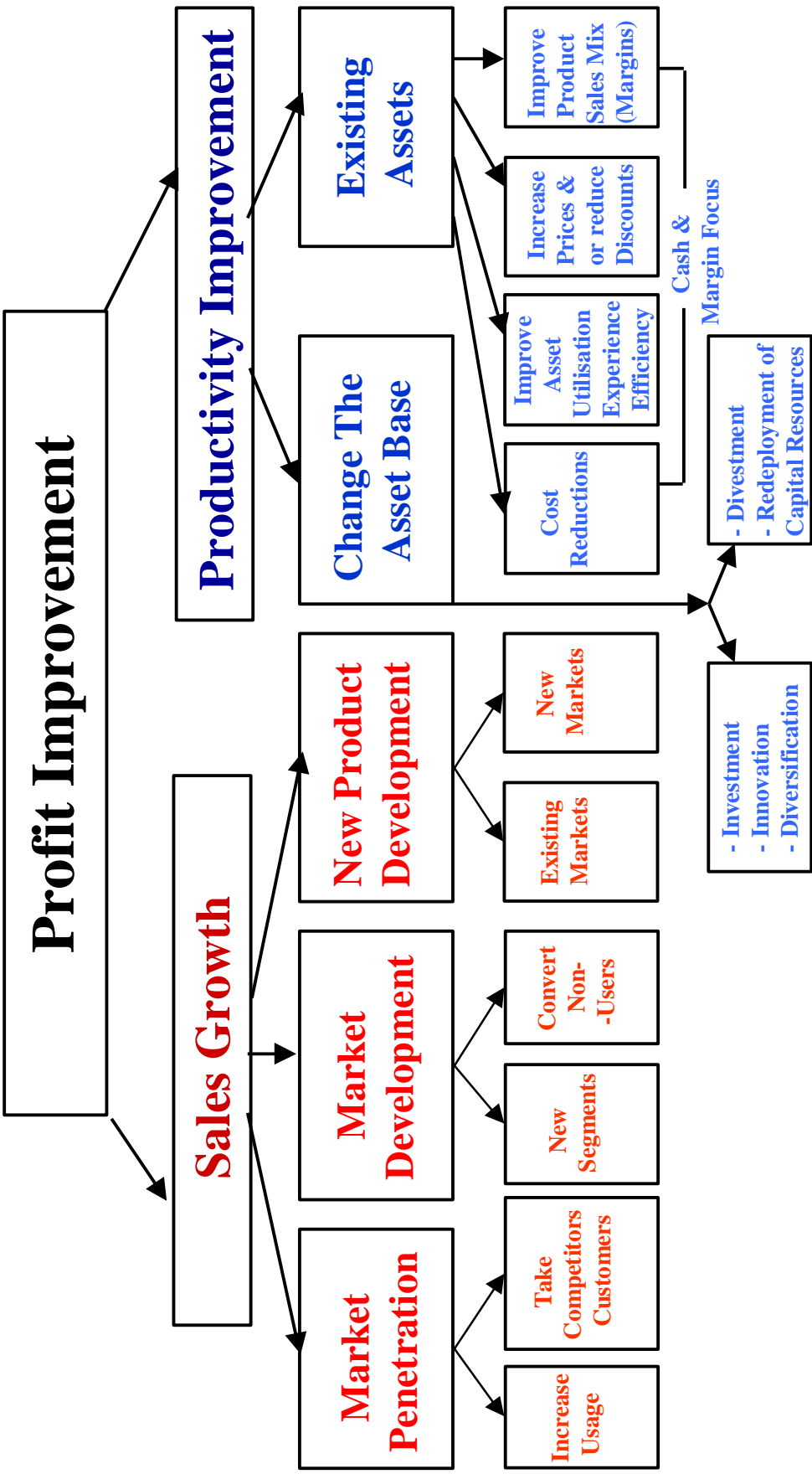


**Selling Company**

**Buying Company**

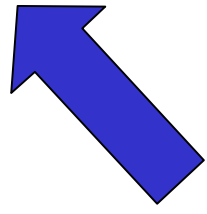
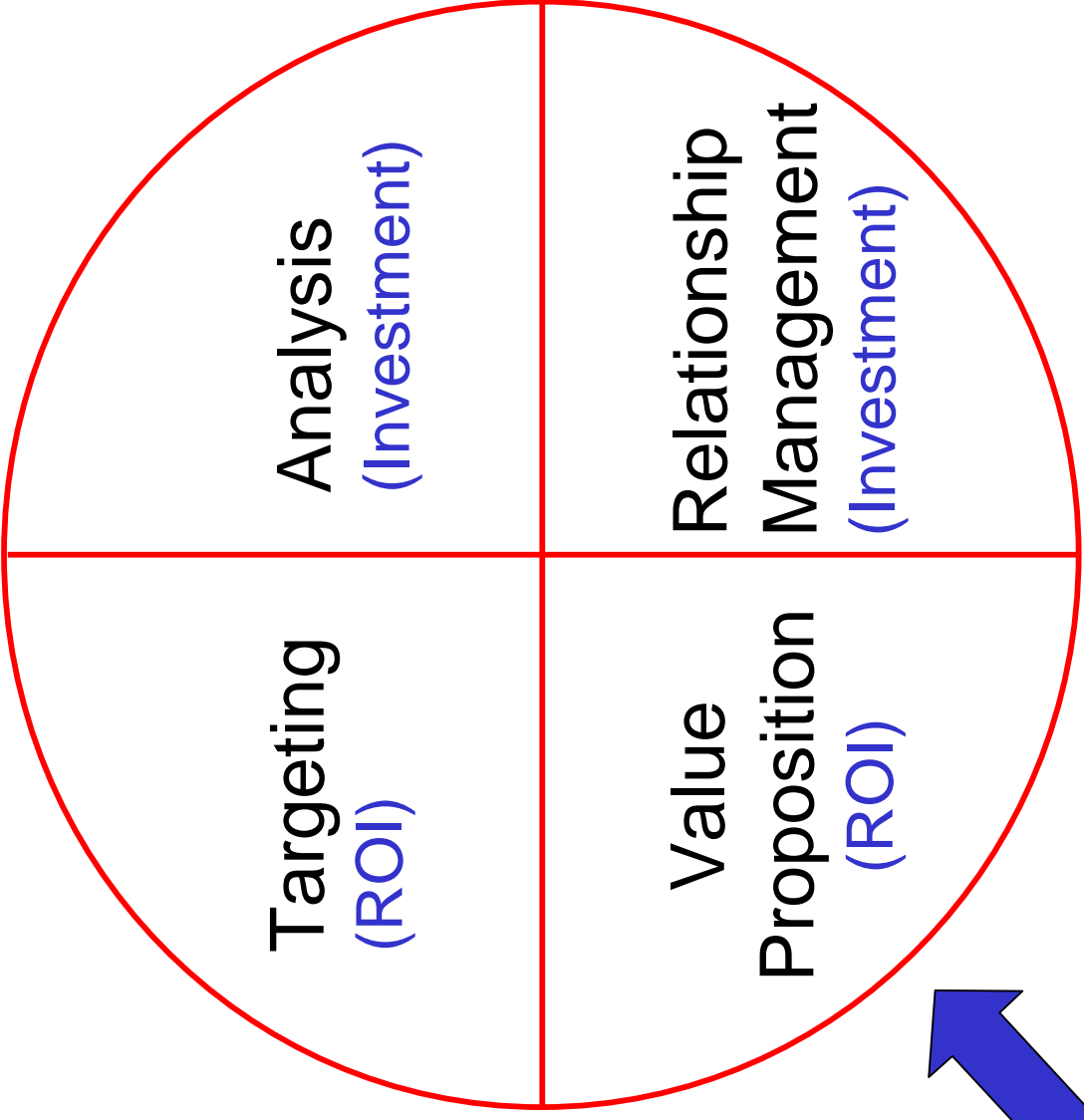


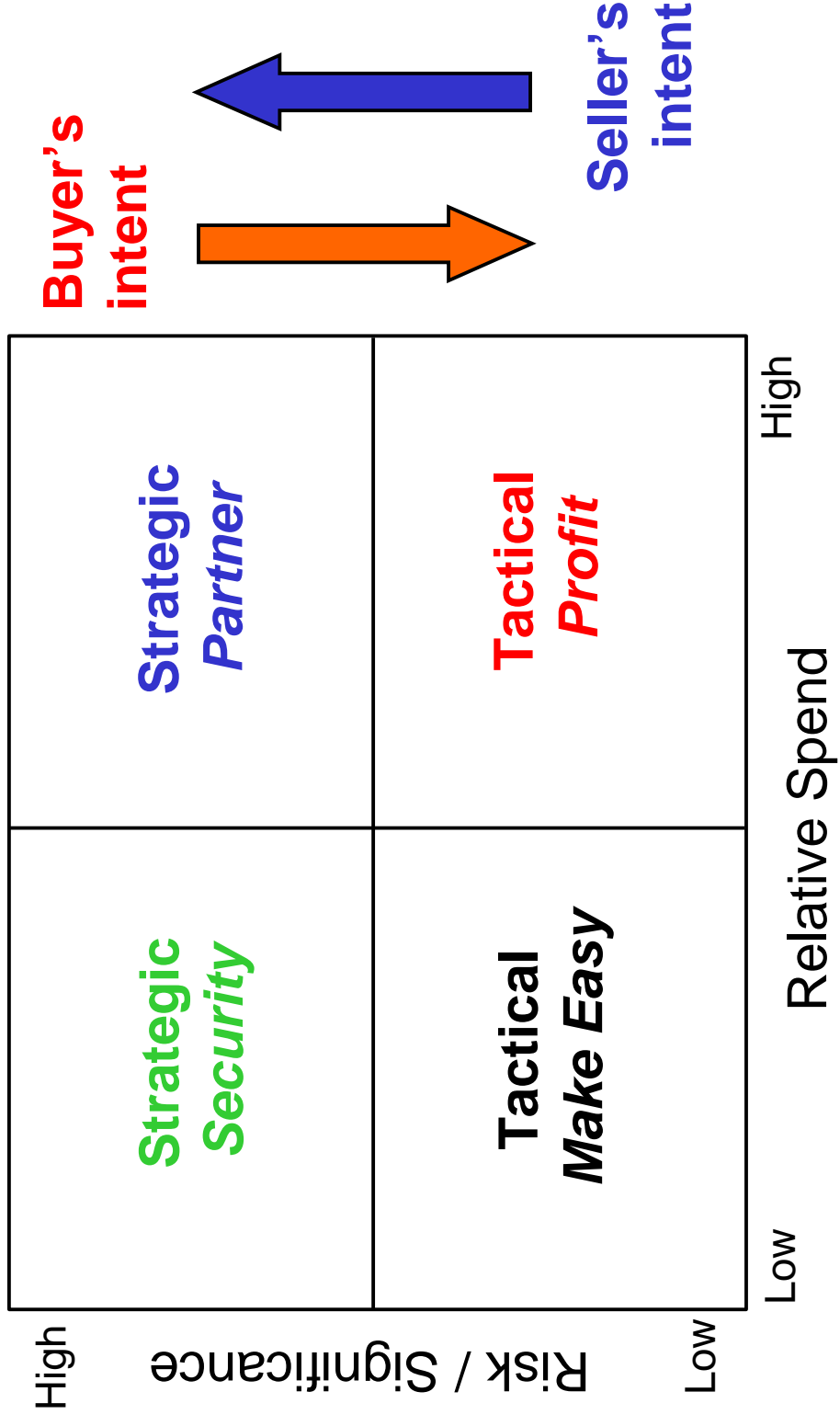


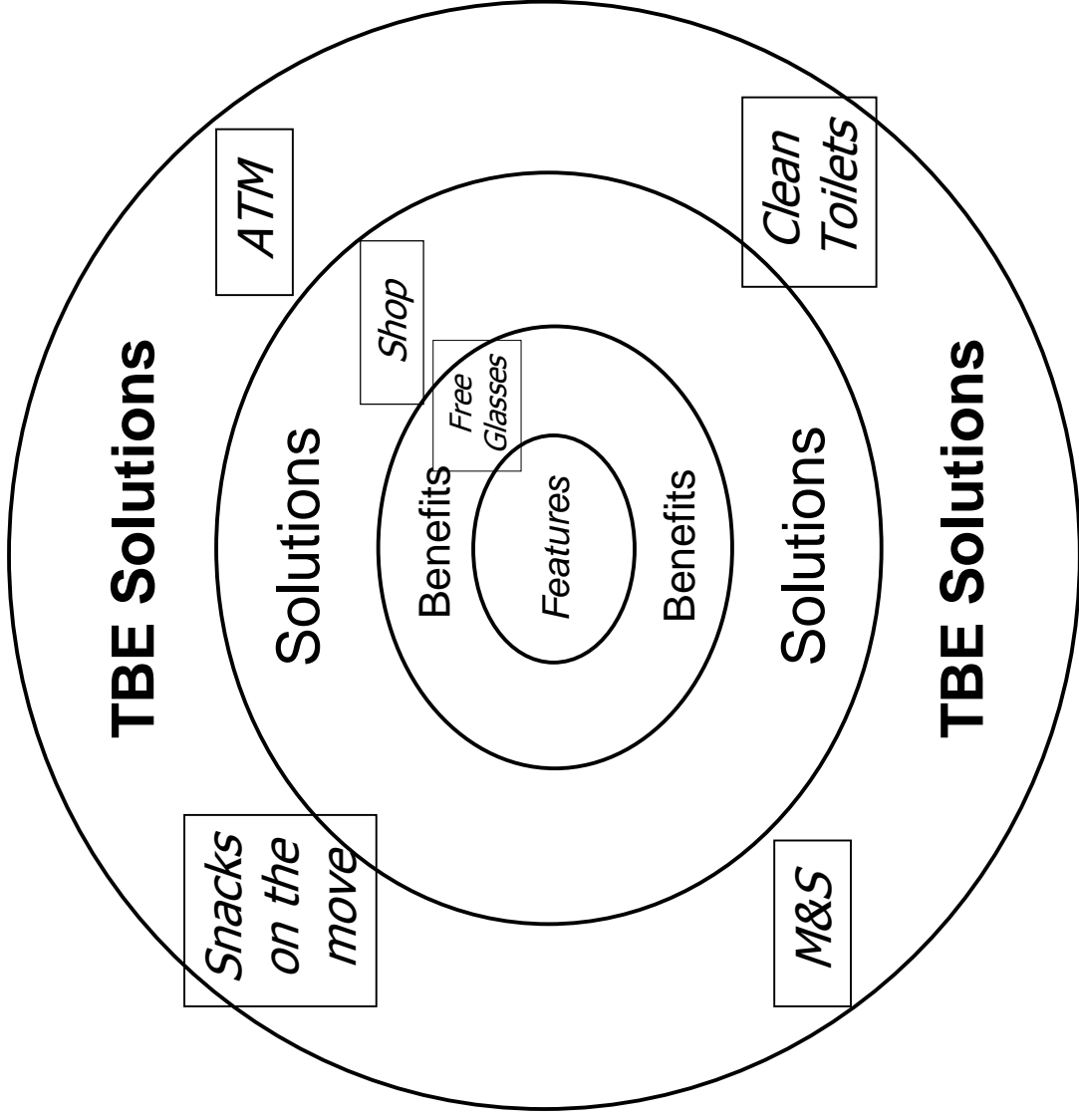


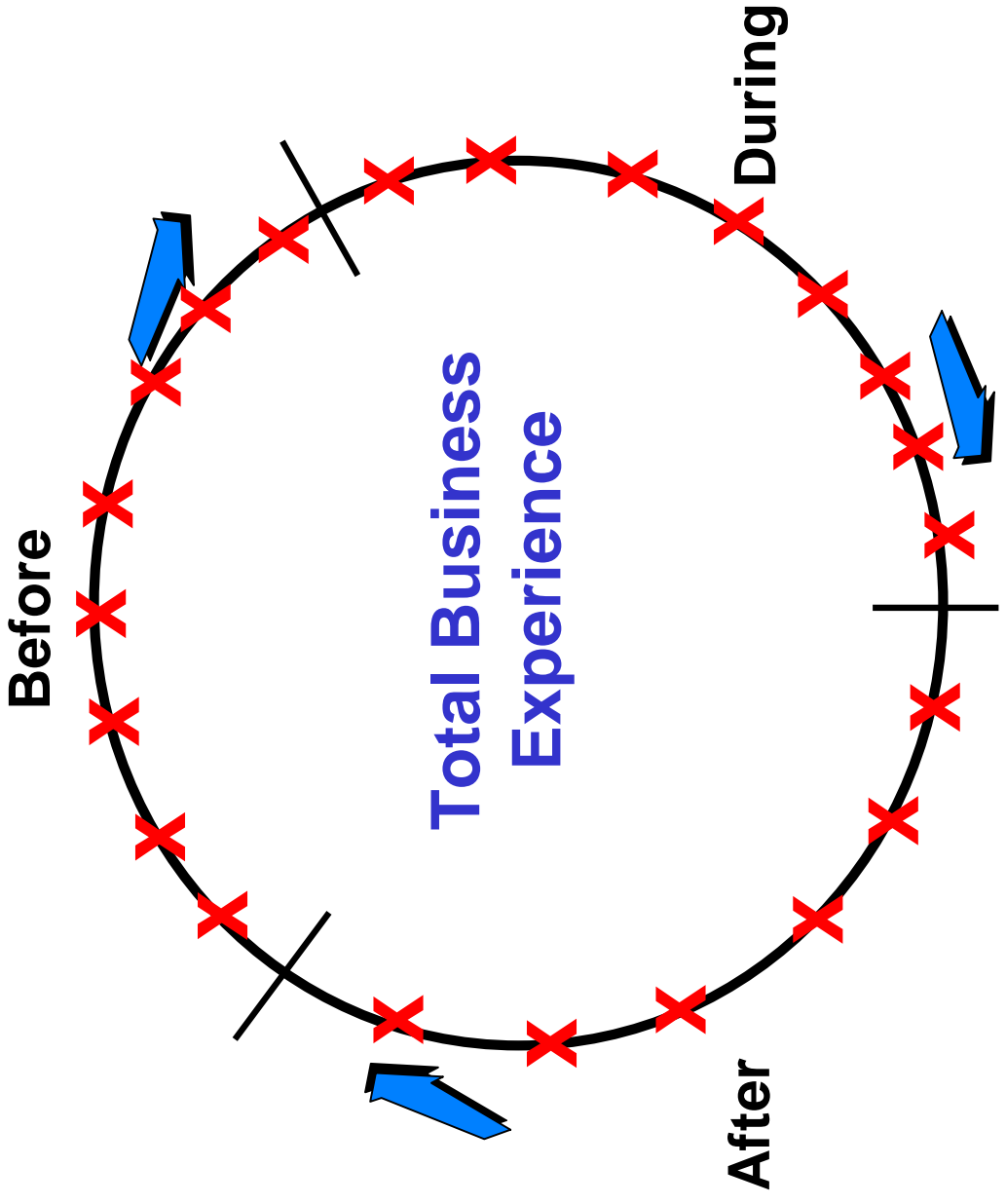
		The customer's opportunities and ambitions	The customer's threats and concerns			
<p><b>+ sign(s)</b> we make a positive impact on their ambitions or reduce their concerns</p>	<p><b>- sign(s)</b> we detract from their ambitions, or compound their concerns</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p>	1.	2.	3.	4.
<p>Our strengths, as perceived by the customer</p>	1.	+++			+++	
	2.					
	3.	+++				
	4.			++		+
<p>Our weaknesses, as perceived by the customer</p>	1.			--	--	
	2.					
	3.	--			--	
	4.				-	

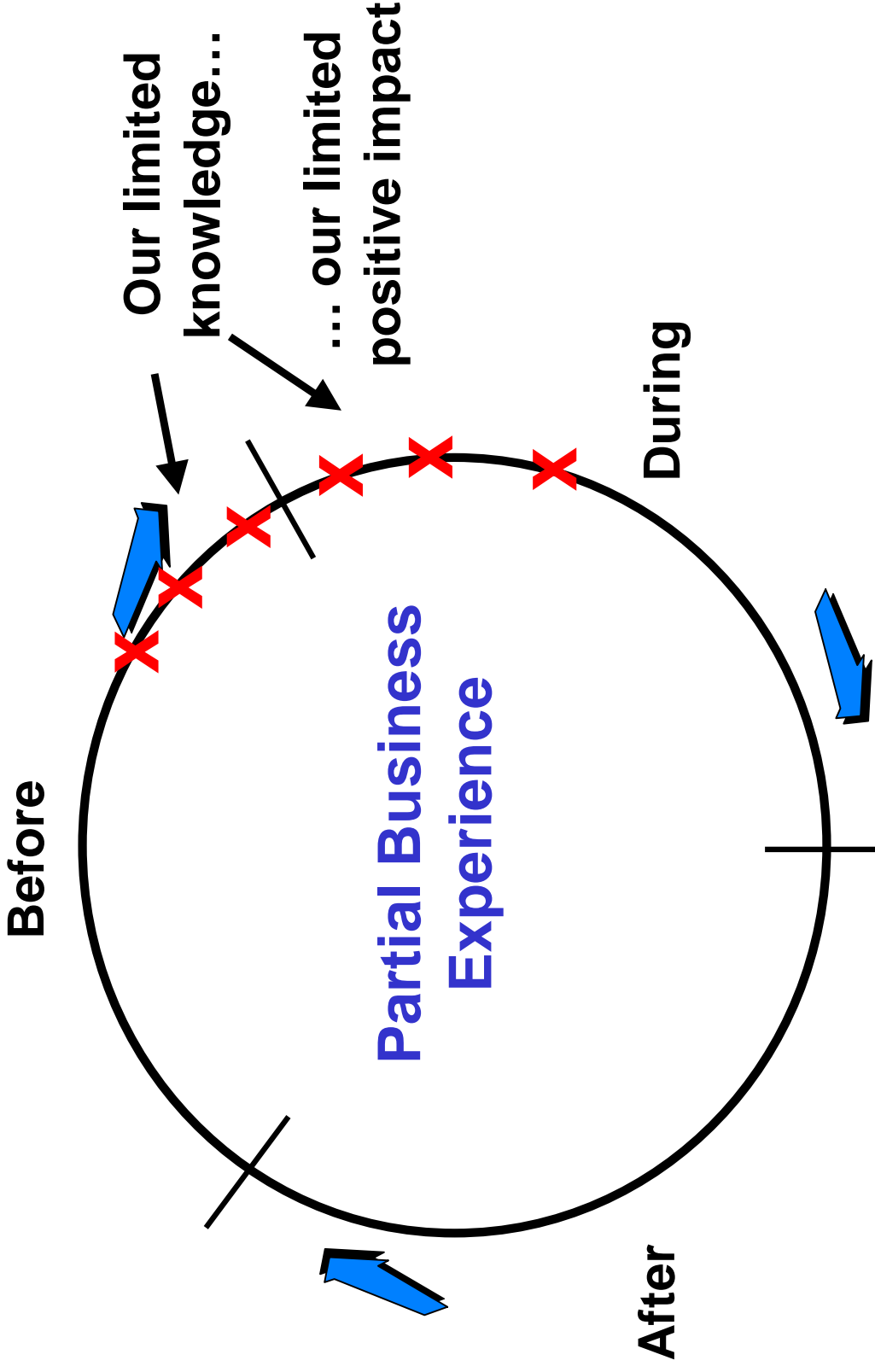


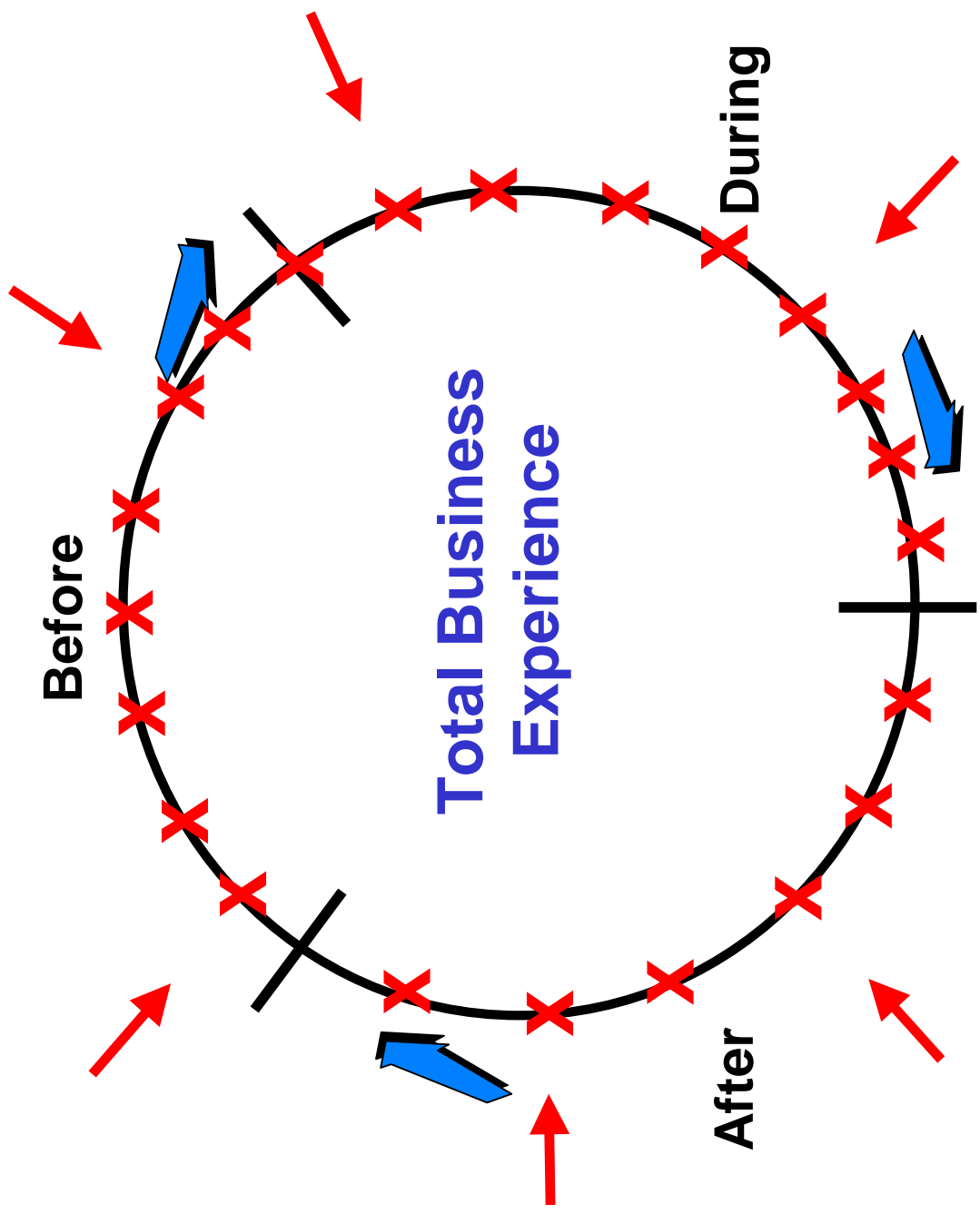


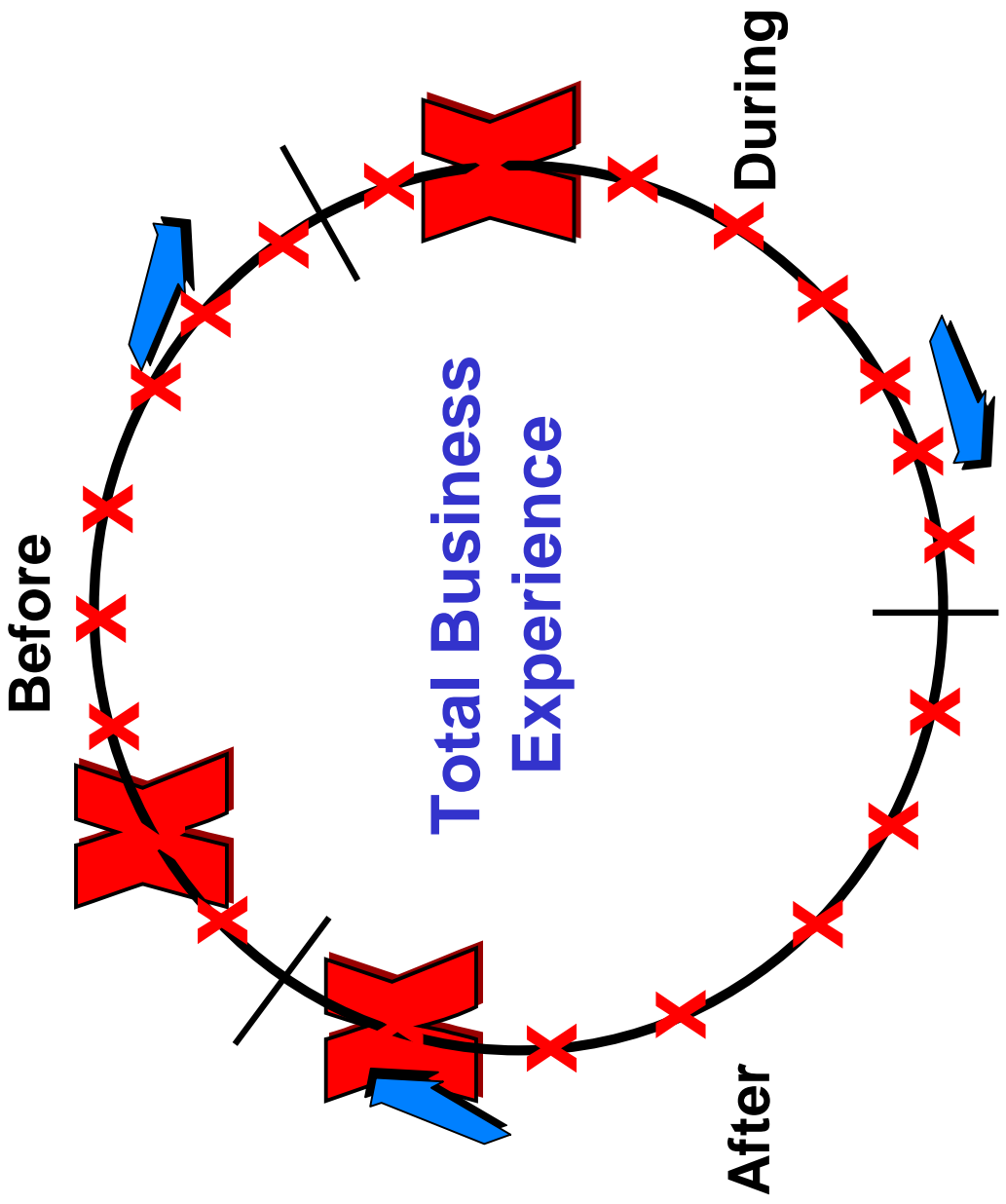








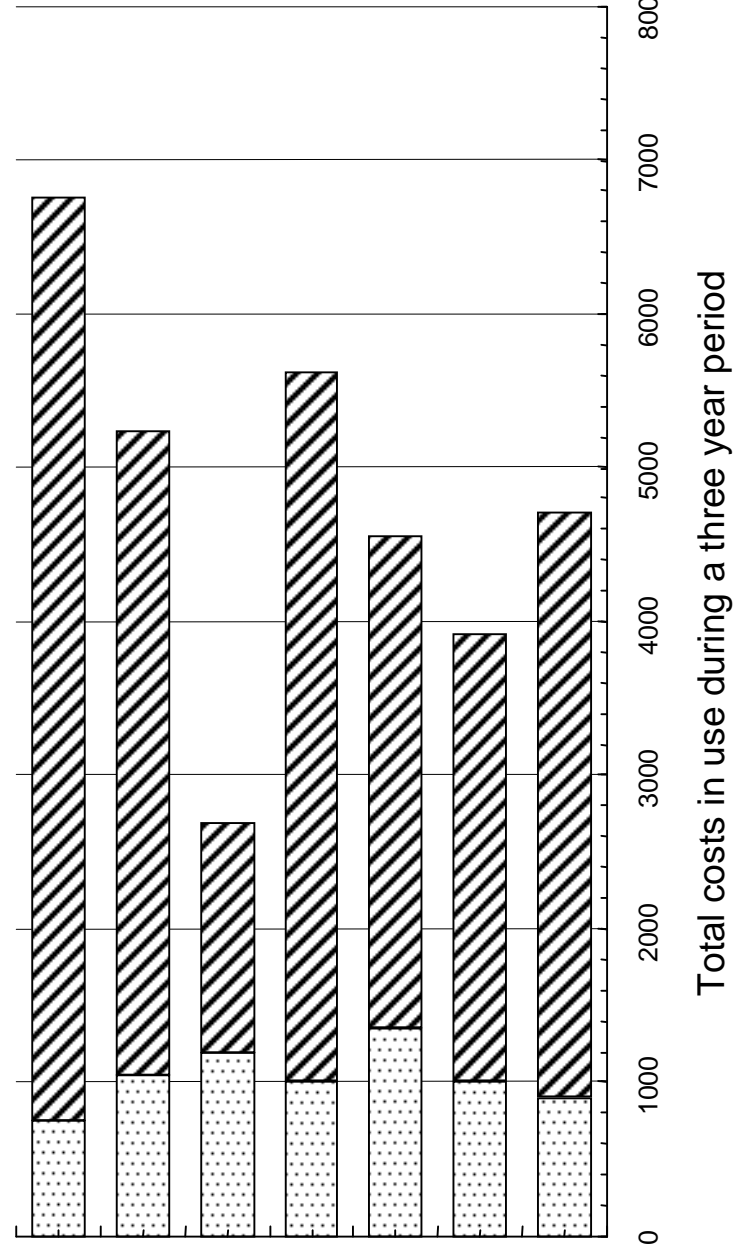




Total cost to print a page:

2.52  
2.15  
1.0  
2.2  
1.95  
1.75  
2.1

### Office Printers



Purchase price of the printer

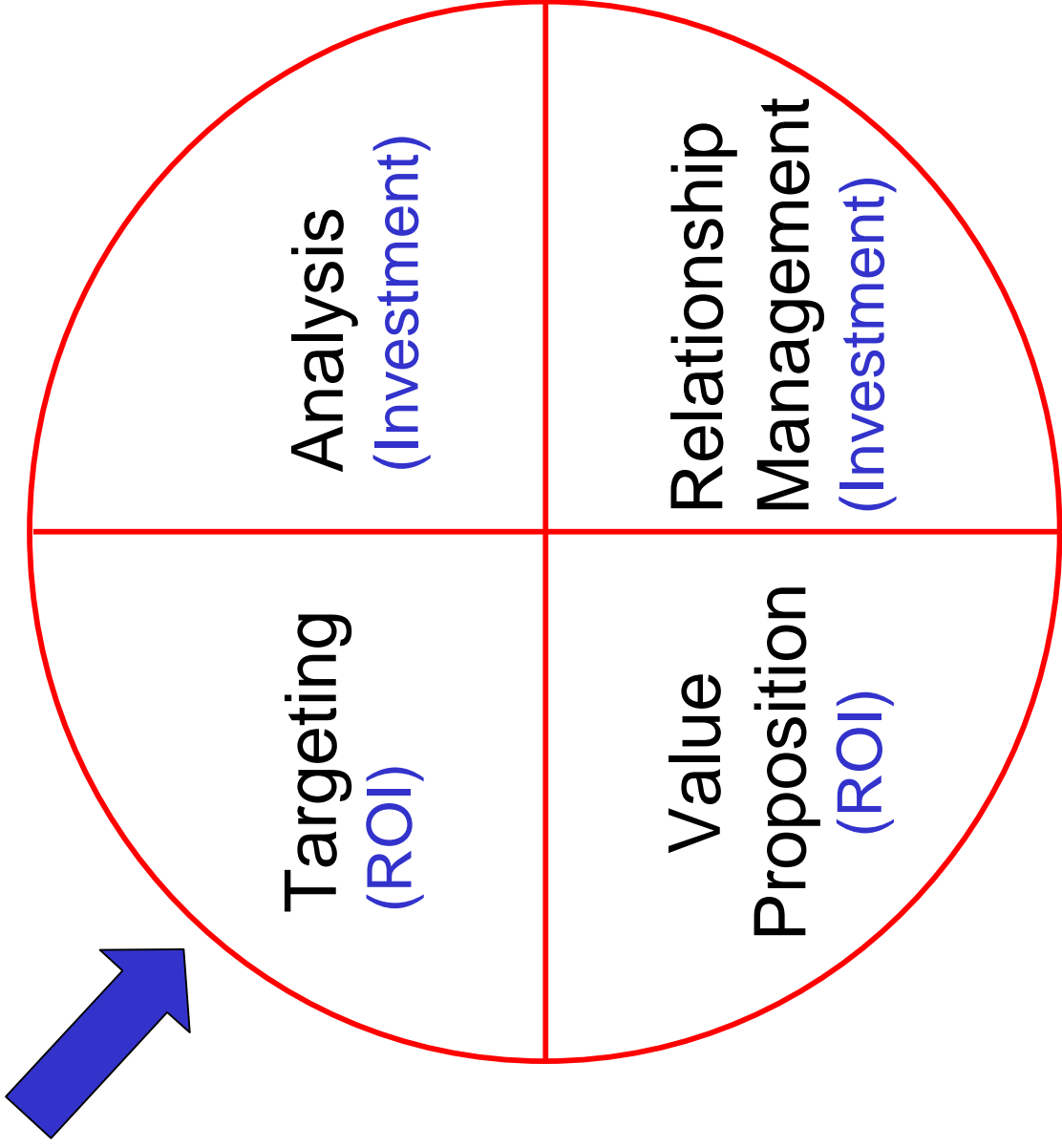
Cost of cartridges and toner over three years of use

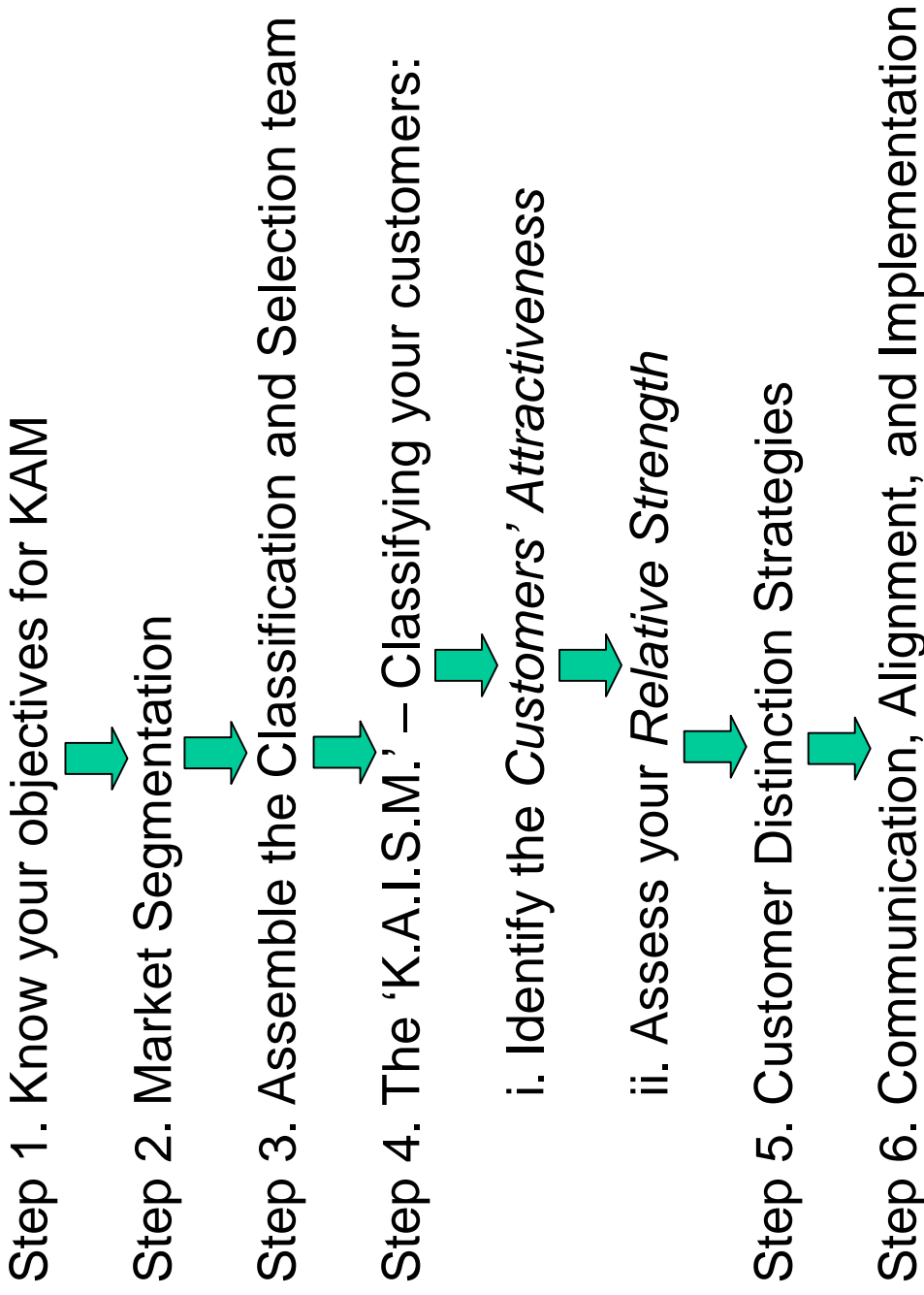


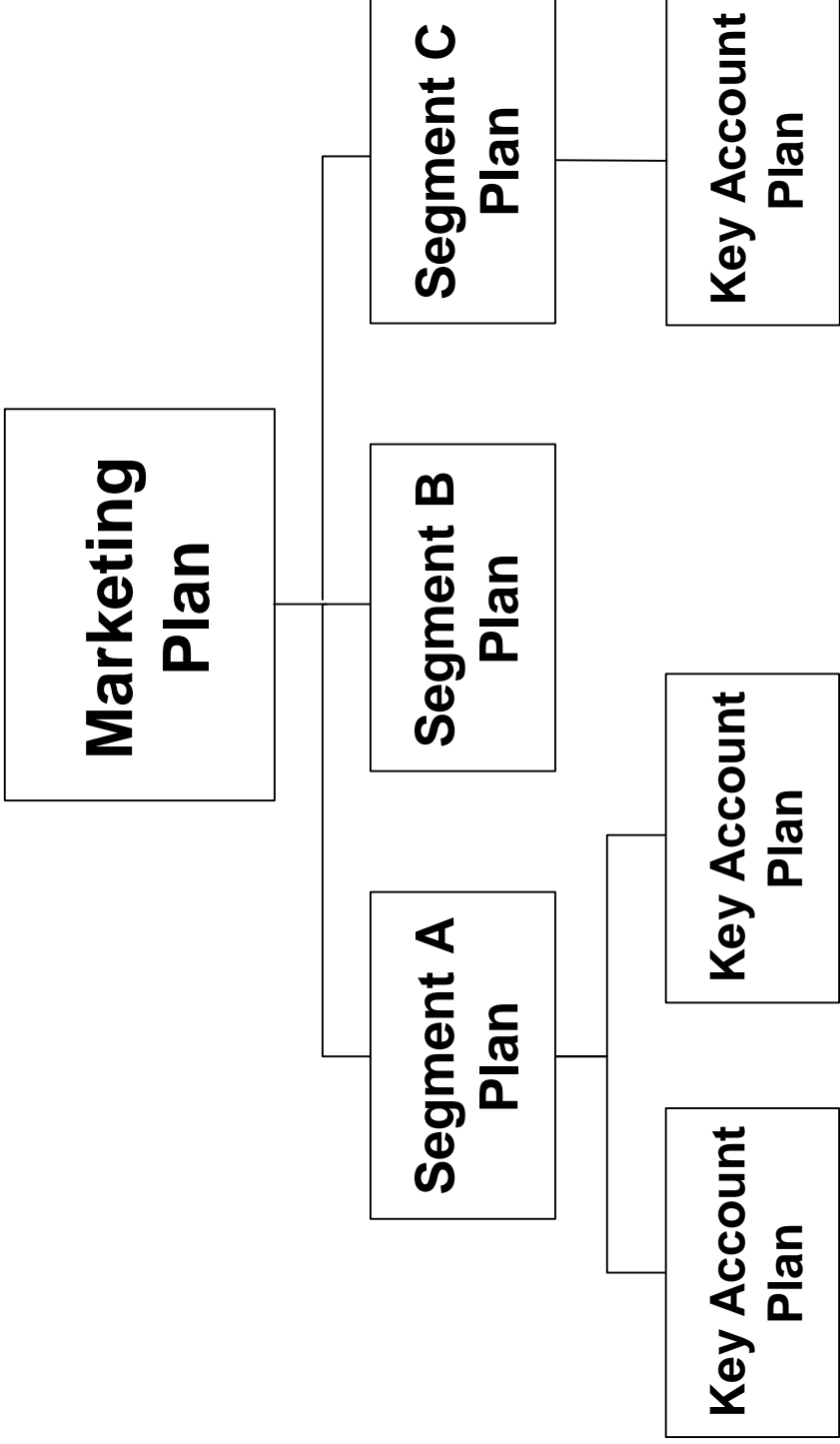
(Greater than...)  
The cost of change;  
financial, personal, etc.

This text block is positioned below the main flow. It begins with '(Greater than...)' in a smaller font, followed by a large upward-pointing chevron symbol. Below the chevron, the text 'The cost of change; financial, personal, etc.' is written in a larger font.

The Customer's Needs	Your Proposal	Competitor's Proposal	DMU Member	DMU Member
	Flip Chart	OHP	Trainer	Delegate
<b>Performance:</b>				
Clarity of presentation in a room of up to 20 people	1	1		
Usable in a variety of environments	2	1		X
Easy to prepare	0	2		
Portable	0	2		
<b>Financial:</b>				
Purchase price below £200	1	1	X	
Low running costs	1	2	X	
<b>Other/TBE:</b>				
I want to look professional	1	1	X	X
I want to be in control	2	1	XX	
<b>Total Score:</b>	<b>8</b>	<b>11</b>		







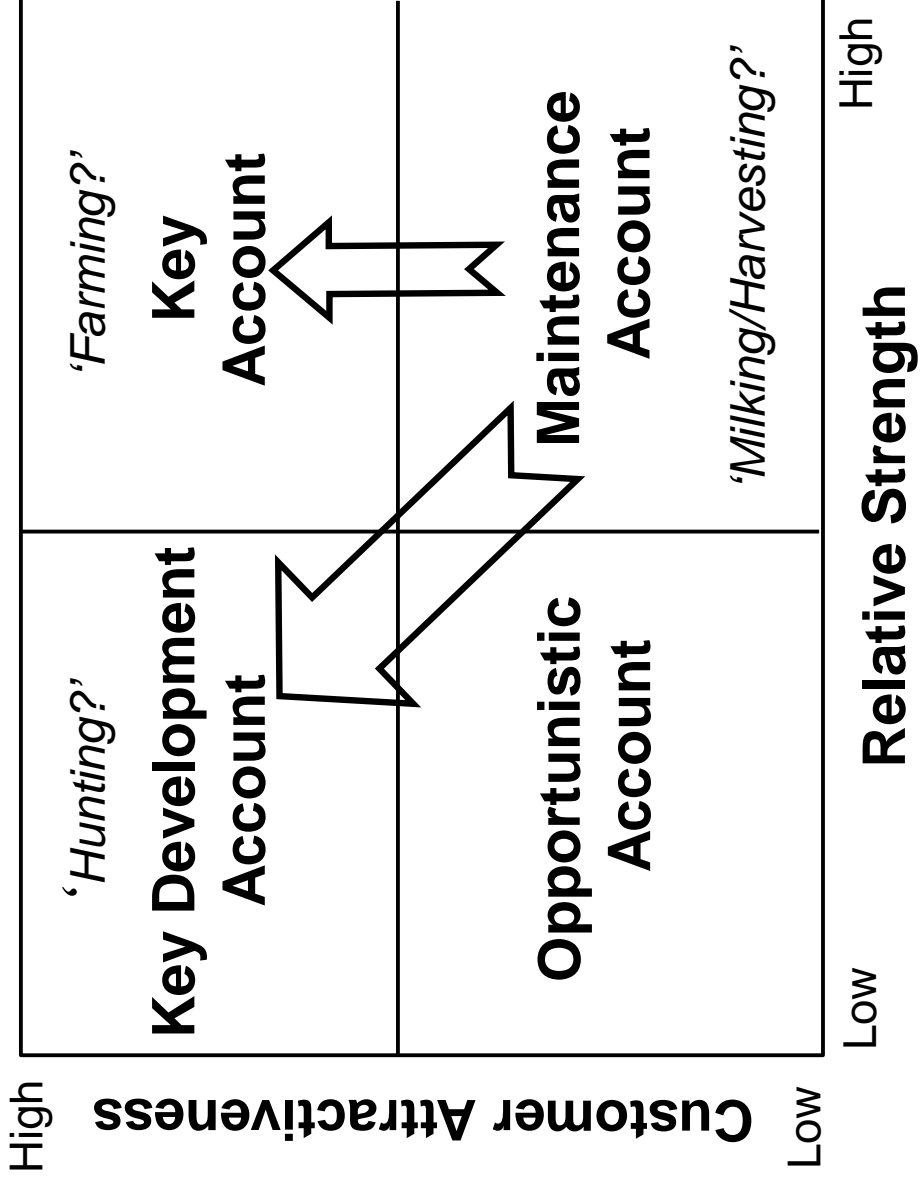
<b>Key Development Account</b>	<b>Key Account</b>
<b>Opportunistic Account</b>	<b>Maintenance Account</b>

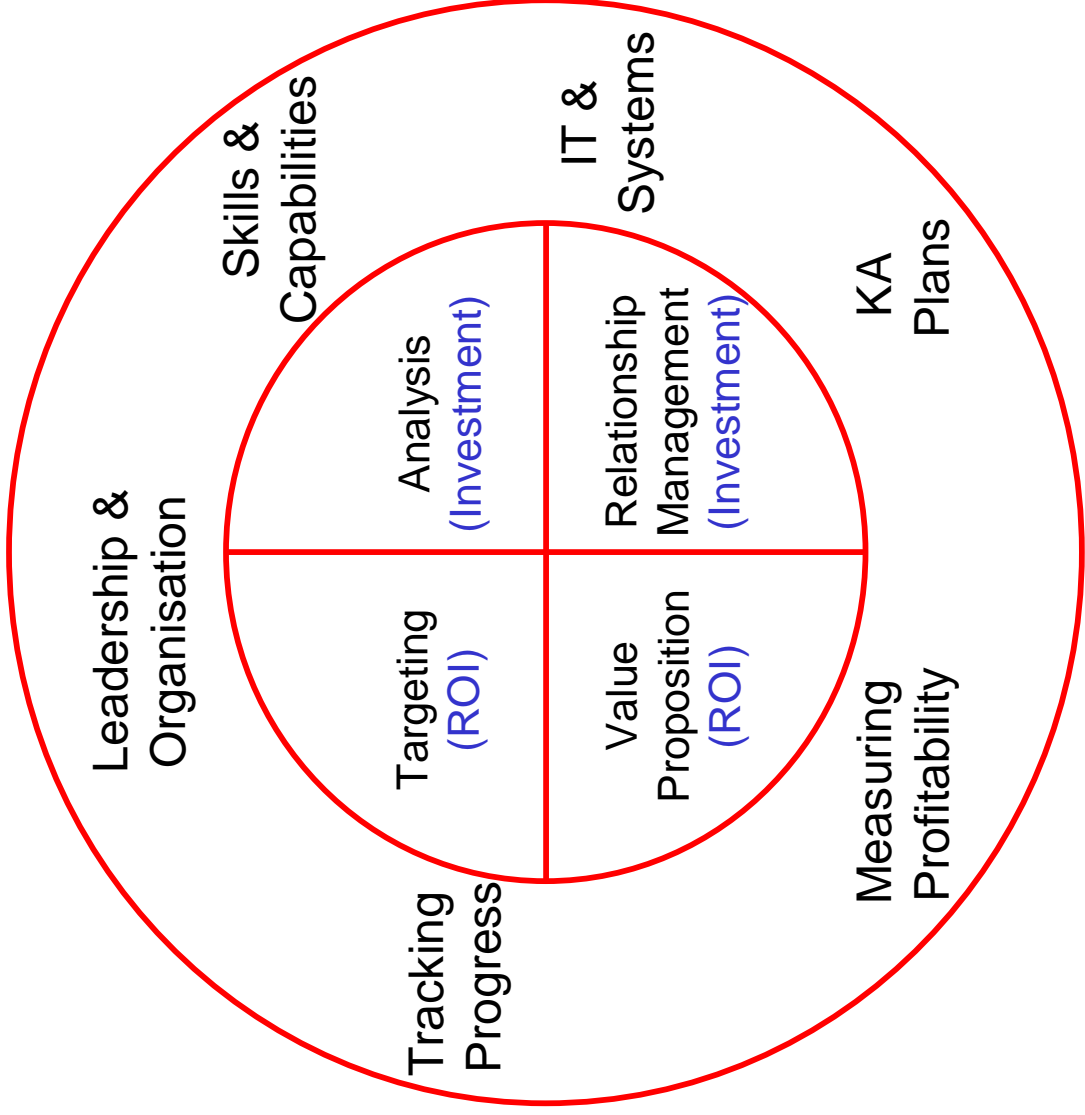
**Customer Attractiveness**  
High  
Low

**Relative Strength**  
Low  
High



<b>Customer/Account: .....</b>							
<b>Relative Strength Factor (RSF) Scores</b>							
	<b>Weight %</b>	<b>Your Own Business</b>	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>	<b>Comp 4</b>	<b>Comp 5</b>
	<b>Relative Strength Factors</b>						
<b>1</b>							
<b>2</b>							
<b>3</b>							
<b>4</b>							
<b>5</b>							
<b>6</b>							
	<b>Total Score:</b>						<b>(100%)</b>

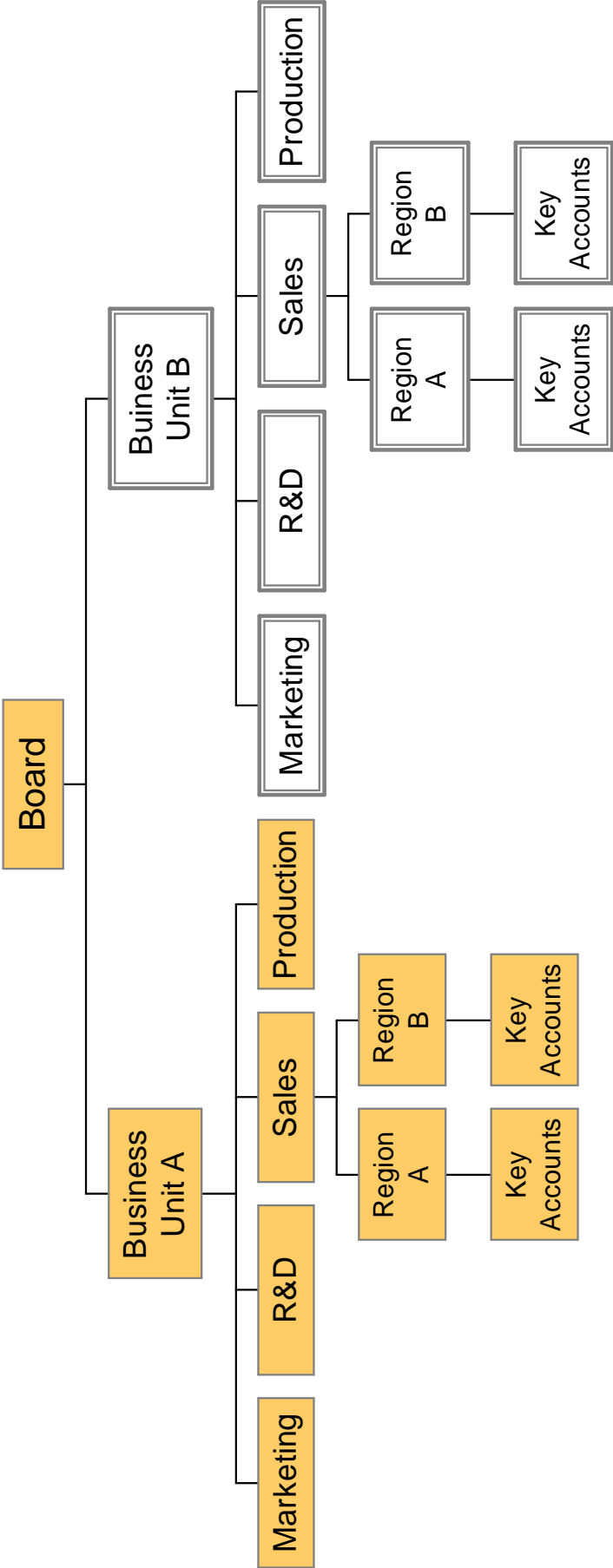


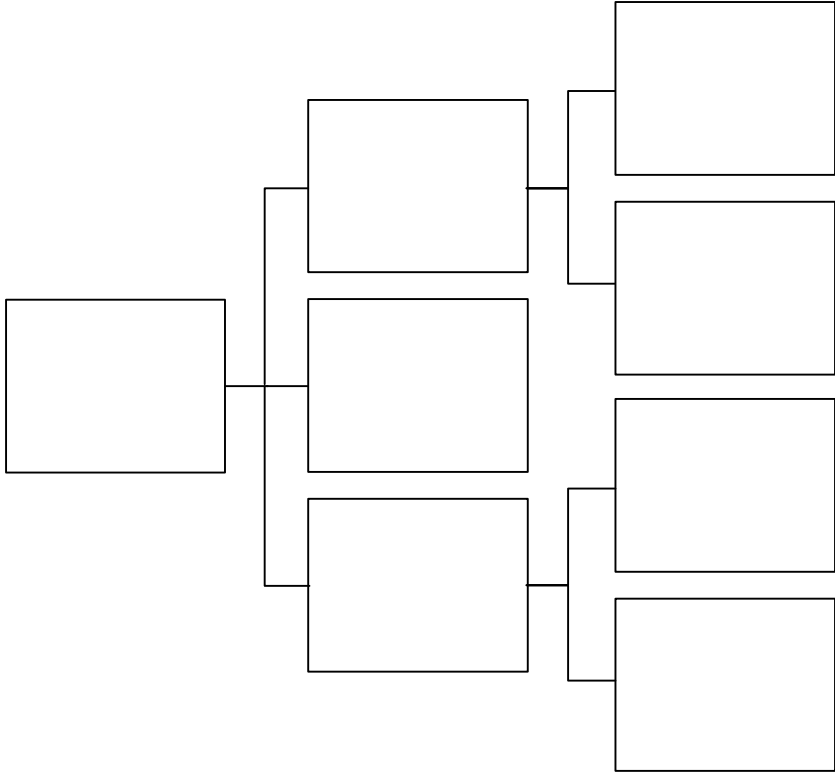




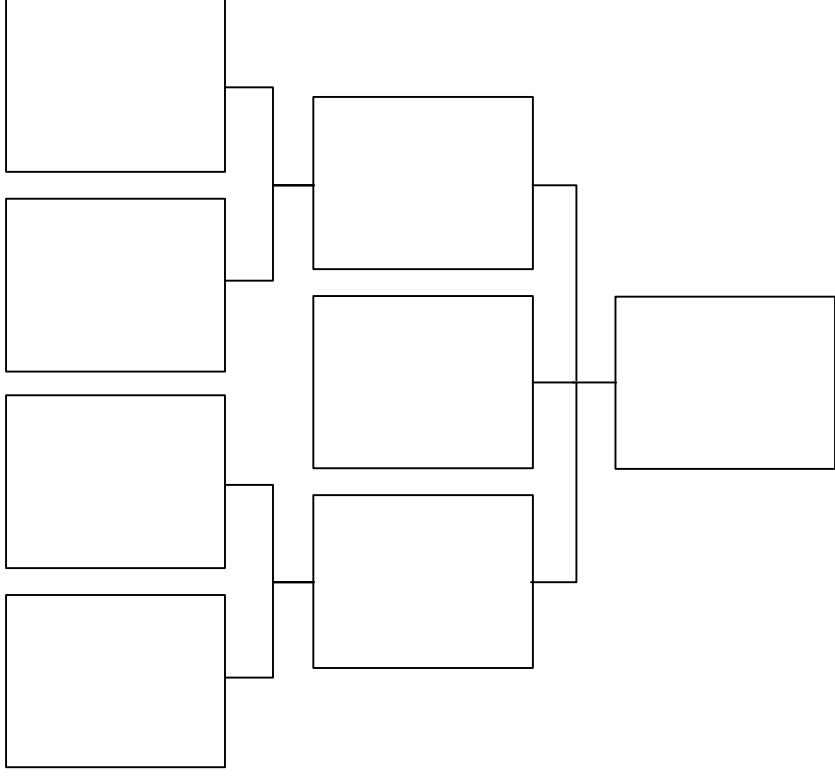
(Greater than...)  
The cost of change;  
financial, personal, etc.

This text block is positioned below the main flow diagram. It features a large upward-pointing chevron symbol (a wide 'V' shape) at the top. Below the chevron, the text is arranged in three lines: '(Greater than...)', 'The cost of change;', and 'financial, personal, etc.'.

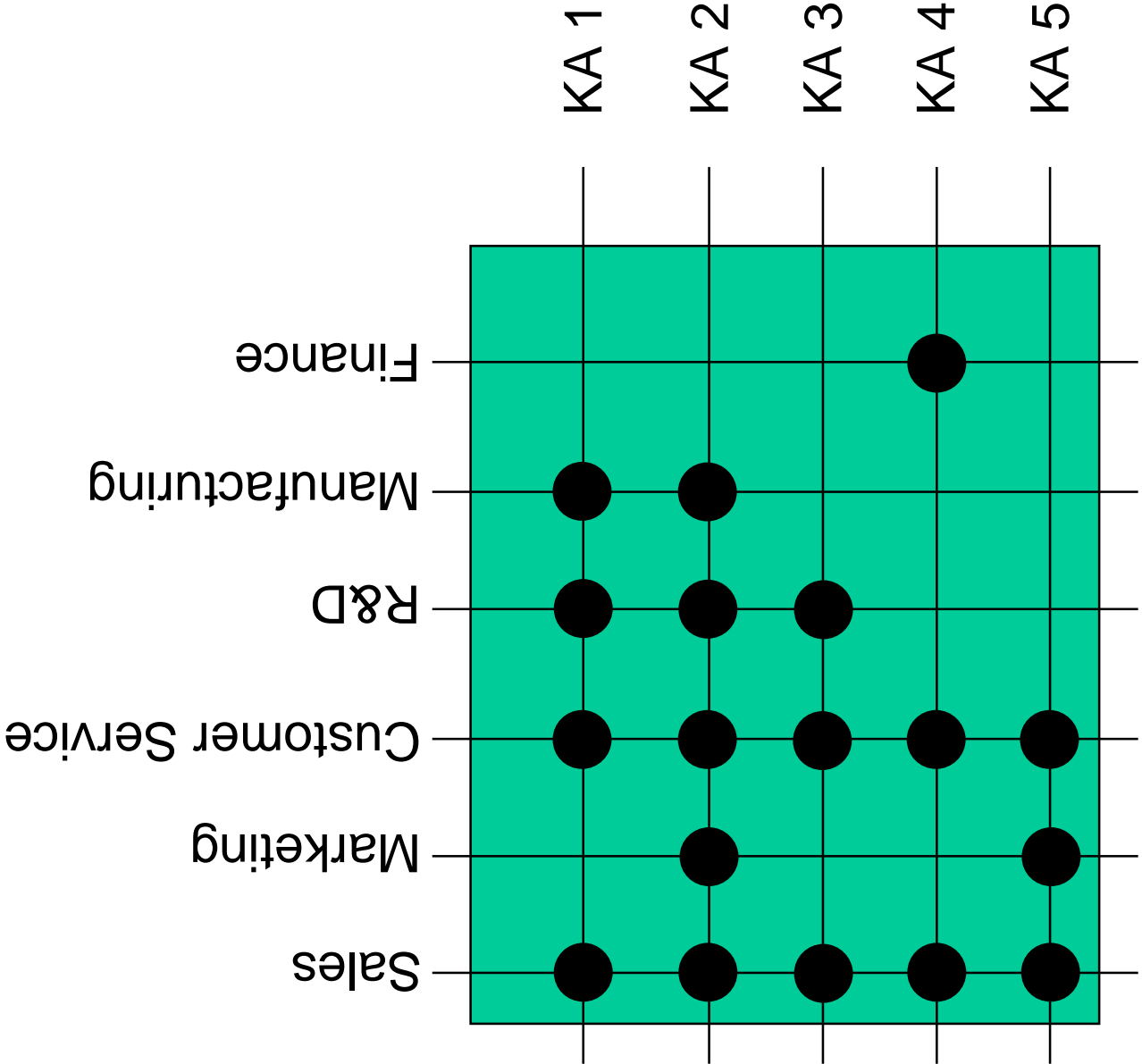




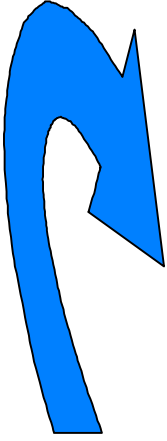
**Traditional Hierarchies**



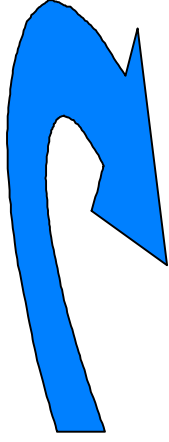
**KAM Hierarchies?**



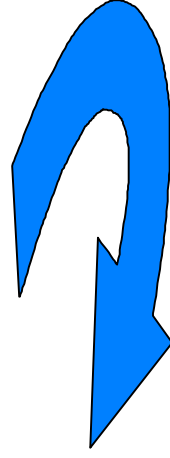
	Country A	Country B	Country C
Business A	→		
Business B		→	
Business C			→



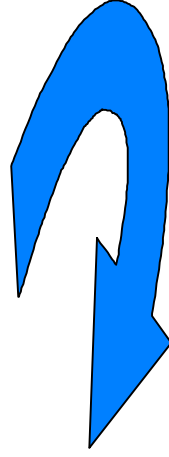
	Country A	Country B	Country C
Business A	→	→	→
Business B	→	→	→
Business C	→	→	→



	Business A	Business B	Business C
Channel A	→	→	→
Channel B	→	→	→
Channel C	→	→	→



	Business A	Business B	Business C
Channel A	→	→	→
Channel B	→	→	→
Channel C	→	→	→

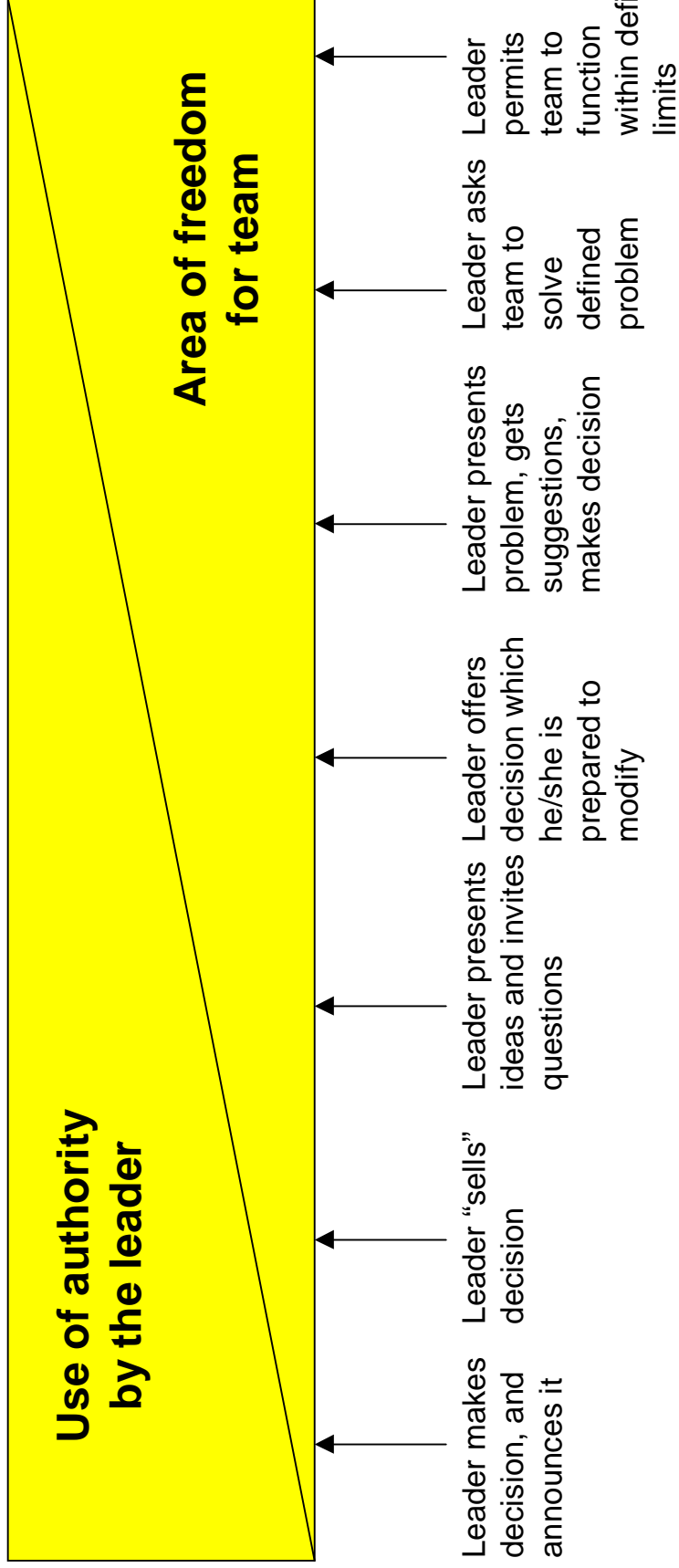


	Channel A	Channel B	Channel C
Key Acc A	→	→	→
Key Acc B	→	→	→
Key Acc C	→	→	→

Leader centred



Team centred



## **THE COORDINATOR'S CONTRIBUTION**

- Co-ordinates the way the team moves towards group objectives
- Make best use of team resources
- Recognises team strengths and weaknesses
- Maximises the potential of each team member through encouragement
- Acts as a focal point for group effort in tough times

## **POSITIVE QUALITIES**

- Welcomes all contributions on their merit
- Listens without prejudice, remains focused on the main objective
- The team's ringmaster



## **ALLOWABLE WEAKNESSES**

- Is unlikely to be the most creative member of the team

## **WHAT TO WATCH OUT FOR**

- Obstinacy vs. determination

## **THE RESOURCE-INVESTIGATOR'S CONTRIBUTION**

- Explores and reports on ideas and developments outside the team
- Creates external contacts
- The best person to set up external contacts

## **POSITIVE QUALITIES**

- Capacity for contacting people and exploring anything new
- Enthusiasm and a source of external ideas
- Ability to respond to challenge
- The team's detective

## **ALLOWABLE WEAKNESSES**

- Low boredom threshold, needs stimulus of others, may spend time on irrelevancies

## **WHAT TO WATCH OUT FOR**

- Too much involvement in own ideas rather than those of the team



## **THE SHAPER'S CONTRIBUTION**

- Directs the way in which team effort is channeled
- Focuses attention on objectives and priorities
- Results oriented and competitive
- Pushing through change

## **POSITIVE QUALITIES**

- A readiness to challenge politics and inertia
- Tough on complacency and self-deception
- The architect of the team

## **ALLOWABLE WEAKNESSES**

- Prone to provocation, irritation and impatience

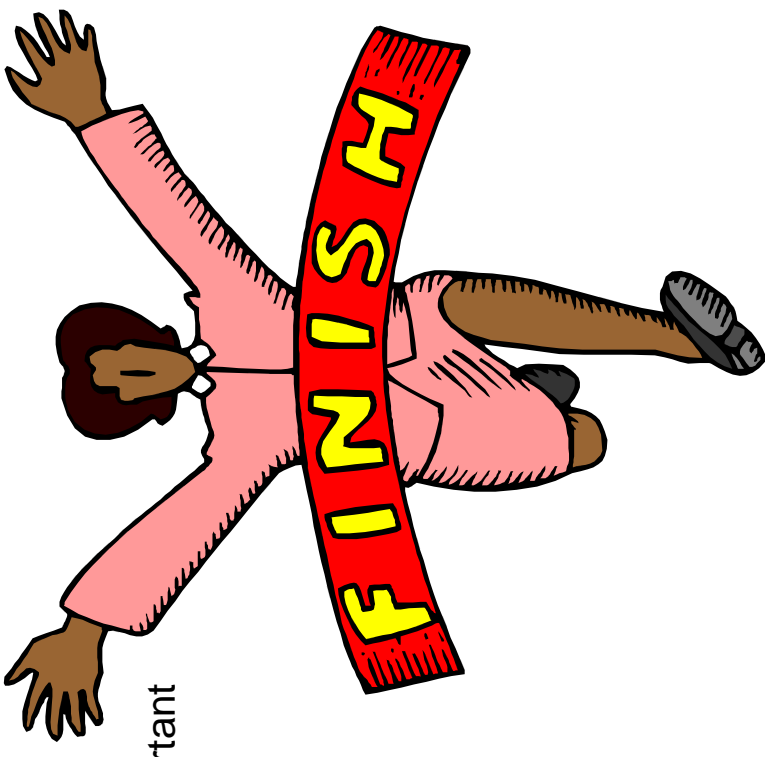
## **WHAT TO WATCH OUT FOR**

- Arrogance and pushiness
- Steamrolling colleagues into a course of action



## **THE COMPLETER-FINISHER'S CONTRIBUTION**

- Ensures nothing has been overlooked
- Checks details
- Maintains a sense of urgency
- Invaluable where accuracy and deadlines are important



## **POSITIVE QUALITIES**

- Capacity for follow-through
- High standards in quality and delivery
- The team's workhorse

## **ALLOWABLE WEAKNESSES**

- Tendency to worry about small things
- Reluctant to let go

## **WHAT TO WATCH OUT FOR**

- Getting bogged down in details

## **THE IMPLEMENTER'S CONTRIBUTION**

- Turns concepts and plans into practical working procedures – does what has to be done
- Carries out agreed plans systematically and efficiently

## **POSITIVE QUALITIES**

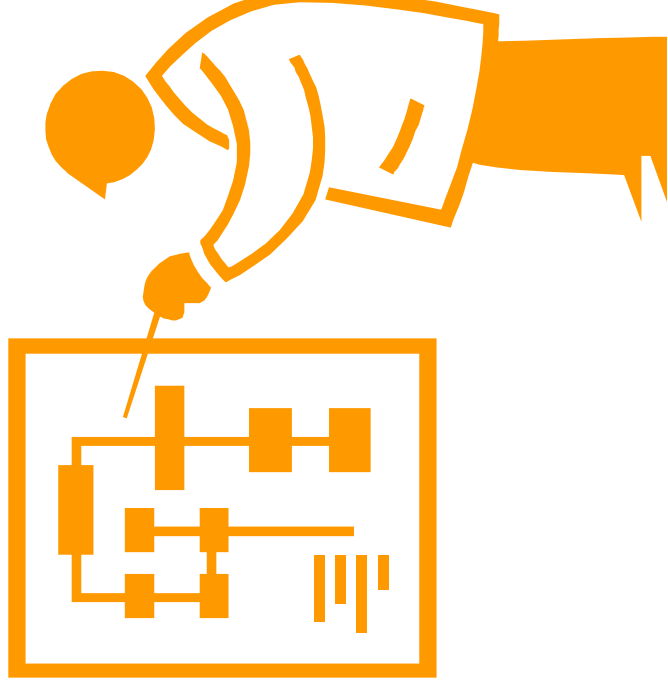
- Organising ability, practical common sense
- Self-disciplined, hard-working, trustworthy
- The process controller of the team

## **ALLOWABLE WEAKNESSES**

- Lack of flexibility, unresponsive to new or unproven ideas

## **WHAT TO WATCH OUT FOR**

- Criticising others for their lack of pragmatism
- Getting stuck in a rut



## **THE MONITOR-EVALUATOR'S CONTRIBUTION**

- Analyses problems, evaluates ideas and suggestions
- Enables the team to take balanced decisions
- Checks and balances

## **POSITIVE QUALITIES**

- Judgment, objectivity, discretion, hard-headedness
- The team's conscience

## **ALLOWABLE WEAKNESSES**

- May lack inspiration and ability to motivate others
- Can appear aloof and even negative

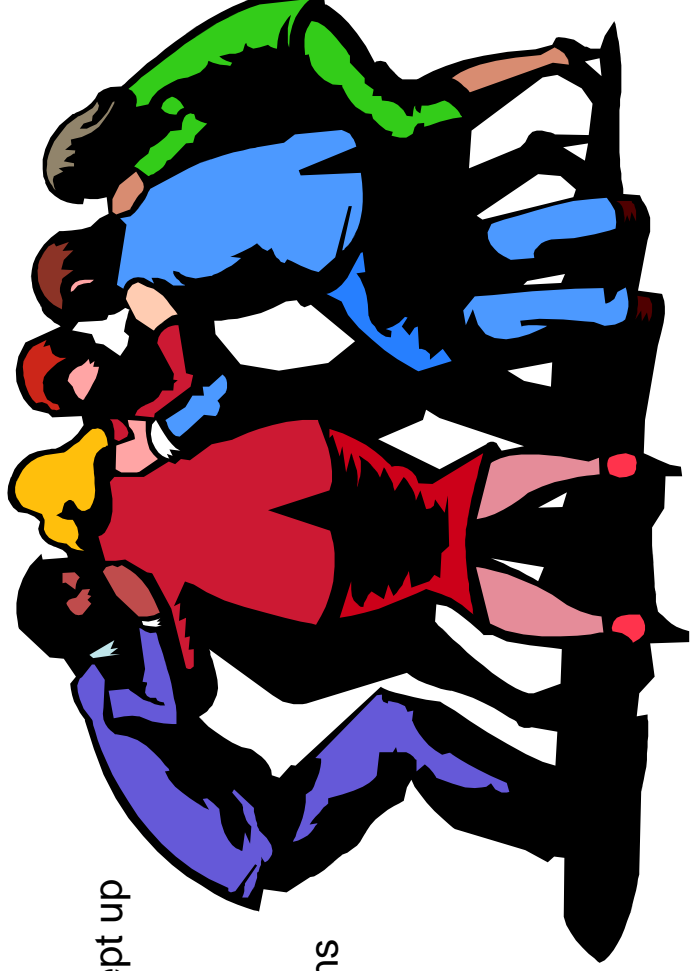
## **WHAT TO WATCH OUT FOR**

- Criticising others too frequently
- Lack of awareness of the big picture



## **THE TEAM WORKER'S CONTRIBUTION**

- Supports other team members
- Builds on suggestions
- Compensates for other team members' shortcomings
- Fosters a team spirit
- Ensures internal communications are kept up



## **POSITIVE QUALITIES**

- Ability to respond to people and situations
- Enthusiasm
- The team's 'glue'

## **ALLOWABLE WEAKNESSES**

- Indecisive, especially under pressure

## **WHAT TO WATCH OUT FOR**

- Stress, especially within internally competitive teams

## **THE *PLANT*'S CONTRIBUTION**

- New ideas and creativity
- A creative approach to problem solving
- Challenging the status quo

## **POSITIVE QUALITIES**

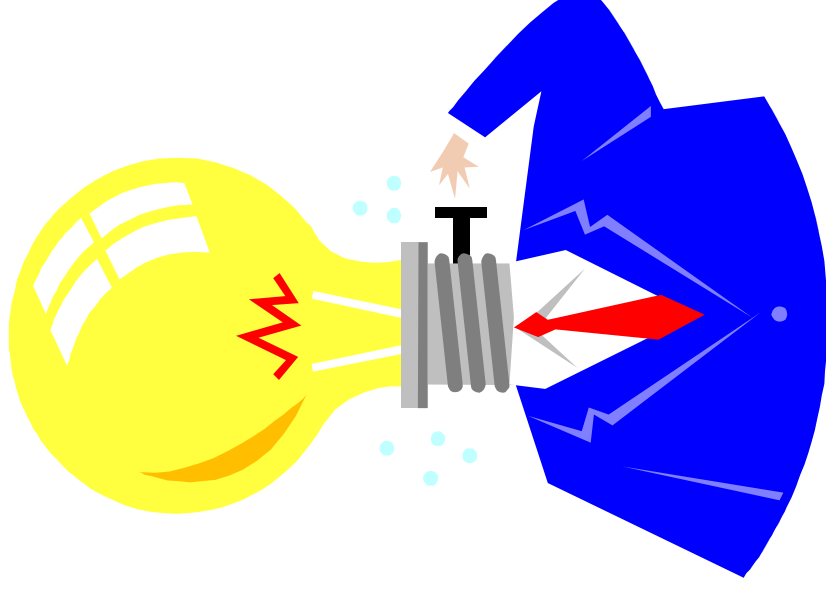
- Lateral thinking
- The 'spark' of the team

## **ALLOWABLE WEAKNESSES**

- Inclined to disregard processes and protocols

## **WHAT TO WATCH OUT FOR**

- Handling criticism badly – switching off
- Becoming an ivory tower



## **THE SPECIALIST'S CONTRIBUTION**

- Specific skills and work related capabilities

## **POSITIVE QUALITIES**

- High level of functional skill and knowledge
- Professional standards
- Commitment
- Pride in their work

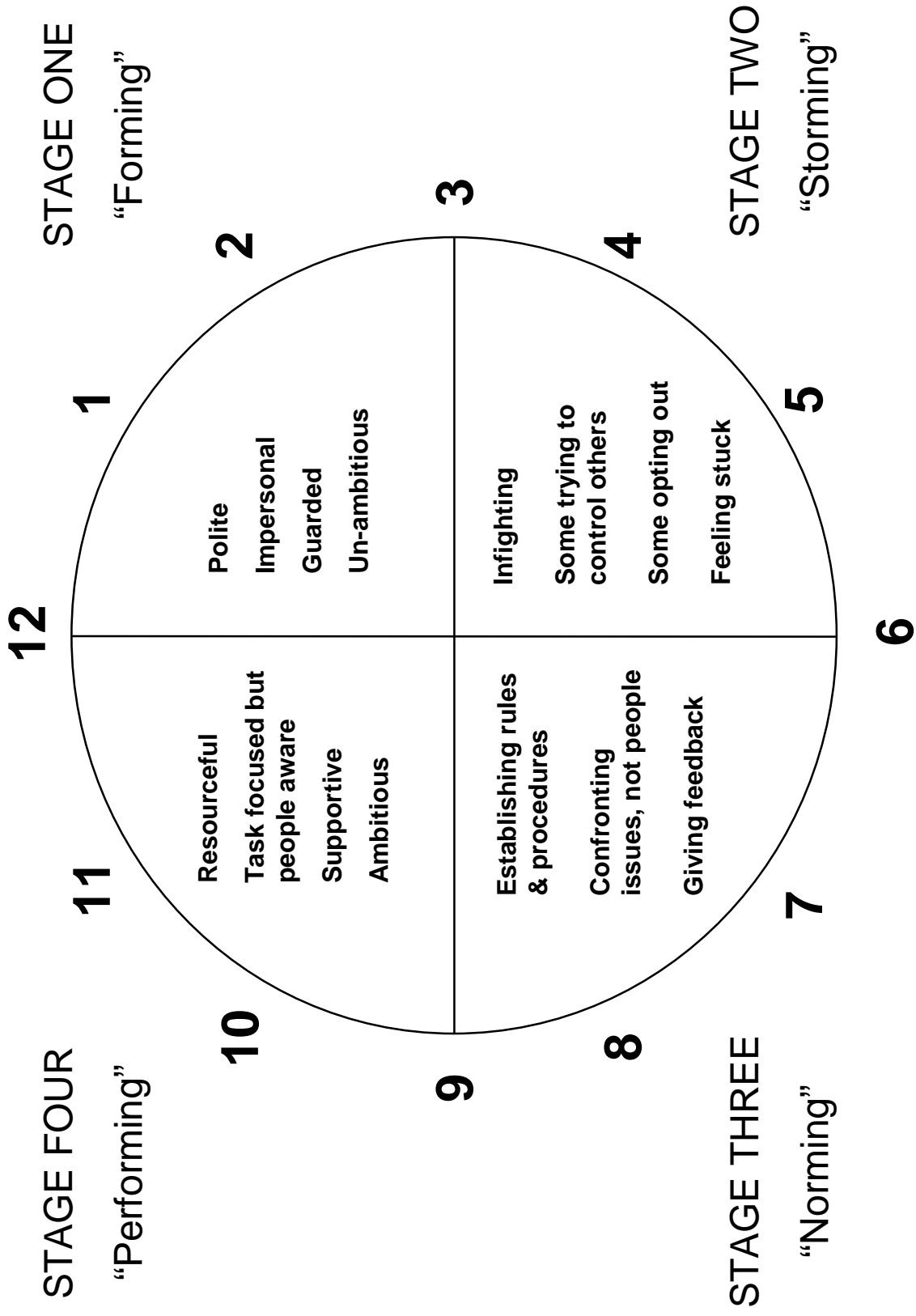
## **ALLOWABLE WEAKNESSES**

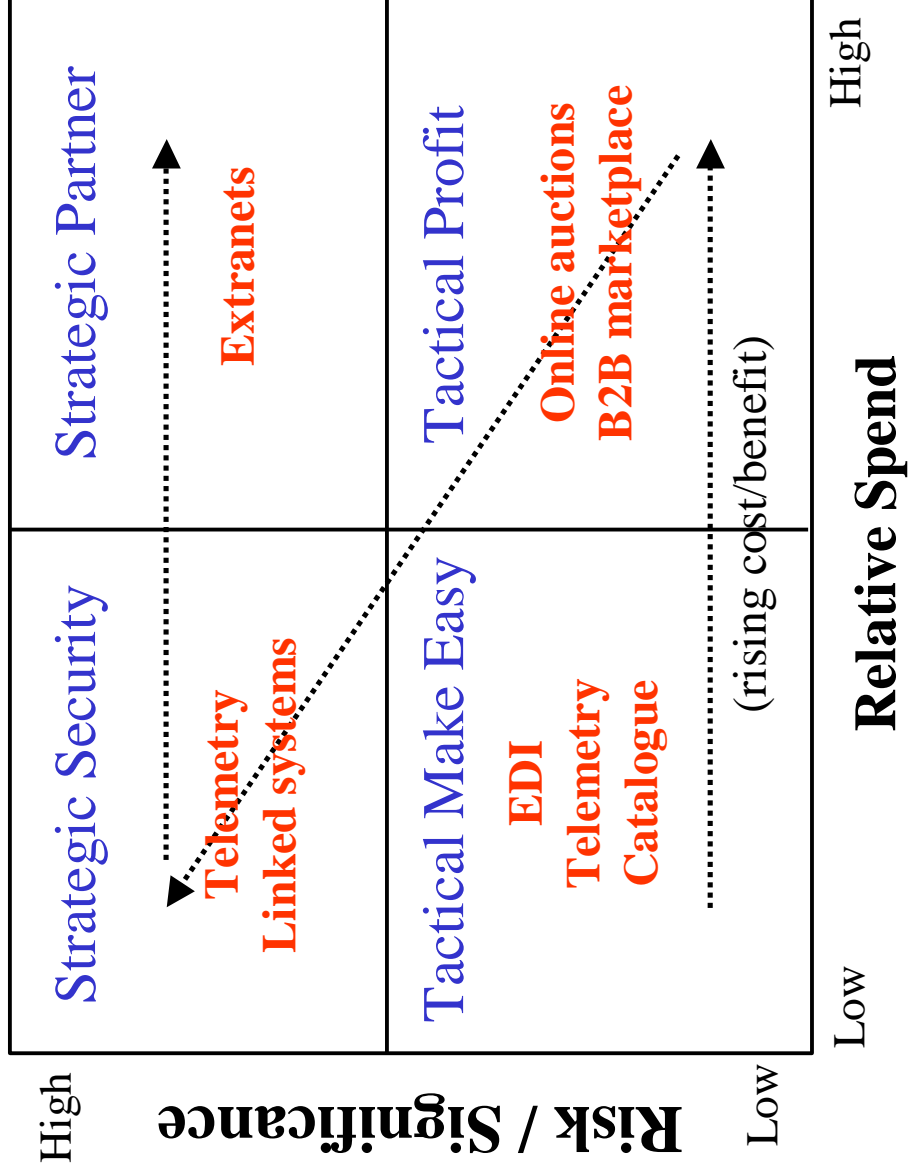
- Lack of interest in other's roles

## **WHAT TO WATCH OUT FOR**

- Can become too single minded
- Slow to change if their specialisation is threatened



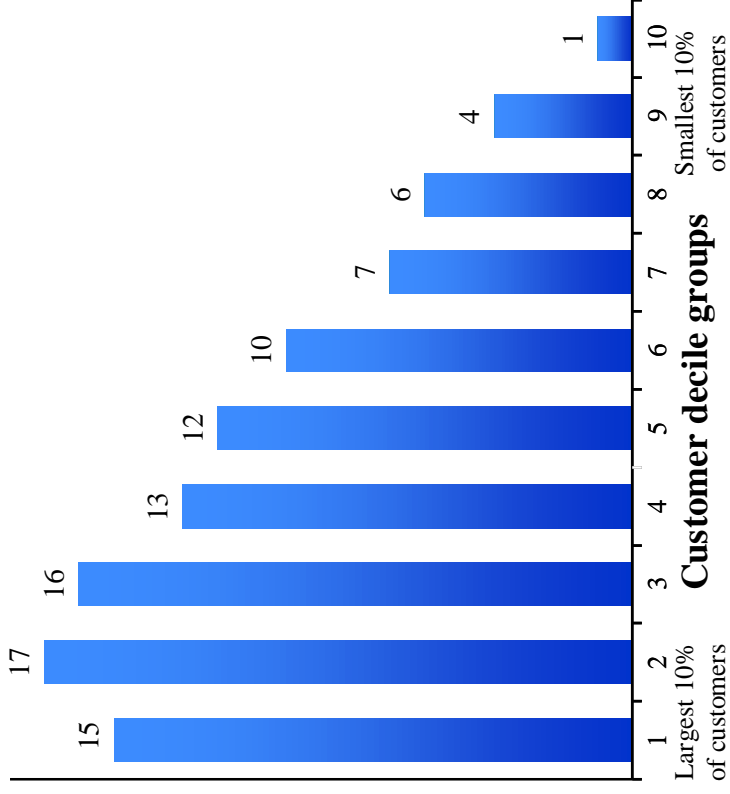




# % of company profit by customer decile (each decile = 10% of customer base)

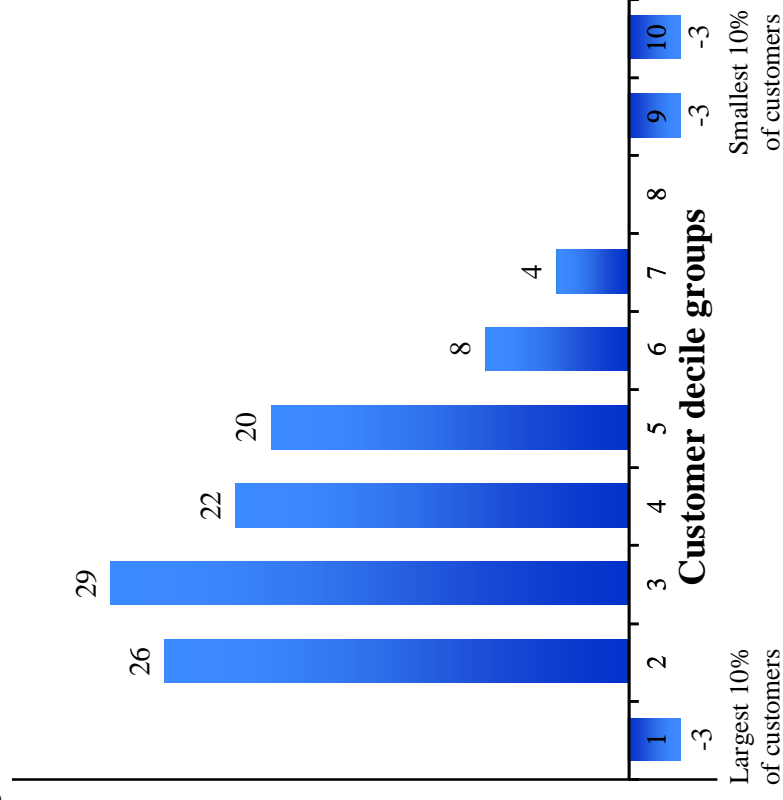
% of total company profits

**1985**



% of total company profits

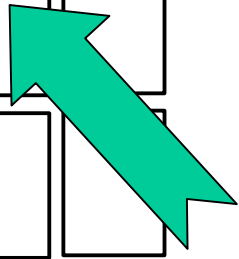
**2005**



Customer Defection Rate	Average Customer Lifetime	Annual Profit	Profit over a Customer Lifetime
40%	2.5 Years	1,000	2,500
20%	5 Years	1,000	5,000
10%	10 Years	1,000	10,000
5%	20 Years	1,000	20,000

**Present % Gross Margin**

	10	15	20	25	30	35	40	50
	10	15	20	25	30	35	40	50
2%	25	15	11	9	7	6	5	4
3%	43	25	18	14	11	9	8	6
4%	67	36	25	19	15	13	11	9
5%	100	50	33	25	20	17	14	11
7.5%	300	100	60	43	33	27	23	18
10%		200	100	67	50	40	33	25
15%			300	150	100	60	43	33
20%				400	300	133	100	66



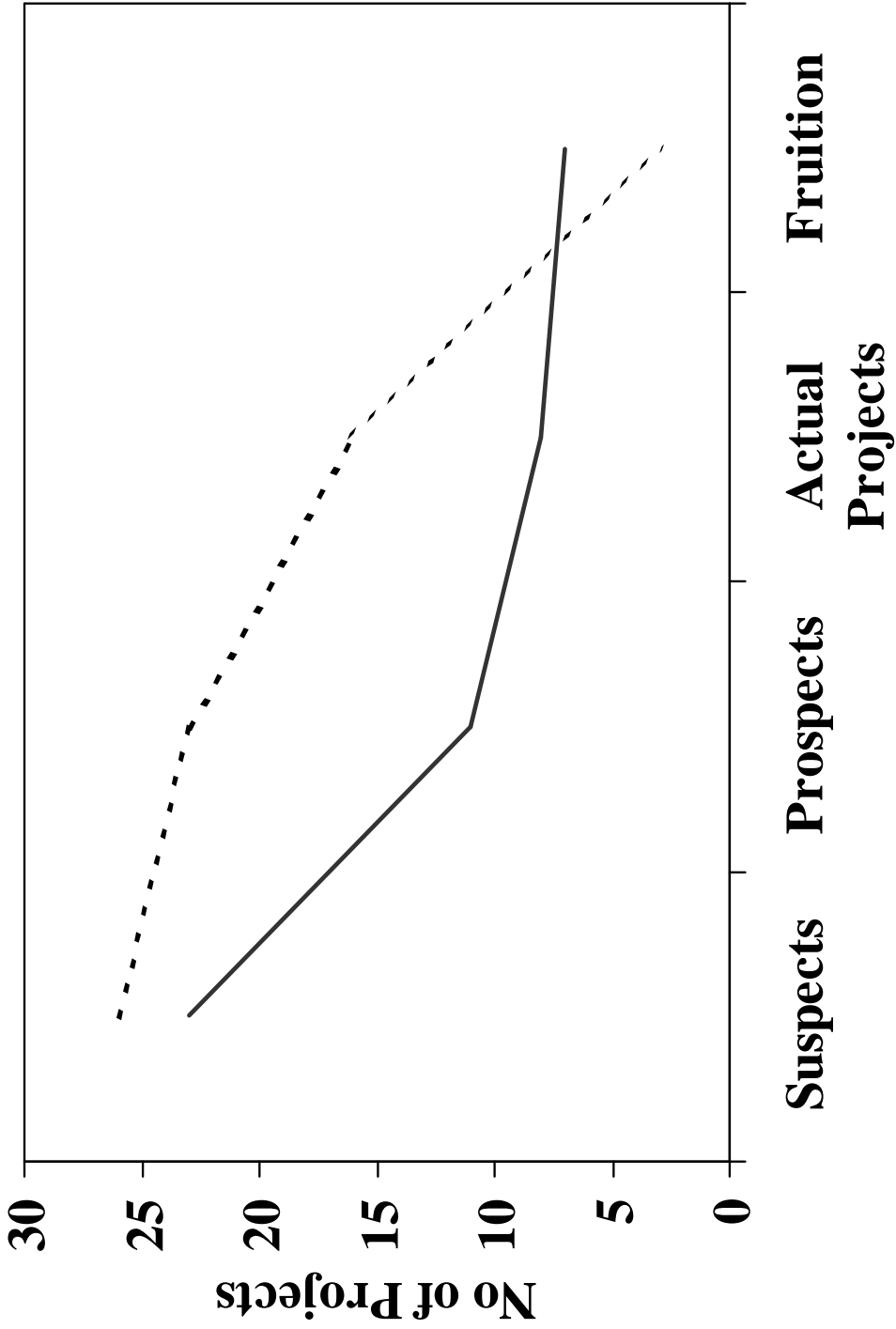
***The % Volume increase required to maintain profit after a price cut***

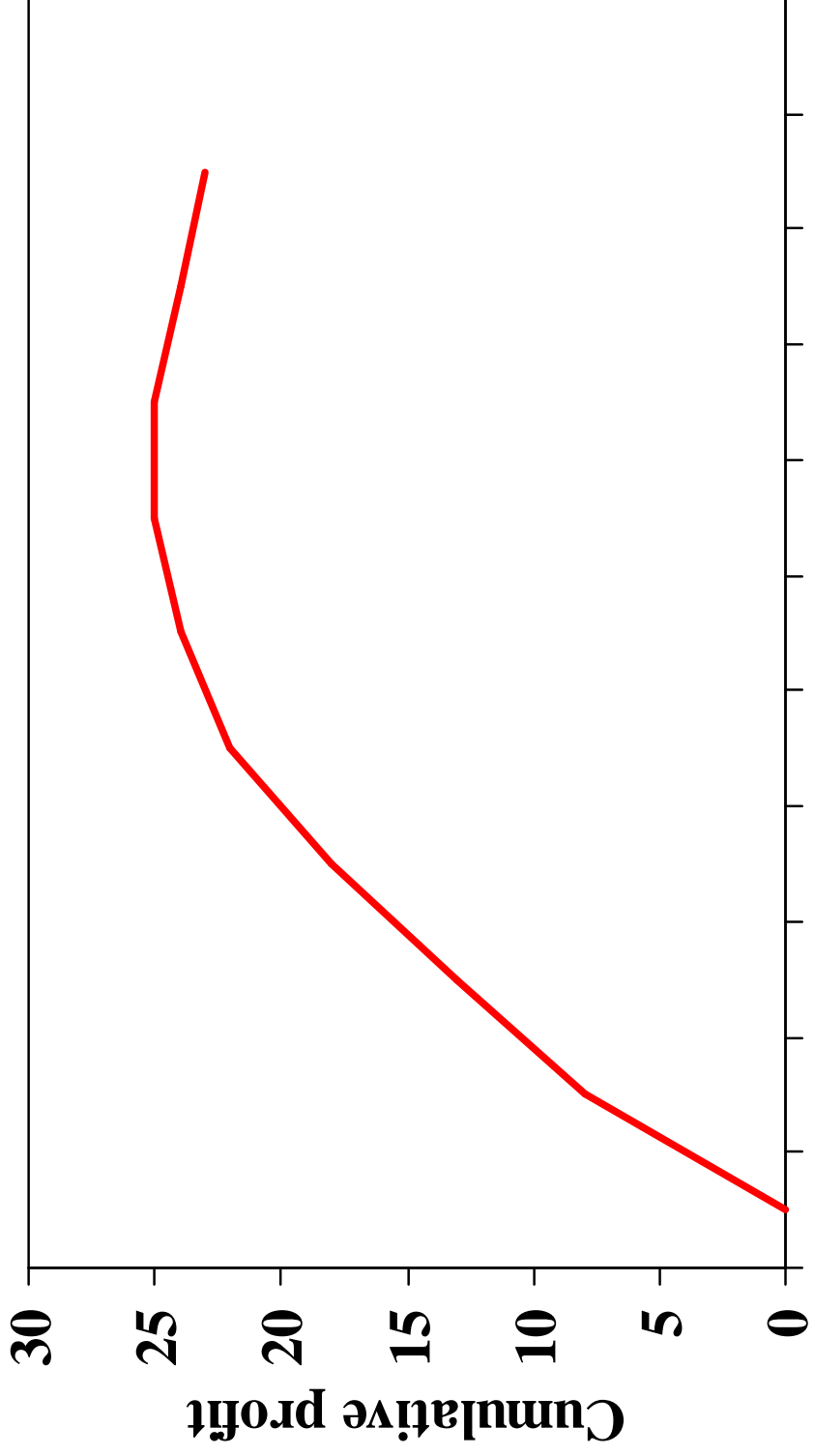
<b>Customers</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>Total</b>
Gross Profit	100	80	60	50	290
Overheads	60	60	60	60	240
<b>Net Profit</b>	<b>40</b>	<b>20</b>	<b>0</b>	<b>(10)</b>	<b><u>50</u></b>

<b>Customers</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>Total</b>
Gross Profit	100	80	60	50	290
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<b>Net Profit</b>	<b>40</b>	<b>20</b>	<b>0</b>	<b>(10)</b>	<b><u>50</u></b>
Gross Profit	100	80	60	<b>xx</b>	240
Overheads	70	70	70	<b>xx</b>	210
<b>Net Profit</b>	<b>30</b>	<b>10</b>	<b>(10)</b>	<b>xx</b>	<b><u>30</u></b>

Customers	A	B	C	D	Total
Gross Profit	100	80	60	50	290
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<b>Net Profit</b>	<b>40</b>	<b>20</b>	<b>0</b>	<b>(10)</b>	<b><u>50</u></b>
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Overheads	70	70	70	<b>xx</b>	210
<b>Net Profit</b>	<b>30</b>	<b>10</b>	<b>(10)</b>	<b>xx</b>	<b><u>30</u></b>
Gross Profit	100	80	<b>xx</b>	<b>xx</b>	180
Overheads	90	90	<b>xx</b>	<b>xx</b>	180
<b>Net Profit</b>	<b>10</b>	<b>(10)</b>	<b>xx</b>	<b>xx</b>	<b><u>0</u></b>

**--- Bow-Tie Approach — Diamond Approach**





**Customers, by profit, highest to lowest**



Time spent...

